



Residential Property Tax Exemption and Deferral Program and Deferral of Local Improvement Charges 2005–2006

HALIFAX
REGIONAL MUNICIPALITY

PO Box 1749
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Halifax Regional Municipality can help homeowners pay their property tax through a payment plan, a property tax exemption (a “rebate”), or a deferral of property tax (payment is put off to a later date). A homeowner with a local improvement charge can also apply for a deferral of these charges. This newsletter lists the type of assistance and how to apply.

Important Notice: Changes for 2005–06

- The income eligibility limit has increased from \$26,000 to \$27,000.
- You can apply to both the rebate and the deferral program.
- The maximum rebate value has increased from \$450 to \$600 for homeowners with a combined household income under \$17,000 a year.
- For incomes of \$17,001 to \$27,000 the value of rebate goes down for every increase of \$2,000 in income. See the new Table ‘T’ on page 4 of this newsletter.
- Interest is charged on deferred taxes, but for 2005-06 the interest rate is 0%. There is no interest on a deferral of local improvement charges.

Application Check List

Your application must be complete to be processed. Make sure to include the following:

- Proof of household income from Revenue Canada (called a Notice of Assessment).
- Business tax return if self-employed (and personal income tax Notice of Assessment).
- The form is signed by the owner(s) who have title to the property.
- Proof of power of attorney, executor, guardian, trustee, or living interest must be included unless you have previously submitted it to HRM.



Choose the Option(s) that Fits Your Needs

Each homeowner's needs are different; it is important that you know what options are available.

- A payment plan: rather than two large payments you can pay in smaller monthly amounts.
- A rebate: if your household income is less than \$27,000. The amount of rebate varies with income and residential tax.
- A rebate and a deferral: after the rebate has been applied to your tax account you can postpone payment of all or a portion of the balance. Interest is charged on the deferred amount. The rate of interest is set by Regional Council. For 2005-06 the interest rate is 0%. Applies to current taxation year only (tax owing for prior years is payable).
- A deferral of local improvement charges: you can postpone payment of all or a portion of your local improvement charge. Interest is not charged on the deferred amount.

You can also combine different options to meet your needs such as, for example:

- A rebate and a payment plan to pay the balance in monthly amounts.
- A rebate and a deferral of the balance.
- A rebate, a deferral, and a deferral of Local Improvement Charges.
- A rebate and deferral of only part of the balance.

How to Apply for Help in Paying Property Tax

Application forms and a newsletter are available each May from HRM Customer Service Centres, the HRM Call Centre, HRM Financial Services, and the HRM web site at www.halifax.ca. A newspaper advertisement also lets the general public know when the program is open for applications.

The deadline for applications is December 30th, 2005.

To be eligible to apply for a tax rebate, tax deferral, or deferral of a local improvement charge the program application form must be completed in full and sent with proof of household income before the deadline of December 30th, 2005.

HRM uses last year's gross household income (before income tax) and this year's tax bill to calculate the value of any rebate you might receive. The gross household income - the earnings of all people living on the premises aged 18 or over - cannot exceed **\$27,000**.

*Note: The Income Tax Notice of Assessment is **not** your notice of property tax assessment from Nova Scotia Assessment Services or GST notice of assessment.*



Who Can Apply?

- You must be the registered owner or co-owner of the property. Registration means that the title to the property is registered with the Nova Scotia Land Registry in your name.
- If there is more than one owner, all owners must sign the application form.
- If there is a living interest, adverse possession, power of attorney, or a formal trustee additional information is required (copy of the will, trustee papers).
- A deferral of property tax is not permitted if you are not the titleholder.
- The combined gross household income of all persons living on the property must be \$27,000 or less.
- The property must be your permanent place of residence (your “home”) and not a cottage, second home, investment property holding, vacant lot, or income property.
- A home includes a condominium, a mobile home, duplex.
- If your property has more than one assessment category (for example, Residential and Commercial, or Residential and Resource) only the Residential portion of the tax is used to calculate the value of any rebate. Full taxes must be paid on the Commercial or Resource portion of the property, unless the property is deemed resource with dwelling.
- A minimum tax must be paid by applicants to the tax rebate program (\$100 if income is under \$17,000 and \$200 if income is \$17,001 to \$27,000).
- Interest is not charged on a deferral of local improvement charges.

