

### **Tax Deferral Programs**

Low income seniors and low income disabled persons may apply for a partial deferral of property taxes. The deferral applies to current taxes only and not tax arrears or outstanding taxes. Application for tax relief must be made annually to the local municipality to establish eligibility or confirm continued eligibility. Relief is based on the total assessment related tax increase over the previous year in excess of \$300. Any amount deferred under this program is subject to annual interest at a rate of 6% compounded annually.

#### **Eligibility for Deferral Program**

A low income senior must be 65 years of age or older and receiving benefits under the Guaranteed Income Supplement (Guaranteed Annual Income System also referred to as GAINS) as established under Part II of the Old Age Security Act (Canada) and meets the asset limitation requirements of the Ontario Disability Support Program as verified by the Director.

A low income disabled person must be receiving support under the Ontario Disability Support Program Act (ODSP) or a disability amount paid under the Family Benefits Act and meets the asset limitation requirements of the Ontario Disability Support Program as verified by the Director.

To qualify for tax assistance, applicants must have been owners of residential and/or farm property within Chatham-Kent for a period of one or more years preceding the application.

- Deferred amounts represent a lien against the property under provisions established under Sections 319 and 349 of the Municipal Act.
- Tax assistance is only allowed on one principal residence of the qualified individual or the qualifying spouse in the residential tax class. Appropriate proof of residency establishing continuous and not part-time residency must be provided. Verification of documentation provided in conjunction with an application may be carried out independently at the discretion of the municipality.
- Tax deferral applies to current taxes only and not tax arrears or outstanding taxes
- Tax relief amount are only deferred after payment in full is received for any current or part year amounts payable.
- Application for tax relief must be made annually to establish eligibility or confirm continued eligibility. Application must be delivered by December 31 in each year for which a deferral is sought to the Tax Office of the Municipality.

- Tax relief amounts provided under municipal by-laws are not transferrable to the estates of deceased owners.
- Any tax relief ceased to apply once a property is sold or when the eligible applicant dies or ceases to be eligible under the criteria established by the by-law. Any deferred amounts plus applicable interest charges immediately become debt payable to the municipality, including part-year portions.
- Application forms are to be made available and processed by the local municipality where the property is located.

The following definition of disability has been adopted from the Ontario Disability Support Program Act, 1997 (Schedule B to Bill 142, the Social Assistance Reform Act, 1997)

A person is a person with a disability if:

- The person has a substantial physical or mental impairment that is continuous or recurrent and expected to last one year or more
- The direct and cumulative effect of the impairment on the person's ability to attend to his or her personal care, function in the community and function in a workplace, results in a substantial restriction in one or more of these activities of daily living
- The impairment and its likely duration and the restriction in the person's activities of daily living have been verified by a person with the prescribed qualifications