

Canadian Tax Resource Group

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QUÉBEC ASSESSMENT REVIEW PROCESS

Methodology

Québec property assessments are based on a market value concept and the municipal assessment rolls themselves are returned on a triennial basis. This simply means that the assessors will return a value based on a specific valuation date and the assessed value (or some portion thereof) will be the basis of your municipal, school and other property taxes for the next three years (triennial).

For Montreal, the 2010 roll comes into force on January 1st 2010. The value of your property reflects its market value of the second fiscal year preceding the first for which it is conceived or July 1 2008. It is the basis for your 2010, 2011, and 2012 tax bills. The market value is defined as the most probable selling price in a free and open market. The appraiser can use three methods; (1) the comparison, (2) the cost, and (3) the income.

The Tax Appeal Process

For those taxpayers dissatisfied with the assessment deposited for their properties, the deadline for filing applications for review expires at midnight on April 30th, 2010.

For Montreal,

If a value has been determined for a property and no formal appeal filed by the April 30, 2010 deadline, the taxpayer will be taxed on that value for the next three years with little, or no chance of appeal. If a formal appeal has been filed, then the taxpayer's rights have been protected and the opportunity for the taxpayer and/or their representative to continue discussions with the local assessor continues.

Our Property Tax Review Process

Initial Review

W.J. Oliver's process is to commence an initial review of its clients' property assessments well in advance of the April 30th deadline. This allows us to:

- Complete our inspection of the premises;
- Gather and review all the necessary information from the assessor;
- Compile and review the market data and conclude on our opinion of value before any critical decisions need to be made.

Opinion: Fairly Assessed

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If the value returned by the assessor appears fair, then W.J. Oliver's would contact you by way of report to outline our findings and recommendations. We would at that point seek your instructions not to proceed and to close the file.

Opinion: Over-Stated Property Value

If our value opinion concludes that the assessor has over-stated the property value, then we would commence discussions and negotiations with the assessor in order to have the value reduced to acceptable levels. During this process, should a formal appeal need be filed due to time constraints or the unwillingness of the assessor to properly consider our arguments, then W.J. Oliver's, upon instruction from the client, would see that all the necessary documentation is filed in a timely fashion. If settlement discussions due ensue, we keep the client advised accordingly and seek instructions as and when need be. If the assessed value is reduced, then the client benefits over the next three years due to the resulting lower municipal taxes that are the result of the reduced assessment. This is why it is essential to have your property values reviewed regularly, as there exists a direct three year tax liability that requires management.

Other Benefits of Having Your Property Reviewed

- Our process is also effective when a client has made improvements to a property, as we can review the value of the improvements with the assessor and when they are targeted for assessment and taxed by municipal authorities.
- The preliminary review process above not only shows if a property is over-valued but it also indicates if a property is under-valued. If under-valuation is the case, then we can advise the client as to what future tax exposure it may want to be accruing for should the assessor eventually assess any improvements that otherwise had gone undetected and not assessed. This kind of exposure is often realized when a municipal assessor inspects a property for any number of reasons. W.J. Oliver's believes that participating directly in the inspection process with the assessor is a means of managing that exposure.
- We have also been successful in working with assessors regarding the phasing in of supplementary assessments often times related to significant additions to properties. This approach can afford some tax relief as it provides for gradual value adjustments that can reduce property taxes as opposed to simply placing the full value of the improvements on the assessment roll as at one specific time. As well, properly managing the effective dates of supplementary assessments arising from site improvements is a concern for taxpayers that we actively get involved with.