

## COUNCIL POLICIES AND PROCEDURES

### SECTION - F

#### TAX EXEMPTION AND RELIEF POLICY

**SUBJECT:** Tax Exemption and Relief Procedures

**POLICY NUMBER:** F - 6

**APPROVAL DATE:** September 22, 2021

**AMENDMENT DATE:** January 18, 2023

**PREAMBLE:** The Municipality of the District of Guysborough strives to ensure a fair and equitable process, with regards to taxation and appropriate exemption and relief policies. This policy allows MODG to have avenues for our tax payers to follow in this regard.

The Tax Exemption and Relief Policy will cover the following tax related topics;

Section 1: Low Income Tax Exemption

Section 2: Tax Reduction for Property Damage

Section 3: Wastewater Capital Charge Low Income Exemption

Section 4: Land Titles Clarification Tax Relief

#### **TERMS:**

#### **SECTION 1: LOW INCOME TAX EXEMPTION (Section 69 of the MGA)**

A low-income tax exemption applies to those persons:

1. Whose total income from all sources for the calendar year preceding the fiscal year of the Municipality exemption is requested, is below such amount determined by an annual resolution of Council;
2. Who is a resident of the Municipality;
3. Who is the assessed owner and occupies the property for which the exemption is requested as their home; or
  - a. Is a spouse or partner of a deceased assessed owner and occupies the property as their principal residence for which the exemption is requested;  
or

- b. The applicant is a person who had a breakdown in their relationship and are separated from their partner and solely occupies the property assessed to their former partner, as their principal residence, for which the exemption is requested.
4. Who applies by a date to be determined by Council annually;
5. Who files an application containing the following information:
  - a. Total income from all sources of all persons residing within the property;
  - b. A statement that they are a resident of MODG;
  - c. A statement that they occupy the property as their principal residence;
  - d. A statement listing the names of other person who occupy the home and also their gross income;
  - e. A statement setting out their interest in the property, i.e. whether they are a full or partial owner of the property and if a part owner, who else has a share in the property;
  - f. A copy of their previous years Income Tax Assessment as verification of Income. (Notice of Assessment – CRA).
6. Income does not include any allowances paid pursuant to the War Veterans Allowance Act (Canada) or Pension paid pursuant to the Pension Act (Canada).
7. In order to qualify for this exemption, previous year taxes must be paid in full or if there is an outstanding tax balance, a repayment schedule must be setup and followed with the Municipal Office.
8. It shall be the sole responsibility of the applicant to apply for the tax exemption and such application shall be completed as per the attached form.

## **SECTION 2: TAX REDUCTION FOR PROPERTY DAMAGE (Section 69A of the MGA)**

In accordance with Section 69(A) of the Municipal Government Act, that where a building(s) situated on a property has become permanently unlivable or unusable due to fire, storm damage, or otherwise and the current assessment of the property does not reflect that the building(s) has been destroyed or damaged extensively, it shall be the policy of the Municipality of the District of Guysborough to permit the reduction or rebate of property taxes on the building(s) alone for the balance of the taxation year.

Any damage to building(s) on property occurring after December 1 in any year (the assessment “state date”), is not reflected in the assessment of a property until the following year. A property owner would be deprived of a substantial part of the value of the property for the better part of a year, but would be assessed and billed for taxes on the whole property.

A taxpayer with property that has been substantially damaged after December 1 in any year can request that the Council provide for the reimbursement of any overpayment that results from the reduction. This could either be because taxes are paid before the damage occurs, or are paid before the reduction is authorized, or because Council agrees to make the policy retroactive.

This policy does not provide reduction in taxes in any year during which there was intentional destruction, such as demolition.

