



CITY OF CORNER BROOK

Policy Statement

Index	Finance and Administration	Section	Budget		
Title	Property Tax Deferrals	Policy Number: 11-01-05	Authority	Council	
Approval Date	Feb-27-2002	Effective Date	Feb-27-2002	Revision Date	June 22, 2009

Purpose

- (1) To ensure that eligibility requirements for deferrals are clearly defined so that all citizens are treated equally.
- (2) To establish the criteria for evaluating requests based on hardship.
- (3) To establish guidelines by which the Director of Corporate Services may take action on requests based on hardship.

Policy Statement

The City of Corner Brook offers deferrals to senior citizens, widows, widowers and disabled pensioners who fall within the parameters established by Council, and to others who can demonstrate need.

Detailed Action Required

DEFERRALS

- (1) Seniors who qualify for deferrals will pay the unit charge and special levies, with the balance of taxes remaining a lien on the property. This deferral will be subject to taxable income not exceeding an amount established annually by Council. For the purpose of computing income, prescription drugs to the value established annually by Council may be considered if supported by receipts. The applicant must be the assessed owner of the property and should the property be sold or transferred the deferred taxes shall become due. To qualify for deferral, seniors must have contributed to the tax base of the City for 15 years and occupy the residential property (which is their principal place of residence) or the home must be permanently vacant. Deferrals will not be granted on property which is rented for any part of the year.

(2)

For the purposes of determining eligibility for the deferral, senior citizens 65 years and over may have one wage earner living in their dwelling whose yearly income cannot exceed the amount established annually by Council. All requests for deferral must be supported by a copy of the Notice of Assessment from Canada Customs & Revenue Agency for the previous tax year or other proof of taxable income. Seniors' discounts shall not apply to deferred taxes.

If a disabled pensioner qualifies and is granted a tax deferral in one year, and is denied a deferral or does not apply by August 31 in the following or subsequent year, the previous amount of taxes deferred will be deemed to be due in that year.

At no time, is the amount of taxes deferred to exceed the assessed value of the property.

(2) Widows/widowers' deferral shall be based on permissible income established annually by Council for each dependent up to a maximum of three. The basic unit charge and special levies shall apply. Proof of income and conditions are required as for seniors.

If a disabled pensioner qualifies and is granted a tax deferral in one year, and is denied a deferral or does not apply by August 31 in the following or subsequent year, the previous amount of taxes deferred will be deemed to be due in that year.

At no time, is the amount of taxes deferred to exceed the assessed value of the property.

(3) Disabled pensioners shall receive the same deferral under the same conditions as widows, except they shall be allowed an amount established annually by Council for spouse. The basic unit charge and special levies shall apply. Proof of income and conditions are required as for seniors.

If a disabled pensioner qualifies and is granted a tax deferral in one year, and is denied a deferral or does not apply by August 31 in the following or subsequent year, the previous amount of taxes deferred will be deemed to be due in that year.

At no time, is the amount of taxes deferred to exceed the assessed value of the property.

The Director of Corporate Services may approve deferrals for seniors, widows/widowers, and disabled pensioners whose income is over the set limit by marginal amounts of up to \$1000. (See CC09-208)

REQUESTS BASED ON NEED

Any property owner, who can demonstrate need, may have some or all of their property taxes deferred depending on their financial circumstances. Application should be made in writing and all relevant income information be provided. Proof of income and conditions are required as for seniors and will be based on a review of the annual income and the specific circumstances of the taxpayer involved. Other criteria in determining hardship are, but not limited to:

- a. temporary versus long term difficulty
- b. stability of income
- c. investment income and other financial assets
- d. levels of income in previous years
- e. number and age of dependents
- f. medical expenses not covered by insurance
- g. Social Services eligibility
- h. earning potential of applicant
- i. any other circumstances which impact the taxpayer's financial situation
- j. market/assessed value of property
- k. mortgage
- l. disability.

If, upon review, the Director is satisfied that hardship exists, he/she may authorize the deferment. The taxpayer will be notified that:

- (1) they will be required to pay unit charge and special levies
 - (2) the deferred balance will remain a lien on the property
 - (3) they would be required to provide updated financial information annually to maintain the deferment.
- Should financial circumstances improve; a proposal will have to be made for repayment.

Should the financial situation of the taxpayer remain the same, the Director shall have the authority to approve the deferral subject to the provision of supporting documentation. A list of deferrals will be submitted to Council semi-annually for a 2/3 vote of approval.

Definitions

Seniors - any citizen who will be 65 years of age during the City's fiscal year (January 1 - December 31).

Reference

Council Minute (CC09-208) - June 22, 2009

Council Minute 07-163 (Oct. 22/07)

CPS07-77 (Sept. 18/07)

Council minute 06-17 (23 January 2006)

(This policy supercedes 11-05-02 Annual Requests for Tax Exemptions Policy and 11-01-05 Discounts and Exemptions Policy)

Annual Budget

Council Minute (CC04-113

Minute 02-21 (27 February 2002)

CPS01-85 (Nov 15/01)

CPS02-06 (Jan 11/02)

CPS02-20 (Feb 21/02)

IN WITNESS WHEREOF this policy is sealed with the Common Seal of the City of Corner Brook.


MAYOR


CITY CLERK