Municipality of Cumberland Policy 15-08

Low Income Tax Exemption Policy

Section 69 of the Municipal Government Act allows Council to establish a Policy for granting an exemption from tax for a person whose income is below a specified amount. This policy will establish the amount of the tax exemption, who is eligible and the process for applying for the exemption.

"Income" means a person's total income from all sources for the calendar year preceding the fiscal year of the Municipality, and includes the income of all other members of the same family residing in the same household, but does not include an allowance paid pursuant to the *War Veterans Allowance Act* (Canada) or pension paid pursuant to the *Pension Act* (Canada)

1. **Amount of Exemption**
   When the income of the person, spouse and other household members combined is less than **$17,885** the exemption shall be **$305**.

   When the income of the person, spouse and other household members combined is between **$17,886** and **$20,250** the exemption shall be **$210.**

2. **To Qualify for the Exemption**
   The exemption shall apply only to property of a ratepayer occupied by him or her as his or her principal residence.

   The applicant shall complete the application regarding the household income for the previous calendar year. A Councillor, a Commissioner of Oaths or the Municipal Clerk must witness the applicant's signature on the application.

3. **To receive the Exemption**
   An application for a fiscal year shall be submitted by December 31st of that fiscal year.

   General
   (1) County Staff shall annually send out a reminder letter and an application form to all persons who received the exemption the previous year.

   (2) The operating budget shall make allowance for this exemption on a yearly basis.

(3) Should a person's total tax bill for that year be less than the exemption for that year, then the exemption will be equal to the full amount of the tax bill for that year.

(4) The Municipality requires a copy of the prior year's Canada Revenue Agency Notice of Assessment for all household members prior to approving an application.

(5) The deadline for applications and any other pertinent information shall be advertised, at least once, in the local paper.

(6) Total income is based on Line 150 of the T1 Income Tax and Benefit return for all household members.

4. This Policy is effective upon adoption and replaces any previous Low Income Exemption Policies.

Clerk's Annotation for Official Policy Book

Date of Notice to Council Members of Intent to Consider (7 days minimum): May 12, 2015

Date of Passage of Current Policy: May 26, 2015

I certify that this *Low Income Tax Exemption Policy* was adopted by Council as indicated above.

Brenda Moore
Municipal Clerk

Jan. 18, 2016
Date