

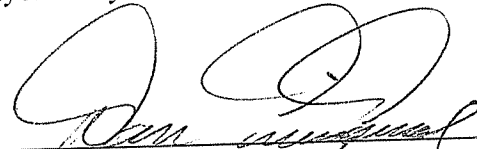
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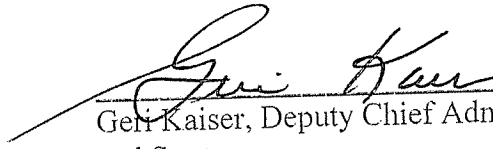


PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

Halifax Regional Council  
May 15, 2007  
May 29, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:   
Dan English, Chief Administrative Officer

  
Gen Kaiser, Deputy Chief Administrative Officer - Corporate Services and Strategy

DATE: May 9, 2007

SUBJECT: Administrative Order 10: Residential Tax Exemption Program - Revised Income Eligibility Threshold and Rebate Values

**SUPPLEMENTARY REPORT**

**ORIGIN**

At the April 17<sup>th</sup>, 2007, meeting of Regional Council an increase in the program eligibility income threshold, rebate values, and minimal tax payable values were approved. Minor grammatical changes have also been made for clarity. This report amends Administrative Order 10 to reflect these changes for 2007-08 fiscal year. It is anticipated that staff will return to council at a later date with a proposed formula to expedite the program's sensitivity to changes in tax assessment and tax rates.

**RECOMMENDATION**

It is recommended that :

Regional Council approve amendments to Administrative Order 10 as detailed in the Discussion section of this report and Attachment 1.

**BACKGROUND**

The rebate values and income threshold for the *Residential Tax Exemption Program* were set in May, 2005. The proposed revised values increase by approximately 8% to reflect two (2) years of assessment increases and a corresponding increase in the average tax paid by program participants (~\$1,300).

**DISCUSSION**

- The income eligibility threshold increase from \$27,000 to \$28,000 and income brackets be amended accordingly as shown below in Table T.
- The value of rebates be increased to reflect an increase from \$1,200 to \$1,300 in the average tax paid by program participants.
- The minimum tax payable be set by formula (~1% of the mid-range for each income bracket).
- It should be noted that although the minimum tax payable has been adjusted (in part to reflect the difference in income between \$18,000 and \$28,000) all eligible participants have the option to defer all or part of the balance remaining after a rebate has been credited to the customer's account.

<b>Table T: Household Income, Property Tax, Rebate Values, and Minimal Tax Payable:</b>					
	<b>Gross Household Income</b>				
<b>Maximum Rebate Value</b>	<b>\$0-\$18,000</b>	<b>\$18,001-\$20,500</b>	<b>\$20,501-\$23,000</b>	<b>\$23,001-\$25,500</b>	<b>\$25,501-\$28,000</b>
<b>&lt;\$1,000</b>	\$550	\$440	\$330	\$220	\$110
<b>\$1,001-\$2,000</b>	\$650	\$520	\$390	\$260	\$130
<b>&gt;\$2,000</b>	\$750	\$600	\$450	\$300	\$150
<b>Minimum Payable</b>	\$100	\$200	\$225	\$250	\$275

All eligible applicants have the option to defer the balance of tax due or make using a monthly payment plan.

**BUDGET IMPLICATIONS**

The projected cost increase to the program in 2007-2008 is \$252,000 as per the approved Operating budget.

**FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

**ALTERNATIVES**

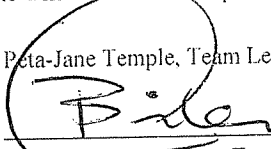
1. Regional Council could revoke their decision of April 17<sup>th</sup>, 2007.


**ATTACHMENTS**

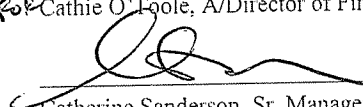
1. Administrative Order 10.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Peta-Jane Temple, Team Lead, Tax, Grants & Special Projects 490-5469

Report Approved by:   
Bruce Fisher, Manager Tax & Fiscal Policy, HRM Finance

Report Approved by:   
Cathie O'Toole, A/Director of Finance

Report Approved by:   
Catherine Sanderson, Sr. Manager, Financial Services, 490-1562

**Attachment 1**

**Amendments to Administrative Order 10  
Respecting Partial Tax Exemption for Residential Taxation**

Administrative Order Number 10 is hereby amended by:

- 1) Replacing the amount of \$27,000 with the amount of \$28,000 in Section 3 (iii);
- 2) Replacing Section 4 (1) (a) through (o) consecutively with the following:
  4. (1) When the income of the person, spouse and other household members Over the age of 18 combined is:
    - (a) not more than \$18,000 and the tax rated is less than \$1,000 for the year the exemption granted shall not exceed \$550.
    - (b) not more than \$18,000 and the tax rated is between \$1,001 and \$2,000 for the year the exemption granted shall not exceed \$650.
    - (c) not more than \$18,000 and the tax rated is over \$2,000 for the year the exemption granted shall not exceed \$750.
    - (d) between \$18,001 and \$20,500 and the tax rated is less than \$1,000 for the year the exemption granted shall not exceed \$440.
    - (e) between \$18,001 and \$20,500 and the tax rated is between \$1,001 and \$2,000 for the year the exemption shall not exceed \$520.
    - (f) between \$18,001 and \$20,500 and the tax rated is over \$2,000 for the year the exemption shall not exceed \$600.
    - (g) between \$20,501 and \$23,000 and the tax rated is less then \$1,000 for the year the exemption granted shall not exceed \$330
    - (h) between \$20,501 and \$23,000 and the tax rated is between \$1,001 and \$2,000 for the year the exemption granted shall not exceed \$390.
    - (i) between \$20,501 and \$23,000 and the tax rate is over \$2,000 for the year the exemption shall not exceed \$450.
    - (j) between \$23,001 and \$25,500 and the tax rated is less than \$1,000 for the year the exemption granted shall not exceed \$220.

- (k) between \$23,001 and \$25,000 and the tax rate is between \$1,001 and \$2,000 for the year the exemption granted shall not exceed \$260.
- (l) between \$23,001 and \$25,500 and the tax rate is over \$2,000 for the year the exemption shall not exceed \$300.
- (m) between \$25,501 and \$28,000 and the tax rate is less than \$1,000 for the year the exemption granted shall not exceed \$110.
- (n) between \$25,501 and \$28,000 and the tax rate is between \$1,001 and \$2,000 for the year the exemption granted shall not exceed \$130.
- (o) between \$25,001 and \$28,000 and the tax rate is between \$1,001 and \$2,000 for the year the exemption granted shall not exceed \$150.

3) Replacing Section 4 (2) with the following:

- (2) Tax exemptions granted pursuant to clause (a) to (c) of Section 1 shall not reduce the tax payable on a property in the year of the application to less than \$100. The tax exemption granted pursuant to clauses (d) to (f) of Section 1 shall not reduce the tax payable on a property in the year of the application to less than \$200. The tax exemption granted pursuant to clauses (g) to (i) of Section 1 shall not reduce the tax payable on a property in the year of the application to less than \$225. The tax exemption granted pursuant to clauses (j) to (l) of Section 1 shall not reduce the tax payable on a property in the year of the application to less than \$250. The tax exemption granted pursuant to clauses (m) to (o) of Section 1 shall not reduce the tax payable on a property in the year of the application to less than \$275.

Done and passed this xx day of xx, 2007.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Municipal Clerk