



Ontario

Ministry of
Consumer and
Commercial
Relations

Property
Rights
Division

Legal
and
Survey
Standards
Branch

BULLETIN NO. 83022

DATE: August 23, 1983

TO:
ALL LAND REGISTRARS

LAND TRANSFER TAX AMENDMENT
ACT, 1983

CHANGES IN LAND TRANSFER TAX
LEGISLATION

The Land Transfer Tax Amendment Act, 1983 which came into force on May 26, 1983, contains a number of changes affecting collection of land transfer tax by Land Registrars.

1. In determining the value of the consideration in cases of final orders of foreclosure, the consideration paid should also be included in addition to the amounts indicated in paragraph 1 (a), (b) and (c) of Bulletin 78037.

2. Land Registrars are advised for their information that clauses 1(1)(p)(vi) and (vii) have been added to the Land Transfer Tax Act. These clauses deal with (a) conveyances of land from a trustee to another trustee where a change of ownership occurred for consideration between the beneficial owners (b) conveyances of land to a corporation in exchange for shares of the corporation and (c) conveyances of land from a corporation to its shareholders. In such cases the value of the consideration is the fair market value at the time of registration of the conveyance.

3. Land Registrars are also advised for informational purposes that payment of Land Transfer Tax under protest will no longer be permitted. Instead, a taxpayer must claim refund of tax, subject to appeal in the event of disallowance. There is no change in the procedure of an undertaking given by the taxpayer in cases where the amount of land transfer tax payable is contested or unascertainable, in which event only the ascertainable or uncontested amount will be collected.

4. A new subsection 13(1a) has been added to the Land Transfer Tax Act which enables the Minister of Revenue to register in the proper land registry office a notice claiming a first lien and charge upon property in Ontario for land transfer tax, costs and other amounts imposed by the Act. Upon registration the first lien and charge has priority over all encumbrances or claims registered or attaching to the property subsequent to registration of the notice.

5. Land Registrars should note that subsection 4(7) of the Land Transfer Tax Act has been amended to the effect that no affidavit as to consideration is required where the transferee is:

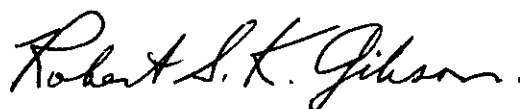
- (a) Her Majesty in right of Ontario;
- (b) Her Majesty in right of Canada; or
- (c) a Crown agency within the meaning of the Crown Agency Act.

In all other cases the affidavit will now be required, except where land transfer tax has been paid directly to the Ministry of Revenue.

Paragraph 13 of Bulletin 75080 is amended accordingly.

6. Land Registrars should note that section 16 of the Land Transfer Tax Act has been revoked and replaced by a new section 16 which provides for deferral of tax on the registration of conveyances of land to non-residents. This procedure will be handled by the Ministry of Revenue's head office prior to registration. Affidavits under subsection 16(4) may no longer be used and paragraph 14 of Bulletin 75080 is accordingly no longer applicable.

7. A series of Regulations repealing, amending and replacing the existing Regulations under the Land Transfer Tax Act will be finalized in the near future.



ROBERT S. K. GIBSON
SOLICITOR

RSKG/OAL