

Date: 2022-03-04

Subject: **Tax Rebate Program for Low-Income Seniors and Low-Income Persons with Disabilities**

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Report Number: Corporate Support Services-2022-127

Recommendations:

1. THAT the report titled: **Tax Rebate Program for Low-Income Seniors and Low-Income Persons with Disabilities** to the Committee of Council Meeting of March 30, 2022 be received; and;
2. THAT By-law 57-2010 be amended to increase the rebate amount to \$514 for the year commencing in 2022.
3. THAT By-law 57-2010 be amended to instruct that the tax rebate amount be adjusted annually in accordance with the Toronto CPI level as reported by Statistics Canada.
4. THAT By-law 60-2018 be repealed.

Overview:

- **The City's Tax Rebate Program for Low-Income Seniors and Low-Income Persons with Disabilities provided eligible applicants with an annual \$400 property tax rebate since 2010.**
- **In 2018, an amendment to City By-law 57-2010 through By-law 60-2018 directed that the rebate amount be adjusted to include the blended residential tax rate increase percentage in the municipality for the year.**
- **For the 2021 tax year, the annual property tax rebate was \$425.**
- **On November 29, 2021 at Budget Committee, Council directed a motion (BC035-2021), to increase the rebate amount to reflect an annual**

adjustment equivalent to the Toronto Consumer Price Index (CPI) levels as if it applied since 2010.

- **The resulting property tax rebate amount for the 2022 tax year was therefore recommended to be set at \$514.**
- **The rebate amount is to be adjusted annually in accordance with the Toronto CPI level as reported by Statistics Canada.**
- **An amendment to the City's By-law 57-2010 for the Tax Rebate Program is required effective January 1, 2022 and onward.**
- **The budgetary impact to the City portion of the rebate, based on an average of 1,500 annual applications, is approximately \$62,000. The 2022 budget for the overall annual cost of the program was increased from 300,000 to \$362,605 to account for the increased rebate amount.**
- **The report also provides an update on the current progress towards implementing an on-line ability for Brampton taxpayers to generate tax bills and payment receipts for up to the period of five preceding years as per Council motion BC035-2021.**

Background:

In 2009, the joint Regional and Local Municipal Tax Policy team reviewed the Seniors and Disabled tax relief programs offered across the Region and lower-tier municipalities. In order to best serve all stakeholders, it was apparent that a common Region-wide program should be established. In February 2010, previous programs were discontinued and replaced with the current Tax Rebate Program for Low-Income Seniors and Low-Income Persons with Disabilities. This program initially provided an annual property tax rebate of \$400 to eligible owners.

In 2017, the Region removed the provision related to the cap on the Region's contribution through By-law 61-2017.

In 2018, the City of Brampton's By-law 57-2010 (Appendix A) was amended to adjust the \$400 rebate amount annually. The amending By-Law 60-2018 (Appendix B) directed that the rebate amount be adjusted to include the blended residential tax rate increase percentage in the municipality for the year. In 2021, the total rebate amount was \$425 and the City's portion of that was \$191 for each successful application.

On November 29th, 2021 at Budget Committee, the following motion was presented and approved:

BC035-2021

1. That the report titled: Seniors Tax Rebate and the Printing of Old Tax Bills, to the Budget Committee Meeting of November 29, 30, and December 1 and 6, 2021, be received; and

2. That the rebate be increased to the Toronto CPI level (to a rate of \$514); and

3. That staff work to provide an online ability for Brampton taxpayers to generate tax bills and payment receipts for up to the period of five preceding years.

This motion was brought forward in response to letters sent to Mayor Brown and to Council from the Home Owners Welfare Association (Appendix C), from the Brampton Senior Citizens Council (Appendix D) and in response to taxpayers' inquiries about the fee charged for re-print tax bills.

