

BY-LAW NUMBER 2021-03 RELATING TO WELCOME TAX RATE FOR TRANSFERS WITH A TAX BASE IN EXCESS OF \$500,000 AND SUPPLEMENTARY TAX (DROIT SUPPLÉTIF)

WHEREAS under section 2 of the Law with regard to the Real Estate Welcome tax fee (QRL, v. D-15.1) (the "Act") municipalities must levy a fee on the transfer of any property located on their territory;

WHEREAS section 2 of the Law allows municipalities to set, by regulation, a rate higher than that provided in paragraph 3 of the first section of this article for any instalment of the tax base that exceeds \$500,000;

WHEREAS section 20.1 of the Law allows any local municipality to impose a supplementary tax (droit supplétif) in the event that an exemption deprives it of the Welcome tax for a transfer;

WHEREAS section 20.4 of the Law provides that the amount of the supplementary tax (droit supplétif) is \$200;

WHEREAS the Council considers it appropriate to set a higher rate on the tax base bracket in excess of \$500,000 and to impose a supplementary tax (droit supplétif) in the event of an exemption from the Welcome tax;

WHEREAS a notice of motion was duly issued by Councillor Michael Crook at the Council meeting on February 1st, 2021 and that a draft by-law was presented and tabled at that same meeting;

CONSEQUENTLY, THE COUNCIL DECREES:

1. PURPOSE OF THE REGULATION

The purpose of this By-law is to set a higher rate on the tax base bracket that exceeds \$500,000 when the Municipality collects a fee on the transfer of any property located on its territory.

It is also intended to impose a supplementary tax (droit supplétif) where a transfer is exempted under the Law.

2. SUBJECT TERRITORY

This By-law applies to the entire territory of the Municipality of Ayer's Cliff.

3. INTERPRETATION OF THE TEXT

This By-law must be interpreted in accord with the principles of the Law.

4. APPLICABLE RATE

In a transfer of a property located in its territory with a tax base of more than \$500,000, the Municipality of Ayer's Cliff collects a Welcome tax based on the applicable tax base brackets and the following rates:

on the tax base bracket that exceeds \$500,000 without exceeding \$750,000:	2%
On the tax base bracket that exceeds \$750,000 without exceeding \$1,000,000:	2,5%
On the tax base bracket that exceeds \$1,000,000:	3%

5. BUILDING PARTIALLY LOCATED ON THE TERRITORY OF ANOTHER MUNICIPALITY

Where a building is located partially on the territory of the Municipality and partly on the territory of another municipality, the fees set by this By-law apply in accordance with the rules set out in the fourth paragraph of section 2 of the Law.

6. INDEXATION

Each of the amounts used to establish the tax base brackets in this By-law is indexed in accordance with the formula provided in section 2.1 of the Law.

7. SUPPLEMENTARY TAX (DROIT SUPPLÉTIF)

An additional fee to Welcome tax is imposed and must be paid to the Municipality of Ayer's Cliff in all cases where the transfer of a property located on its territory is subject to an exemption under the Law and deprives the Municipality of the Welcome tax for that transfer.

The amount of the supplementary tax (droit supplétif) is set at \$200 when the tax base for the Welcome tax is greater than \$40,000.

In cases where the Welcome tax base is less than \$40,000, the amount of the applicable supplementary tax (droit supplétif) is equal to that of the Welcome tax that would otherwise have been payable, which represents a rate of 0.5% of the tax base.

However, no supplementary tax (droit supplétif) is payable when the tax base for the Welcome tax is less than \$5,000.

8. EXEMPTION FROM SUPPLEMENTARY TAX (DROIT SUPPLÉTIF)

The supplementary tax (droit supplétif) is not required in cases where the exemption from the Welcome tax arises from the application of paragraph d, e or e.1 of the first paragraph of section 20 of the Law.

9. ENTRY INTO FORCE

This By-law comes into force on the day it is published.

Bastien Lefebvre
General-Manager and Secretary-Treasurer

Vincent Gérin
Mayor

Notice of motion: February 1, 2021
Draft Regulations: February 1, 2021
Adoption of the regulation: March 1, 2021
Release date: March 2, 2021