

Date: 2023-08-24

Subject: **Tax Adjustments, Cancellations and Reductions Pursuant to the Municipal Act, 2001**

Contact: Nash Damer, Treasurer, Finance

Report Number: Corporate Support Services-2023-740

Recommendations:

1. That the report from Nash Damer, Treasurer, Finance to the Committee of Council Meeting September 20, 2023 re: **Tax Adjustments, Cancellations and Reductions Pursuant to the *Municipal Act, 2001***, be received; and,
2. That the tax account adjustments as listed on Appendix A of this report be approved.

Overview:

- **The purpose of this report is to obtain approval by Committee to adjust and/or write-off the balance of various tax accounts as set out in the attached Appendix A. Total adjustments are approximately \$239,828.75 including \$84,540.16 in City of Brampton taxes.**

Background:

Sections 334, 354, 357 and 358 of the *Municipal Act, 2001* provide the authorities and reasons for the write-off, cancellation, reduction or refund of taxes.

Current Situation:

Appendix A outlines adjustments to be made to property tax accounts. Many of these adjustments are due to properties becoming exempt from taxation. For example, certain properties acquired by the City of Brampton, Region of Peel, School Boards, and religious

organizations are not required to pay property taxes. Other adjustments are due to changes or errors in assessment values or tax classification. City staff has researched these accounts and is satisfied with the Municipal Property Assessment Corporation's (MPAC) recommendations regarding the changes in assessment. Lastly, adjustments may be made to correct an error in tax capping calculations which are also verified by City staff.

The total tax amount to be cancelled is \$239,828.75. The total amount will be allocated approximately as follows:

City of Brampton:	\$ 84,540.16
Region of Peel:	\$ 75,553.14
School Boards:	<u>\$ 79,735.45</u>
	<u>\$ 239,828.75</u>

Any penalties and interest associated with these reductions will be cancelled from the applicable accounts. The City's 2023 Budget for current year adjustments and the allowance for prior years' adjustments are sufficient for this and other anticipated tax write-offs.

Appendix B outlines appeals that were filed with the City of Brampton but have been returned from MPAC with No Recommendation, that is, there is no tax adjustment forthcoming.

Corporate Implications:

Financial Implications:

The City portion of taxes refunded due to these appeals is approximately \$55,484.38.

Strategic Focus Area:

Government & Leadership: Focusing on service excellence with equity, innovation, efficiency, effectiveness, accountability, and transparency.

Conclusion:

The tax levy of the municipality is based on the assessment roll delivered by MPAC to the City in December of the previous year. While taxation is based on that assessment roll, it is very common for changes to occur after the return of the roll that may affect the taxation of a particular property. The *Municipal Act, 2001* provides the municipality the authority

to cancel, reduce, or refund taxes for applications made in accordance with the legislation. Examples of change events that may result in refunds include property class changes, newly exempt properties, demolished structures, and gross or manifest errors made in the assessment. The owners of properties within this report have made application for refund under the *Municipal Act, 2001*. All applications have been investigated and, where applicable, the appropriate refunds of taxes have been calculated and are presented for Council approval.

Authored by:

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Reviewed by:

Nash Damer, Treasurer

Approved by:

Alex Milojevic, Commissioner, Corporate
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Submitted by:

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Attachments:

Appendix A: Tax Adjustments
Appendix B: Rejected Appeals