In order to receive the tax reduction or rebate of property taxes, the following will apply:

1. The taxpayer shall apply in writing to the CAO asking for a reduction or rebate of property taxes;
2. The CAO shall confirm the facts with both the Municipal Building/Fire Inspector and the local volunteer fire department and then;
3. The CAO shall ask the Director of Assessment – Regional Assessment Office – to value the property before any subsequent rebuilding or construction for the purpose of this policy, to assist in the calculation of any reduction or overpayment;
4. The CAO, under the direction of Municipal Council, shall authorize the Director of Finance to reduce the taxes on the building(s) by prorating the same over the balance of the taxation year from the date of destruction;
5. This policy shall be made retroactive to January 1, 2010; provided that if, as a result of this policy being made retroactive, it results in property taxes being rebated, such sums shall be paid without interest.
6. If the owner of the property in question is found of arson, either civilly or criminally, the CAO shall not rebate any taxes. In the event that taxes have already been rebated, then that rebate shall be void ab initio, and the taxes with interest accrued thereon will become immediately due and payable.
7. The Policy shall apply to residential, resource and commercial assessments.
8. Reductions do not cover tax arrears, interest arrears, fire area rates, street light rates, sewer operating charges, sewer capital charges, water operating charges, and water capital charges.

9. The maximum amount of rebate, write-off or adjustment shall be limited to a maximum of \$2,000.

### **SECTION 3: WASTEWATER CAPITAL CHARGES LOW INCOME TAX EXEMPTION (Section 69 of the MGA)**

A low-income tax exemption for wastewater capital charges relates to the following details

1. The exemption is equal to \$100 if the total income from all sources is equal to the income level approved by resolution of Council annually per Section 1, Part 1 of this policy.
2. The exemption applies only to the principal portion of wastewater capital charges. Any interest accrued on outstanding principal pursuant to the applicable wastewater district by-law is payable in full.
3. The exemption is an annual exemption only. It is intended to apply only to those choosing to pay capital charges on an annual installment plan. It may be applied to a lump sum payment, but will not exceed the exemption amount permitted in any one fiscal year.
4. The tax exemption applies to those persons:
  - a. Whose total income from all sources for the calendar year preceding the fiscal year of the Municipality exemption is requested, as determined in Section 3, Part 1;
  - b. Who is a resident of the Municipality;
  - c. Who is the assessed owner and occupies the property for which the exemption is requested as their home; or is a partner of a deceased assessed owner and occupies the property as their principal residence for which the exemption is requested.
  - d. Who applies by a date to be determined by Council;
  - e. Who files an application containing the following information:
    - i. A total income from all sources of all persons residing within the property;
    - ii. A statement that they are a resident of the Municipality of the District of Guysborough;

- iii. A statement that they occupy the property as their principal residence;
  - iv. A statement listing the names of other persons who occupy the home and also their gross income;
  - v. A statement setting out their interest in the property; i.e.: whether they are a full or partial owner of the property and is a part owner, who else has a share in the property;
  - vi. A copy of the previous years Income Tax Assessment as verification of Income. (Notice of Assessment – CRA).
5. Income does not include any allowances paid pursuant to the War Veterans Allowance Act (Canada) or Pension paid pursuant to the Pension Act (Canada).
  6. In order to qualify for this exemption, previous year general property taxes, as well as wastewater capital and operating charges, must be paid in full or if there is an outstanding tax balance, a repayment schedule must be set up and followed with the Municipal Office.
  7. It shall be the sole responsibility of the applicant to apply for the tax exemption.

#### **SECTION 4: LAND TITLES CLARIFICATION TAX RELIEF (Land Titles Clarification Act, subsection 5(8))**

Successful determination of Tax Relief for lands under the Land Titles Clarification Program will be as follows:

1. This section shall apply to all properties within designated land titles clarification areas pursuant to the Land Titles Clarification Act.
2. Where a Certificate of Claim has been issued and filed in the Registry of Deeds pursuant to the Land Titles Clarification Act and there are area rates and taxes owing to the Municipality in respect of the lot of land described in such Certificate, the owner may apply to the Municipality for relief from taxes and interest owed.
3. To be eligible for tax relief,
  - a. A Certificate of Claim pursuant to the Land Titles Clarification Act must have been issued by the Minister responsible for the Office of Equity and Anti-Racism or current Department Responsible in accordance with the act; and
  - b. A Certificate of Claim must be on file at the Registry of Deeds.

4. If Section 4, Part 3 is in compliance, tax relief shall be provided by the Municipality in the form a write-off of one hundred percent (100%) of any tax, area rates, and interest arrears, as well as, any tax sale fees incurred on the tax account, excluding current fiscal year taxes.
5. For further clarification, tax relief is only eligible for the property to which the Certificate of Claim applies.
6. Nothing in this section prevents an owner from applying for tax relief under any and all previous sections of this policy.