

LAND TRANSFER TAX EXEMPTION FOR CERTAIN TRANSFERS OF LAND BETWEEN REGISTERED CHARITIES

The information in this newsletter has been prepared and supplied by the
Ministry of Revenue

Pursuant to Ontario Regulation 386/10, filed October 1, 2010, certain transfers of land between registered charities are exempt from land transfer tax. This regulation applies to transfers that take place on or after March 26, 2010.

New land transfer tax statements have been created which allow eligible taxpayers to claim the exemption upon electronic registration. Taxpayers who select these statements are confirming to the Ministry that the conveyance meets the requirements of the regulation. **All** of the statements must be selected:

- 9159** This conveyance qualifies for an exemption from tax under Ontario Regulation 386/10 (Exemption – Charity Reorganization) in that:
- 9160** a) The transferor is either a qualifying corporation or a qualifying trust as defined by the Regulation, and was issued registered charity number NUMBER by the Minister of National Revenue, and held the land for the charitable purpose of DESCRIBE PURPOSE .
- 9161** b) Land transfer tax was paid under the Act upon the prior transfer of the land to the transferor.
- 9162** c) The transferee is a qualifying corporation as defined by the Regulation, and was issued registered charity number NUMBER by the Minister of National Revenue, and will hold the land for the same charitable purpose for which it was held by the transferor, for at least one year after the date of the transfer.
- 9163** d) The value of the consideration for the conveyance is nil, other than the assumption or undertaking by the transferee of any encumbrance registered against the land at the time of the conveyance.

In regions where paper registration is available, taxpayers who qualify for the exemption can register a transfer without paying land transfer tax by attaching to the transfer both the *Land Transfer Tax Affidavit* and a properly completed *Affidavit re transfer between registered charities*. The taxpayer is also required to state in paragraph 5 of the *Land Transfer Tax Affidavit* that the transfer is exempt from land transfer tax pursuant to O.Reg. 386/10.

Taxpayers who qualify for the exemption may also continue to pay land transfer tax upon registration and apply to the Ministry for a refund.

For further information, please see Tax Bulletin LTT 2-2010 *Exemption for Certain Transfers of Land Between Registered Charities* and or contact the Ministry of Revenue:

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