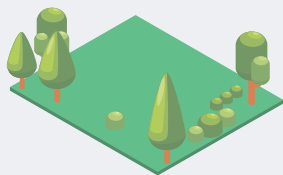


MUNICIPALES TAXES

How do municipal taxes work when buying a home in a new development

Scenario with fictitious dates
to help you visualize the sequence of events

Sale of the land from the developer to the builder.



OCT 2020

A few days later...

The builder sells the land and the building to the buyer.

Due to the short delay, the builder has not yet received a statement of account for his transfer duties following the purchase of the land.



The Municipality receives an update from the MRC indicating that there have been two sales on the same property:

- Sale of land between the developer and builder
- Sale of either a land, or a land and a building between builder and buyer.

DEC 2020

The Municipality sends the transfer duty invoice to the builder.

The Municipality also sends the transfer duty invoice to the buyer and the portion of the municipal taxes for the current year (October to December 2020).

Since the statement belongs to the property and not to the owner, everything appears on the same statement.



The Municipality sends the annual tax bill for the year 2021 to all residents.

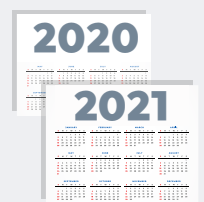


JAN 2021

On that date, the tax bill shows the charges for the year 2021, but also the unpaid charges for the year 2020 by the builder and the buyer.

In the system, there is either :

- only the registered land
- or the land + the building



When in January 2021, the system indicated only a lot, the Municipality receives an update from the MRC to add the building.

The Municipality must therefore send a supplementary invoice to tax the building between October and December 2020 and the year 2021.

FEB 2021

Because of all these changes in a short period of time, it is possible that the resident and the builder have not yet paid their bill.

The statement will therefore include all amounts due since October, as well as accumulated interest, if any.

The Municipality receives payment from the builder and the buyer.

MARCH 2021

Important to know

It is the buyer's responsibility to ensure with his notary that the transfer fees due by the builder are recovered at the time of the statement of disbursements.