As instructed by Ontario legislation, the City of Brampton issues interim and final tax bills each year and potentially, supplementary tax bills throughout the year. Under Section 343 of the *Municipal Act, 2001* (the "Act"), the Treasurer must send the tax bill to every taxpayer at least 21 days before any taxes shown on the tax bill become due. In the event that a property owner requires a replacement copy of a previously issued tax bill, a user fee of \$20 is charged as per User Fee By-Law 380-2003, as amended.

With respect to the third point in the motion, an on-line solution for previous tax bills will require a Project Team, led by Digital Innovation & IT. An initial team meeting has been held but timelines are yet to be established as the scope of the work is still under investigation.

Current Situation:

Applications for the Tax Rebate Program for Low-Income Seniors and Low-Income Persons with Disabilities must be made by December 31st of each tax year. The City has budgeted \$362,605 for 2022 to finance the lower-tier cost of the program. The budget is based on prior year's volumes which trend around 1,500 per year. The budget was also adjusted to account for Council's motion to increase the rebate amount for the 2022 tax year.

Year	Applications
2019	1457
2020	1489
2021	1419

As directed by Council on November 29, 2021 the annual tax rebate for the 2022 taxation year is to be set at \$514. The rebate will be adjusted annually in accordance with the Toronto CPI level, as reported by Statistics Canada.

The change in the rebate amount requires an amendment to By-law 57-2010 for Council approval. In addition, By-law 60-2018 will be repealed as these proposed changes will render it redundant.

The current Peel Region By-law 61-2017 (Appendix E) provides that the Region shares in the program as per their proportion of the residential tax rate. We are informed by Regional staff, that there is no objection to the proposed City of Brampton rebate increase.

Digital Innovation & IT is tasked and engaged with enhancing the City of Brampton on-line solution to allow taxpayers access to their previous tax bills as directed by Council's motion.

Corporate Implications:

Financial Implications:

The amendment to the by-law will result in an increase to the 2022 rebate amount from \$425 to \$514 (rounded to the nearest dollar). Based on the average number of applications received in previous years, an additional \$62,000 will be required to fund the City's portion of the adjustment. Each new application would result in an approximate \$228 charged to the City, an increase of \$37 from the previous apportionment of \$191. The 2022 budget for the overall annual City cost of the program was increased from 300,000 to \$362,605 to account for the increased rebate amount.

Other Implications:

N/A

Term of Council Priorities:

This report fulfils the Council Priority of a Well-Run City through strict adherence to effective financial management policies and supports Brampton's 2040 Vision by ensuring sustainable financial revenues.

Conclusion:

On November 29th, 2021 at Budget Committee, Council approved a motion to increase the rebate amount for the Tax Rebate Program for Low-Income Seniors and Low-Income Persons with Disabilities to a rate of \$514 starting in 2022. An amendment to By-law 57-2010 is required to implement the rate change. In addition, the motion directs an annual adjustment to the rebate amount to match the Toronto CPI rate as reported by Statistics Canada.

In 2017, the Region removed the provision related to the cap on their contribution and will continue to pay its portion based on the revised rebate amount.

Digital Innovation & IT is actively engaged in investigating tax bill availability on-line for residents. The preliminary discussions are on-going to allow for broader on-line presence of tax services.

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Attachments:

- Appendix A **City By-Law 57-2010 – By-Law to Provide a Tax Rebate for Eligible Property Owners**
- Appendix B **City By-Law 60-2018 – To Amend By-Law 57-2010, being the By-Law to Provide a Tax Rebate for Eligible Property Owners**
- Appendix C **Letter from Home Owners Welfare Association**
- Appendix D **Letter from Brampton Senior Citizens Council**
- Appendix E **Region By-Law 61-2017 – A by-law to provide relief of financial hardship for low-income seniors and low-income persons with disabilities and to repeal and replace By-law 36-2010.**
- Appendix F **To Amend By-Law 57-2010, being the By-Law to Provide a Tax Rebate for Eligible Property Owners and to Repeal By-law 60-2018**