

Summary of Tax Penalty Relief Programs from Other Jurisdictions

PFC2018-0325
Attachment 1

Municipality	Tax Relief Program Details	Provision in Legislation
Airdrie	January 2018 - motion approved by Council directing Administration to draft a compassion exception clause to be added to the City's tax bylaw. Compassion would be exercised due to the death of a property owner 21 days prior to the tax due date. The family or executor would have 30 days to produce the death certificate and up to 90 days to remit payment with no penalty or fine added. April 16, 2018 - Bylaw No. B-09/2018 updated so that any penalties on current year taxes due to the death of a property owner during the month of June will be waived if the executor provides a valid death certificate to the City with sixty (60) days of death.	Alberta Municipal Government Act, section 347 - enables Council to cancel, reduce, refund all or part of a tax.
Edmonton	Penalty relief due to life threatening illness or death of immediate family member. Situations reviewed when presented by property owner. Authority delegated by Council to Director of Taxation, then down to tax advisory team. Property owner completes a declaration outlining their situation (saved on file). Approximately 6 cases per year warrant penalty relief.	Alberta Municipal Government Act, section 347 - enables Council to cancel, reduce, refund all or part of a tax.
Ottawa	Both extreme poverty and illness relief available; application required then submitted to Assessment Review Board for review.	Ontario Municipal Act, section 357
Red Deer	No formal program.	Alberta Municipal Government Act, section 347 - enables Council to cancel, reduce, refund all or part of a tax.
Regina	No formal program, however the municipality will work with property owners to resolve tax arrears (includes levy & penalty).	
St. John's	Senior Citizens tax reduction available. <i>Payment Review Board</i> (consists of the Manager of Revenue Accounting, the Director of Finance, and City Manager). Situations are reviewed on a case by case basis. If deemed appropriate, the property owner will complete an application to be reviewed by the board, along with their Canada Revenue Agency tax assessment for prior year. If approved, for an agreed monthly payment arrangement, the tax account will be flagged to not be charged future interest/penalty, and in some cases a percentage of interest will be abated from the account.	City of St. John's Municipal Taxation Act (Chapter C-17.1) Part 1, Sections 16 & 17.
Toronto	Both extreme poverty and illness relief available; application required then submitted to Assessment Review Board for review.	Ontario Municipal Act, section 357 and section 323(1)(e) of City of Toronto Act.
Vancouver	No formal relief program.	

Winnipeg	No formal relief program, however a tax relief program was considered several years ago but due to challenges associated with implementing a program (e.g., eligibility criteria, resources, equity for property owners, no provision in MGA) the concept was dismissed.	
Provincial Programs		
Alberta	Seniors Property Tax Deferral Program.	
British Columbia	Home owners grant (Basic or Senior/Additional); Tax Deferment Program - 55 years or older/families with children under 18 years.	
Saskatchewan	First Time Homebuyers' Tax Credit - up to \$1,100; Low-income Tax Credit, Senior supplements/benefits.	
Manitoba	Seniors School Tax rebate (eligibility based upon income) available. Education Property Tax Credit - save up to \$700 with the Manitoba government's Education Property Tax Credit (EPTC). The credit is provided by the province of Manitoba to help cover the school taxes paid, or a portion of rent either directly on the municipal property tax statement or through an individual's income tax return.	
Ontario	Ontario Trillium Benefit combines the Sales Tax credit, Energy & Property Tax Credit and Northern Ontario Energy Credit. (Note: the Energy & Property Tax credit is income dependent.) Senior Homeowners' Property Tax Grant available.	
Newfoundland	Income supplement and Seniors Benefit, Low income tax reduction.	

Federal Programs	
Canada Revenue Agency (CRA) Taxpayer Relief	Circumstances that may warrant penalty/interest relief:
	- Extraordinary circumstances; natural or human made disasters (i.e. flood/fire), civil disturbances or disruption in services (i.e. postal strike), serious illness or accident, and serious emotional or mental distress (such as death in the immediate family).
	- Actions of the CRA; processing delays, errors, undue delays completing an audit.
	- Inability to pay (financial hardship).
CRA program details	<u>Documentation is required to support request:</u> facts and reasons for request, complete history of events including any measures that have been taken to resolve, income statements (full disclosure), death certificates, doctor's statements or insurance statements.
	<u>Approval/denial factors considered:</u> payment history and compliance with tax obligations, whether or not taxpayer knowingly allowed arrears balance to exist, whether or not taxpayer exercised reasonable amount of care in conducting affairs, whether or not negligence or carelessness was demonstrated, whether or not action was taken quickly to remedy situation.
	<u>Right of Objection:</u> request a second review - include reasons why applicant disagrees with original decision, any new relevant documents or facts.

