

Policy: **Low Income Tax Exemption**

Date Approved: November 24, 2005

Motion: *That Council approve Policy # 2005 – 22 ‘Low Income Tax Exemption’ as presented; and*

Further that this policy become effective immediately

Date Amended: November 24, 2011

Motion: *That Council approve Policy # 2005 – 22 ‘Low Income Tax Exemption’ as amended and presented; and*

Further that this policy become effective immediately

Proposed Amendments Presented: April 12, 2018

Date Amended: April 26, 2018

This Policy is current as of: April 26, 2018

Proposed Amendments Presented: December 22, 2022

Date Amended: December 22, 2022

This Policy is current as of: December 22, 2022

Policy Number: 2005 – 22

Policy Subject: Low Income Tax Exemption

Policy Objective

The objective of this policy is to establish guidelines for granting an exemption from tax for a person whose income is below a specified amount.

Policy

Definitions

1. 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 Town 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 members of the same family, except those attending school on a full-time basis, residing in the same household.
2. “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.
3. “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 Town prescribed by Statute as a lien on real property.

Exemption

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

	Income	Exemption
Family	Less than the income threshold will be indexed with the maximum income provided a retired couple by OAS and GIS provided by the federal government. (This provides an objective, third party reference to help ensure the income threshold does not become outdated.)	\$250.00

5. The exemption shall only apply to owners who occupy the property as that owner's principal residents.
6. 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.
7. In order to be eligible for an exemption the applicant property owner shall submit to the Treasurer an affidavit in the form of the draft affidavit attached hereto or such other form as may be specified by the Treasurer, by the second Friday in May, of the fiscal year for which the exemption is sought.
8. 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 Exempt

9. Notwithstanding any other provisions 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 exception pursuant to this Policy.

General Information

10. Town staff shall annually send out a reminder letter and an affidavit form to all persons who receive the exemption the previous year.
11. The operational budget shall make allowance for this exemption on a yearly basis.

12. 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.
13. The deadline for applications and any other pertinent information shall be advertised, at least once, in the local paper.

Clerk's Annotation for Official Policy Book

Date of Notice to Council Members of
Intent to consider: December 22, 2022

Date of Passage of Current Policy: December 22, 2022

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



Clerk

2023-01-26
Date