

## Capped Assessment Program (CAP)

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### What is the Capped Assessment Program (CAP)?

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The Capped Assessment Program (CAP) has been in place since 2005. Under the [Assessment Act](#) (s. 45A), the CAP limits the increase in taxable assessments on eligible properties. Since 2008-2009, the CAP limits the increase in assessment to the annual increase in the [Nova Scotia Consumer Price Index \(CPI\)](#). Prior to that, the prescribed rate of the CAP was set by regulation and was at 10% in 2007 - 2008, 10% in 2006 - 2007.

Properties that are eligible for the CAP receive both a market value and a capped value on their assessment notice statements.

### What properties are eligible for the CAP?

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Eligible properties include:

- properties owned, at least 50 per cent, by a Nova Scotia resident who lives in the province at least 183 days per year;
- taxable residential and vacant resource properties;
- properties with assessment increases of more than the CAP prescribed rate;
- properties that have not transferred ownership, unless to certain close relatives, such as a spouse, child, grandchild, great grandchild, parent, grandparent, brother or sister, or to a family trust or farm cooperatives; and
- A condo the owner lives in, mobile home, mobile home park, housing cooperative or the residential portion of an incorporated farm

## What properties are not eligible for the CAP?

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- commercial properties;
- apartments with more than three units;
- condos that are rented out;
- properties owned by non-residents of Nova Scotia;
- properties in the year of sale (unless the sale was to a close family member, family trust or farm co-operative); and
- additions/renovations to property that were not assessed in the previous year
- new construction

The CAP has been in place for eligible Nova Scotia residential and resource properties since 2005. The following table displays the years in which specific properties became eligible for the CAP:

Type of Property	First Tax Year Eligible
eligible residential and resource property	2005
condominium (owner occupied)	2006
mobile home in a mobile home park	2008
mobile home park	2009
cooperative housing	2009
residences of incorporated farms	2009

## How are property taxes calculated?

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In Nova Scotia, property taxes are calculated by multiplying your property assessment (taxable property value) by the municipal tax rate.

Since April 1, 2008, the Property Valuation Services Corporation (PVSC), a municipally-controlled non-profit corporation, calculates assessment values and provides them to municipalities which municipalities use to set their tax rates. The PVSC delivers assessment information (called the 'assessment roll') to municipalities each year in January.

If you are eligible for the CAP, you will receive a capped assessment value in addition to your market value assessment. Municipalities will use your capped assessment value when calculating your property taxes.

Municipalities use the assessment roll to determine the rates they will need in order to collect enough revenue in order to provide programs and services. The rates are determined each budget year.

To view the most recent municipal property tax rates throughout the province, please visit the following page: [Historical Municipal Property Tax Rates](#)

For more information on property assessments, please visit the [PVSC](#) website.

## What is the CAP prescribed rate?

For properties that are eligible for the CAP, the prescribed rate is the maximum amount your assessment can increase each year for tax purposes.

As of 2008-2009, the prescribed rate for the CAP is set to the annual increase in the [Nova Scotia Consumer Price Index \(CPI\)](#). Prior to that, the CAP prescribed rate was set by government regulation. CPI measures the prices of consumer goods and services. When CPI rises quickly, it is often a sign of inflation. For the 2011-2012 municipal taxation year the CAP prescribed rate is set at 2.9%.

CAP Prescribed Rates		
Rates Determined	Year of Program	CAP Prescribed Rate
Set by Regulation	2005*	10%
	2006	10%
	2007	10%
Nova Scotia Consumer Price Index (CPI)	2008	2.3%
	2009	3.4%
	2010	0%
	2011	2.9%

\* indicates first year Legislation came into effect and program was administered

## Definitions

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**Commercial:** all property or part thereof except residential property and resource property, and includes the forest property owned by a person who owns fifty thousand acres or more of forest property in the Province;

**Residential:** property or part thereof used or intended to be used for residential purposes, but does not include the portion of a hotel or motel used for the purpose of lodging for the public or an apartment hotel

**Resource:** farm property, aquaculture property, conservation property, forest property owned by a person who owns less than fifty thousand acres of forest property in the Province, land of a municipal water utility, excluding any building or structure thereon, and community fishermen's service buildings, occupied and used by boat owners who are licensed commercial fishermen, and the land used in connection therewith.