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## CHARITY TAX REBATE PROCEDURES

### POLICY OBJECTIVE:

The purpose of this policy is to provide tax rebates:

- to eligible charities occupying properties in the Commercial or industrial tax class that were previously exempt from paying the Business Occupancy Tax (BOT),
- to organizations as defined under section 6.1 of the Assessment Act.
- this policy recognizes that the Fair Municipal Finance Act, 1997 may have impacts on the amount of property taxes such organizations are required to pay, either directly or indirectly, and provides relief in the form of tax rebates subject to certain conditions as set out in the policy.

### LEGISLATIVE AUTHORITY

The Municipal Act, 2001, section 361 has been used to determine how charitable organizations are to be treated for property tax purposes.

The Assessment Act, section 6.1 provides the authority for a municipality to pass a bylaw to exempt certain properties from municipal taxation. School taxes and local improvements still applies.

### 1) GENERAL PRINCIPLES

#### a) **Legions and other similar organizations Eligible for Tax Rebates:**

To be eligible for tax rebates, these organizations must meet the following criteria:

- i) be defined under section 6.1 of the Assessment Act;
- ii) if leasing, be able to identify the amount of taxes included in their lease payments.

#### b) **Other Organizations Eligible for Tax Rebates:**

To be eligible for tax rebates, organizations must meet the following criteria:

- i) be a charitable organization as defined in subsection 248 (1) of the Income Tax Act and have a registration number issued by the Canada Customs and Revenue Agency;
- ii) be occupying property in the commercial or industrial tax class;
- iii) if leasing, be able to identify the amount of taxes included in their lease payments.

**c) New Charitable Moving to a property with Commercial or Industrial Property Tax Class.**

New charitable will be considered for rebates provided the conditions in b) i) and iii) above are met.

Rebates will be provided for charities that commence eligible occupancy on a date after January 1<sup>st</sup> of the year in which the rebates would apply.

Under these circumstances, the rebate amount will be determined from the date of occupancy through the remainder of the taxation year.

**2) APPLICATION PROCEDURE**

Eligible organizations must apply for the tax rebate on an annual basis as follows:

- a) applications for tax rebates will be accepted and processed by the Treasurer/Manager of Financial Services;
- b) applications will be accepted between Jan 1<sup>st</sup> and of the tax year and February 28<sup>th</sup> of the following year;
- c) applications from eligible charities re-locating within the year will be accepted up until February 28<sup>th</sup> of the following year for rebates for the current taxation year;
- d) applications must;
  - be made on the standard application form which will be available at the Norfolk County administrative offices in Simcoe, Delhi, Langton and on the County's web site at [www.norfolkcounty.ca](http://www.norfolkcounty.ca),
  - be accompanied with current verification of charity status from the Charities Directorate, which may be obtained at the Canada Revenue Agency web site at [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca),
  - where a tenant is applying provide a copy of the lease, or written confirmation from the landlord, indicating the amount of the applicable property taxes paid.

**3) AMOUNT OF THE TAX REBATE**

- a) Tax rebates for Legions will be 100% of the taxes paid, providing that all of the conditions in 1 a) above are met.
- b) Tax rebates for all other eligible charities will be 40% of the taxes paid by the eligible charitable organization, providing that all the conditions in 1 b) or c) above are met.

- c) If the eligible Charity is required to pay an amount under section 367 or 368 of the Municipal Act, 2001, which deals with gross leases and flowing through of taxes, the amount of the rebate shall be calculated using the total of the amounts the charity is required to pay under this section.
- d) Tax rebates shall not include Goods and Service Taxes (GST).

#### 4) PAYMENT OF TAX REBATES

Payments of tax rebates will be made, payable to the applicant, by Norfolk County as follows:

- i) A rebate relating to the current taxation year, submitted prior to the last final due date shall be paid as follows:
  - 50% within 60 days of the municipality receiving an application
  - Remaining 50% within 120 days of the municipality receiving an application after the last final due date.
- ii) A rebate relating to the previous year's taxes, filed by February 28<sup>th</sup> of the following year:
  - 100% of the rebate within 120 days of an application being received.