



## Low-Income Property Tax Rebate Policy

### 1.0 Purpose

The Council of the Town of Mahone Bay is authorized to adopt a policy providing tax exemption to residents of the Town of Mahone Bay in accordance with Section 69 of the Municipal Government Act. This policy is designed to document the processes followed by the Town residents to make application to receive the low-income property tax exemption if they meet the required qualifications.

This policy is designed to clearly outline the process and requirements to be followed to ensure provision of the low-income tax exemption to qualified residents of the Town of Mahone Bay.

### 2.0 Definitions

- a) Applicant Ratepayer means the person(s) to whom the property taxes are assessed.
- b) Income means the net income as indicated on the previous year's Income Tax Notice of Assessment.
- c) Low-Income Property Tax Exemption means the reduction of the property taxes up to an amount that is the lesser of the current year's taxes or the qualifying exemption.
- d) Low-Income Property Tax Exemption means the reduction of the property taxes up to an amount that is the lesser of the current year's taxes or the qualifying exemption.
- e) Qualified Property Owner means:
  - Owner of property in their name located within the Town boundaries; and
  - The property is occupied by the ratepayer as their principal residence; and
  - Whose total household income (including the income of all other members of the same family residing in the same household) is at or below the level established in this policy.
- f) Resident means a person residing at an address within the boundaries of the Town of Mahone Bay.
- g) Town Council means the Council of the Town of Mahone Bay.
- h) Town means the Municipality of the Town of Mahone Bay.

### **3.0 Low-Income Property Tax Exemption**

The Town determines its tax rates each year following confirmation of the budget for the period. These tax rates are used in conjunction with the property assessment values provided by Property Valuation Services Corporation (PVSC) to determine the property taxes that are applicable to each property within the boundaries of the Town of Mahone Bay.

In an effort to offer some relief to residents of the Town that may be experiencing difficulty paying their property taxes, the low-income property tax exemption has been implemented.

The program will be advertised annually providing details of qualifications and the policy and application will be available on the website.

The low-income property tax exemption will provide qualified applicants with a reduction in the total property tax amount of up to the lesser of total property taxes or the qualifying property tax exemptions.

### **4.0 Qualifications**

4.1 In order to qualify for the graduated tax exemption, the total income (as confirmed by the previous year's Income Tax Notice of Assessment) of all persons residing in the household of the applicant ratepayer, must be \$40,000 or less;

4.2 The applicant ratepayer must occupy the residential property as their principal residence (nine months or more per year).

4.3 The applicant ratepayer completes the application attached as Appendix "A" to this policy completely and provides the required previous year's Income Tax Notice of Assessment.

4.4 Only one tax exemption will be applicable per property regardless of ownership.

### **5.0 Process**

5.1 When the ratepayer receives their final tax billing (2<sup>nd</sup> one in the year), they should complete the application, sign the application, attach the required previous year's Income Tax Notice(s) of Assessment, and deliver it to the Town office prior to September 30<sup>th</sup>.

5.2 The Finance Department will review the application for completeness,

accuracy and eligibility and advise the applicant ratepayer of the decision;

5.3 The Finance Department will apply the Low-Income Tax Exemption as follows:

5.3.1 Total household income of less than \$30,000 will qualify for a rebate of up to \$1000

5.3.2 Total household income of \$30,001 to \$35,000 will qualify for a rebate of up to \$500

5.3.3 Total household income of \$35,001 to \$40,000 will qualify for a rebate of up to \$250

5.4 The Finance Department will allocate the total amount of the annual budget for Low- Income Tax Assessments on a first-come first-serve basis to all qualified applicants;

5.5 If the property tax account is then in a credit position, the applicant ratepayer can request a refund or allow the credit to remain and be applied to the subsequent year to further reduce property tax

## 6.0 Review and Update

This policy and the associated budget allocation will be reviewed annually in the budget process to determine if the Town was able to meet the need of the qualified applicants, and if in the future the Town will offer a larger exemption, a higher income level or another modification to the policy.

Clerk's Annotation for Official Policy Book	
Date of notice to Council Members of Intent to Consider [minimum 7 days notice]	<u>July 14, 2022</u>
Date of Passage of Policy	<u>July 28, 2022</u>
_____	_____
Town Clerk	Date