

Low Income Municipal Tax Assistance Program Policy



Introduction

Section 69 of the Municipal Government Act allows Council to establish a Policy for granting an exemption from tax for a person whose income is below a specified amount. This policy will establish the amount of the tax exemption, who is eligible and the process for the exemption.

Terms of the Policy

1. This Policy is entitled the “**Low Income Municipal Tax Assistance Program Policy**”.

Definitions

2. In this Policy:
 - a. “Family” includes persons related by blood or marriage, common law spouses, and persons related through adoption;
 - b. “Income” means a person's total income from all sources for the calendar year preceding the fiscal year of the Municipality excluding any allowances paid pursuant to the *War Veterans Allowance Act (Canada)* or pension paid pursuant to the *Pension Act (Canada)* or the Child Tax Benefit or the GST rebate, and includes the income of all other members of the same family, except those attending school on a full-time basis, residing in the same household.
 - c. For the purposes of assessing the income of any individual who operates as a sole proprietorship, a partnership or who has effective ownership or control of a corporation, the Municipality will include as income:
 - i. Payments for renovations, enhancements or purchase of buildings, land or other fixed assets;
 - ii. Payments or benefits to or on behalf of a person dealing not-at-arms length; and,
 - iii. an amount of salary commensurate with the services provided by the individual to the business.

The Municipality will also take into account any equity in the business or in the assets of the business.

3. “Owner” includes:
 - a. the person assessed for the property;
 - b. a person who holds title including a part owner, joint owner, tenant in common, or joint tenant of the property;
 - c. a person having the care or control of the property through adverse possession; and
 - d. a person with a life interest in the property.

4. "Taxes" has the same meaning as in the *Municipal Government Act* and, to the extent permitted by law, includes all rates, charges or taxes of the Municipality prescribed by Statute as a lien on real property.

Exemption

5. Subject to the other provisions of this Policy, the Municipality hereby grants, *on a yearly basis*, an exemption from taxation, operating as a reduction in the taxes otherwise payable to the Municipality in respect of a property in the following amounts for owners of property whose income is less than the prescribed amount:

Qualifying Income Levels

The Council wishes to assist people whose income falls below the annual income thresholds as determined by this Policy. The annual income thresholds will be set based on the following amounts approved by Council for the period of January 1, 2020:

- i. For households of one person, an income level of \$26,406 or less;
- ii. For households of two person, in income level of \$34,877 or less; or,
- iii. For households of three persons or more, an income level of \$41,852 or less.

On January 1, 2021, and every year following, the annual income thresholds will be adjusted by the CPI rate as used by the Property Valuation Services Corporation or any of its successors, unless otherwise approved by Council and will be updated annually on the attached schedule.

Tax Exemption Amounts

Any person whose annual income meets the annual income thresholds is entitled to an exemption from property tax. Effective January 1, 2020, the following base exemption amounts were approved by Council:

- i. For households of one person, a tax exemption in the amount of \$321.00;
- ii. For households of two persons, a tax exemption in the amount of \$427.00; or,
- iii. For households of three persons or more, a tax exemption in the amount of \$533.00.

On January 1, 2021, and every year following, the annual tax exemption amounts will be adjusted by the CPI rate as used by the Property Valuation Services Corporation or any of its successors, unless otherwise approved by Council and will be updated annually on the attached schedule.

6. The exemption shall only apply to owners who occupy the property as that owner's principal residence.
7. Where a property is assessed to more than one owner, other than persons whose income is included in the calculation of income pursuant to this Policy, any of them who is entitled to an exemption may receive only the portion of the exemption equal to that person's share of the assessment for the property, but where the different interests are not separate, then to that portion determined by the Treasurer, whose determination is final.
8. In order to be eligible for an exemption the applicant property owner shall:
 - a. submit other such information as may be specified by the Treasurer, by the second Friday in May or such other date of the fiscal year for which the exemption is sought.

9. The Treasurer may ask for documentary verification of income from any source or confirmation of income from third parties and may reject an application which, in the Treasurer's opinion, is not adequately verified or substantiated. As an example the Treasurer may request the applicants most current Notice of Assessment from Revenue Canada.

Enforcement Charges Not Exempted

10. Notwithstanding any other provision of this Policy, no exemption is conferred from obligations to remedy unsightly or dangerous premises or any other infractions against a statute, regulation or by-law, and any charges imposed upon a property arising from enforcement of such provisions shall not be subject to a tax exemption pursuant to this Policy.

General Information

11. County Staff shall annually send out a reminder letter and an affidavit form to all persons who received the exemption the previous year.
12. The maintenance budget shall make allowance for this exemption on a yearly basis.
13. Should a person's total tax bill for that year be less than the exemption for that year, then the exemption will be equal to the full amount of the tax bill for that year.
14. The deadline for applications and any other pertinent information shall be advertised, at least once, in the local paper.

Low Income Municipal Tax Assistance Program

2024 Schedule

Approved household income levels and exemption amounts are:

<u>Family Size</u>	<u>Household Income</u>	<u>Exemption Amount</u>
Single	less than \$31,026	\$626.28
Family of 2	less than \$40,980	\$626.28
Family of 3 or more	less than \$49,177	\$626.28

Clerk's Annotation For Official Policy Book

Date of Notice to Council Members of Intent to Consider (7 days minimum): February 9, 2024

Date of Passage of Current Policy: February 29, 2024

I certify that this Policy was adopted by Council as indicated above.

Dan Troke

March 1, 2024

Municipal Clerk

Dated

*amended February 29, 2024
amended February 23, 2023
amended February 24, 2022
amended February 25, 2021
amended May 28, 2020
amended February 25, 2016
amended February 27, 2014
amended February 25, 2010
amended June 29, 2006
amended February 25, 2005
amended January 29, 2004
amended February 27, 2003
amended March 28, 2002
originally approved January 27, 2000*