



PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 3**

**Halifax Regional Council  
June 23, 2009**

**TO:** Mayor Kelly and Members of Halifax Regional Council

A handwritten signature in cursive script that reads "Cathie O'Toole".

**SUBMITTED BY:**

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Cathie O'Toole, CGA, Director of Finance

**DATE:** April 20, 2009

**SUBJECT:** Residential Tax Exemption: Revised Rebate Values for 2009-2010

**INFORMATION REPORT**

**ORIGIN**

On December 4, 2007, Regional Council approved indexing the *Residential Tax Exemption Program* (Administrative Order10). This report highlights the 2009-10 changes to the program as a result of the Administrative Order.

**Residential Tax Exemption:  
Revised Rebate Values for 2009-2010  
Council Report**

**BACKGROUND**

Administrative Order 10 requires the following changes to update the tax exemption and deferral programs for 2009:

1. The upper income eligibility threshold bracket increases from \$28,000 to \$29,000.

The low-income cut-off scale for a 3-person household has increased to \$28,556; when rounded up to the nearest \$1,000, the threshold will be \$29,000. This eligibility threshold applies to both the residential tax exemption and deferral programs. It is estimated that an additional 94 clients will be eligible to apply for the low-income rebate, based on the increased threshold.

The lowest income range will remain “from \$0 to a maximum of \$19,000.”

2. In 2009-10, the “reference rebate” will increase from \$700 to \$750.

The “reference rebate”, calculated as 1/3rd of the average regional residential property tax in the prior year (2007), is the maximum “rebate” payable to those in the lowest income range and middle property tax bracket.

3. Property tax brackets increase by \$100, due to the increase in average taxes in HRM.

Overall, it is estimated that the average rebate will increase by \$27 to \$518 per household due to the increased rebate levels.

**DISCUSSION**

The ‘new’ Table T for 2009-10 is shown below. For comparison, the 2008-09 Table T is included in this report as **Attachment 1**.

<b>Table ‘T’ Household Income, Property Tax, Rebate Value and Minimum Payable New Values for 2009-2010</b>					
	<b>Gross Household Income (before deductions)</b>				
<b>Tax Payable</b>	<b>\$0 - \$19,000</b>	<b>\$19,001- \$21, 500</b>	<b>\$21,501 - \$24,000</b>	<b>\$24,001 - \$26,500</b>	<b>\$26,501 - \$29,000</b>
<b>&lt;\$1,200</b>	\$650	\$520	\$390	\$260	\$130
<b>\$1,201 - \$2,200</b>	\$750	\$600	\$450	\$300	\$150
<b>&gt;\$2,201</b>	\$850	\$680	\$510	\$340	\$170
	<b>Minimum Tax Payable (deducted from rebate)</b>				
	\$100	\$200	\$230	\$250	\$280
All eligible applicants have the option to defer the balance of tax due (less the minimum payable) or to make payment through a monthly payment plan.					

**BUDGET IMPLICATIONS**

The budget for M311-8005 in 2008-09 was \$1,181,400. Indexing the program for 2009-10 is estimated to require an additional \$125,000. This is based on an estimated 5.5% increase in average rebates -- from \$491 to \$518 per eligible household -- and an estimated 4.8% growth in number of program participants due to the higher income threshold. The program budget of \$1,306,400 (2009-10) should provide sufficient funding for 2,522 tax exemption clients.

The budget availability has been confirmed by Financial Services.

**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**

Not applicable. This is an Information Report only based on the current Residential Tax Exemption Program policy and procedures.

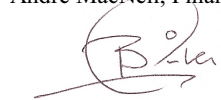
**ATTACHMENTS**

1. Table T. Household Income, Property Tax, Rebate Value and Minimum Payable, 2007-08.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.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: Andre MacNeil, Financial Consultant, Tax & Fiscal Policy, HRM Finance

Report Approved by:



Bruce Fisher, Manager Tax & Fiscal Policy, HRM Finance.

**Attachment 1.**

<b>Table 'T' Household Income, Property Tax, Rebate Value and Minimum Payable 2008-2009</b>					
	<b>Gross Household Income (before deductions)</b>				
<b>Tax Payable</b>	<b>\$0 - \$19,000</b>	<b>\$19,001- \$21, 250</b>	<b>\$21,251 - \$23,500</b>	<b>\$23,5001 - \$25,750</b>	<b>\$25,751 - \$28,000</b>
<b>&lt;\$1,100</b>	\$600	\$480	\$360	\$240	\$120
<b>\$1,101 - \$2,100</b>	\$700	\$560	\$420	\$280	\$140
<b>&gt;\$2,101</b>	\$800	\$640	\$480	\$320	\$160
	<b>Minimum Tax Payable (deducted from rebate)</b>				
	\$100	\$200	\$220	\$250	\$270
All eligible applicants have the option to defer the balance of tax due (less the minimum payable) or making payment through a monthly payment plan.					