

# City of Mississauga Corporate Report



<p>Date: September 1, 2023</p> <p>To: Chair and Members of General Committee</p>	<p>Originator's files:</p>
<p>From: Shari Lichterman, CPA, CMA, City Manager and Chief Administrative Officer</p>	<p>Meeting date: September 20, 2023</p>

## Subject

**New Corporate Policy - Tax Refund Policy**

## Recommendation

That the Tax Refund Policy, attached as Appendix 1 to the report dated September 1, 2023 entitled "New Corporate Policy – Tax Refund Policy" from the City Manager and Chief Administrative Officer be approved.

## Executive Summary

- Currently the City issues tax refunds under requirements meeting legislative conditions for qualified recipients.
- Staff have developed a new Tax Refund policy, which will provide direction to staff and defines processes for unclaimed refunds.
- The new policy includes the following sections:
  - Conditions for issuing a tax refund
  - Refund request fee
  - Tax refunds
  - Stale dated and/or returned tax refund cheques
  - Unidentified payments
  - General unclaimed tax payments/refunds process
- The new policy will help and guide City staff in issuing tax refunds, handling unidentified payments and processing unclaimed tax refunds.

## Background

The City of Mississauga issues tax refunds under certain conditions, in accordance with the *Municipal Act 2001*, to the eligible taxpayers.

Currently there is no policy to guide staff for processing tax refunds not identified through legislation. The Revenue and Taxation section in the Finance Division is responsible for processing and administering all the tax refund requests.

## Comments

The City receives a number of tax refund requests every year, which are processed by staff as per the applicable legislation, and in eligible cases the tax refund is issued.

It has been identified that there are cases where there are unclaimed tax payments or refunds and legislation does not specify the treatment of these cases. Therefore, a new tax refund policy has been developed to guide staff regarding tax refunds, including unclaimed tax payments.

The new policy includes the following sections:

### Conditions for Issuing a Tax Refund

- Provides details regarding qualified recipients that can be issued a tax refund.
- Stipulates that interest is not paid on tax refund amount.

### Refund Request Fee

- The City charges a refund request fee for each tax refund request as set out in the City's Fees and Charges By-law.
- Provides details of the situations where staff can exempt the refund request fee.
- Stipulates that staff will only issue a tax refund if it is more than the refund request fee, except in cases where the refund request fee has not been applied.

### Tax Refunds

- In case of an overpayment, the overpayment will be left on the tax account to credit future taxes payable or if requested, a refund can be issued to a qualified recipient.
- Provides details of the process to be followed, where a payment is made in error.

### Stale Dated and/or Returned Tax Refund Cheques

- Provides details of the process to be followed for stale dated tax refund cheques and returned tax refund cheques.

### Unidentified Payments

- Staff will make reasonable efforts to find the payee or the tax account to which a payment should be applied.
- If staff are unsuccessful in finding the payee or the tax account to which a payment should be applied, the process for general unclaimed tax payments will be followed.

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**General Unclaimed Tax Payments/Refunds Process**

- Provides details of the approving authorities and process to be followed for unclaimed tax payments or refunds.

**Financial Impact**

There is no financial impact resulting from this report.

**Conclusion**

The new policy will provide direction to staff regarding issuing tax refunds, handling unidentified payments and processing unclaimed tax payments/refunds.

**Attachments**

Appendix 1: Tax Refund Policy



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Shari Lichterman, CPA, CMA, City Manager and Chief Administrative Officer

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