

PROPERTY TAX DEFERRAL FOR ELIGIBLE SENIOR AND DISABLED HOMEOWNERS

Recommendation

The Director of Finance, in consultation with the Manager of Property Tax & Assessment recommends:

That this report be received for information purposes.

Purpose

The purpose of this report is to provide Council with information relating to the interest free deferral of property tax increases, to low income seniors and disabled homeowners, as requested at Committee of the Whole, April 26, 2004.

Background - Analysis and Options

Section 319 of the *Municipal Act, 2001*, requires all upper or single tier municipalities to have a program in place allowing low income seniors or persons with disabilities to defer the payment of property tax increases, interest free. This is an upper tier program (Region of York) administered by the lower tier (City of Vaughan). Once the upper tier establishes the program, it **applies to the total property taxes**, including the City and Education portions.

The purpose of the program is to protect eligible residents from large property tax increases due to reassessments. An application form is completed by the resident and forwarded to the City for processing. Once eligibility has been confirmed, staff calculate the total tax increase by comparing the current year taxes with the previous year and the total amount of the increase is deferred from payment, thereby allowing the resident to pay the same amount for property taxes as they paid in the previous year.

In consultation with local municipal staff, the Region of York has established the eligibility criteria as follows:

- A low-income person with disabilities
- A low-income senior (55 years or older)
 - Low income means a single person with an annual gross income of \$23,000 or less or a two person household with an annual gross income of \$40,000 or less
- A senior who is 65 years of age or older (no income restriction)
- The spouse of any of the above
- The eligible person must occupy the property as his/her principal residence

The amount of taxes deferred is kept on record and repayment is only required when the property is sold or transferred to someone other than the spouse of the eligible person.

The amount of taxes deferred are shown on a tax certificate, when issued, and represent a lien on the land, protecting the municipalities right to collect the deferral when the property is disposed of.

Applications for deferral are accepted up to September 30th of the taxation year, allowing for the issuance of final property tax bills prior to the deadline. Amounts deferred are deducted from the final property tax bill. The cumulative amount of deferred taxes is limited to seventy-five percent (75%) of the assessed value of the eligible property.

Relationship to Vaughan Vision 2007

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Conclusion

A program allowing eligible property owners to defer large property tax increases, primarily resulting from general reassessments has been in effect since 1998 and currently there are Vaughan residents utilizing the deferral program.

Attachments

None

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Respectfully submitted,

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