
Low Income Property Tax Exemption Policy

Department: **Finance**
 Adopted: **April 14, 2015**

Policy No: **5.021**

1. Background

The Council of the Town is authorized to adopt a policy providing tax exemption to residents of the Town of Berwick 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.

2. Policy Objective

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 Berwick.

3. Guidelines

1. The Town of Berwick 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 Berwick.
2. 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 is being implemented.
3. The program will be advertised annually providing details of qualifications and the report, policy and application will be available on the website.
4. The low-income property tax exemption will provide qualified applicants with a reduction in the total property tax amount based on income levels shown in the table below:

Income	Tax Exemption
less than \$18,500	\$410
\$18,501 – \$20,500	\$380
\$20,501 - \$22,500	\$340
\$22,501 - \$24,500	\$290
\$24,501 - \$27,000	\$230

4. Qualifications

1. In order to qualify for the exemption, the total income (as shown on Line 150 of the Canada Revenue Agency Assessment Notice for the preceding calendar year) of all persons residing in the household of the applicant ratepayer, must be less than the amounts shown on the table in Section 3.4.

2. Amounts or allowances paid pursuant to the War Veteran's Allowance or War Pension shall be excluded from this total.
3. The applicant ratepayer must occupy the residential property as his or her principal residence.
4. The applicant ratepayer completes the application completely and provides the required Income Tax Notice of Assessment.
5. Only one tax exemption will be applicable per property regardless of ownership.

5. Process

1. The applicant ratepayer should complete the application, sign the application, attach the required Income Tax Notice(s) of Assessment and deliver to the Town office prior to October 31st of the year.
2. The Finance Department will review the application for completeness, accuracy and eligibility and advise the applicant ratepayer of the decision.
3. The Finance Department will apply an amount based on the table in Section 3.4. to the property tax account for all eligible applicants.

6. Review and Update

1. This policy will be reviewed periodically to determine the Town was able to meet the need of the qualified applicants, if the Town will be able to offer a larger exemption, a higher income level or another modification to the policy.

Revision Dates:	February 9, 2016
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