

# 2021 Property Tax Assistance

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## COVID-19

- The pandemic and Public Health measures are continuing through 2021
- Some residents and businesses continue to experience financial difficulties
- Council deferred interim and final taxes in 2020 for all taxpayers
- Public reaction to the deferrals has been mixed
- Legislation requires taxes to be billed and collected within the calendar year

## Tax Collection in 2020

- Staff have been monitoring the balance of taxes outstanding throughout 2020 and will continue to monitor in 2021
- Balance of current year outstanding taxes billed and due at November 30 was 4.88%
- Trending slightly higher than prior years
- Payment of property taxes is secured as unpaid taxes have priority lien status

## Application Based Deferral Program

- An application based tax deferral could be offered to property owners continuing to experience financial difficulties
- Program would defer all 2021 taxes to one due date of December 15
- Property owners would still be able to make payments throughout the year
- The deferral would be open to all property owners (residential and non-residential)
- No legislated ability to provide assistance directly to tenants

## Eligibility for Deferral

- Property owners continuing to experience financial difficulties
- Taxes had been current prior to pandemic
- Taxes are paid directly to the City and not through mortgage payments

## Late Payment Charges

- Late payment charges resumed on January 1, 2021
- Late payment charges will apply to any balance of 2020 taxes for property owners requesting a deferral
- Late payment charges on deferred 2021 taxes would not be applied until after December 15

## Application process

- Staff would develop an on-line application
- Property owners would need to indicate they are experiencing financial hardship due to COVID-19
- Confirm their taxes were paid in full prior to March 2020
- Confirm they do not pay through their mortgage companies
- Acknowledge that if current payments are through pre-authorized tax payments (PTP), the PTP arrangement will be cancelled

## Timing of Deferral Program

- Program could be offered during both the interim tax billing and final tax billing cycle or the final tax billing cycle only
- If implemented for interim tax billing, would need to be available by February 1
- If implemented for final tax billing, would need to be available by June 1
- Application window would be for 2 months each billing cycle



## Financial Impacts

- Total taxes (City, Region and Education) would be deferred
- Taxes billed on behalf of the Region and the school boards would still be paid to them
- Creates a shift in cash flow, impacting investment income opportunities
- Reduces penalty and interest revenue
- Impacts dependent on the number of participants and value of taxes deferred

## Next Steps

- Develop an on-line application to be available by February 1
- Prepare a communication plan to align with the timing of the program including:
  - Media Release
  - Social media campaign
  - Council corner story
  - Corporate eNewsletter story
  - Update website
- Develop guidelines/procedures for staff in processing applications

## Municipal Survey

- Staff surveyed several other municipalities including Toronto, Ottawa, Brampton, Caledon, Milton, Burlington, Oakville, Newmarket, Markham and Vaughan
- Currently the only municipalities offering property tax assistance for 2021 are Caledon, Markham and Newmarket
  - Newmarket has extended their waiving of late payment charges for one additional month to the end of January
  - Caledon and Markham have introduced application based assistance

## Federal Assistance Programs

- Federal programs include expanding employment insurance support and the following benefits:
  - Canada Recovery Benefit (CRB) – income support for self-employed not eligible for EI
  - Canada Recovery Caregiving Benefit (CRCB) – income support for persons having to stop work to care for dependents due to closures, high risk and caregiver availability
  - Canada Recovery Sickness Benefit (CRSB) – Up to two weeks of support for persons ill or having to self-isolate as a result of COVID-19
  - Canada Emergency Wage Subsidy (CEWS) – A wage subsidy for Canadian employers to re-hire workers previously laid off as a result of COVID-19
  - Canada Emergency Rent Subsidy (CERS) – Rent and mortgage support for qualifying organizations affected by COVID-19

## Provincial Assistance Programs

- Application based rebate for property taxes and energy costs for businesses impacted by the “control or lockdown” regions
- Reduced business education taxes for 2021
- New small business sub-class that municipalities can choose to adopt