Proof of Income

- We require your Income Tax Notice of Assessment issued to you by Canada Customs and Revenue Agency. This form states what your total income was, if you owe taxes, or are eligible for a refund. If you do not have a Notice of Assessment from Canada Customs and Revenue Agency, you can call 1-800-959-8281 and have a copy sent to you.
- The combined household income (before tax) of all persons over age 18 living in the property. Income includes, for example, salary, wages, room and board paid by lodgers or dependents, insurance settlement, bequest, alimony, investments, loans, private or government pensions, social assistance or government income subsidies. (See: Administrative Order 10 and By-law T-700 for details)
- If you are self-employed you must include your Revenue Canada business tax statement as well as your personal income tax Notice of Assessment.
- Income includes out-of-country or out-of-province earnings as per the Income Tax Act (1985).
- Income excludes the following: War Veteran’s Allowance (Chapter W-3, Section 7), Child Tax Credit, GST Rebate, Provincial Oil Rebate, or pensions paid under the Pensions Act (Canada), Chapter P-6, sub-section 1-12.

Payment Plan

Anyone who is having trouble paying their taxes in full or on time can ask HRM Financial Services for a payment plan. This option allows you to pay your property taxes monthly (rather than two larger payments) and is called a “Pre-Authorized Payment Plan”. A payment plan can make payments easier for someone living on a monthly pension or modest income. A payment plan can help budget for monthly bills.

You can pay the monthly amount using post-dated cheques or through an automatic bank withdrawal. Call **490-4306** if you would like to set up a payment plan for your property taxes.

If you currently have arrears on your property tax account you should call **490-4000** to set up a payment plan.

Property Tax Rebate

A “rebate” is the amount of your property tax bill paid by HRM. The value of the rebate is calculated using your combined gross household income, the Residential portion of your home’s tax assessment, and the amount of Residential property tax billed.

The Table ‘T’ below shows the new rebate values, as well as the minimum amount of tax all homeowners must pay. If the minimum payment of \$100 or \$200 is still not affordable you can ask for a deferral of this amount (see page 6 for details on a deferral):

Table ‘T’. Household Income, Property Tax and Rebate Levels						
	Household Income before Income Tax					
	\$0 - \$17,000	\$17,001- \$19,000	\$19,001- \$21,000	\$21,001- \$23,000	\$23,001- \$25,000	\$25,001- \$27,000
Tax < \$1,000	\$500	\$400	\$300	\$250	\$150	\$50
Tax \$1,001- \$2,000	\$600	\$500	\$400	\$300	\$200	\$100
Tax > \$2,000	\$700	\$600	\$500	\$350	\$250	\$150
Minimum Payable	\$100	\$200	\$200	\$200	\$200	\$200
New Option	Applicant can defer all or a portion of the balance of taxes. A modest interest rate will be charged on the deferred amount. Rate is to be set by Regional Council.					

Mortgage Accounts

If your property tax is paid by a bank or mortgage company your application will not be processed until after the final tax bill has been paid. This helps to avoid over-payment of property tax. After the final tax bill has been paid by the bank (September) any rebate awarded will be issued to you by cheque. Refund cheques will not be issued for amounts under \$5.

May 1st to July 18th

Applications received and processed between May 1st and July 18th each year will have any rebate credited to the tax account. The rebate reduces the amount of the final tax bill that is sent out in August (payable in September). This second bill (the one mailed by HRM in August every year) is usually higher than the first bill, so being on time with your application is important.

July 19th to December 30th

Applications received and processed after July 18th will have a credit posted to the account. If your taxes have been paid in full before the rebate was processed and you have a credit on your account you can ask for a refund. Refund cheques will not be issued for amounts under \$5.

December 30th to March 1st - Late Applications

If your application is received after the deadline of December 30th it will be processed on a first-come first-served basis. HRM's ability to provide you with a rebate will depend on the balance of funds left in the program's budget for this year. If you are too late for a rebate, HRM staff will add you to the program's mailing list so that you get an application form in May when the program re-opens for next year.

If you need help filling out an application form or choosing the right option for you call Grants Program staff at 490-5454.

Will I get a Refund Cheque?

If you have any outstanding debts to HRM (such as fees, fines, payment arrears) any credit awarded (due to a rebate) will be posted as a payment against taxes first then other amounts owed and you will **not receive a refund cheque**.

If you have a credit on your account (due to a rebate, an overpayment, or paying your taxes in full before a rebate was awarded) and you do not owe HRM any money you can ask for the refund to be paid to you, or the credit can stay on your account and be put against next year's tax bill.

For the purpose of HRM's tax assistance programs, a deferral of tax or a local improvement charge is not considered a "debt" (the money is still due in full but HRM has agreed to delay collection) and the customer may request a refund of any over-payment. You can also ask for a credit to be put towards reducing any deferral you may have made in the past.



Property Tax Deferral

A tax deferral allows a homeowner to put off paying all or part of their property tax bill due in the current year (the year in which you make application). The amount of tax deferred is a “lien” against the value of your property and payment is due when title to the property changes, for example if you sell the property, through an estate settlement, divorce, or re-possession by a bank.

- **NEW - Starting this year, you can apply for both a rebate and a deferral.**
- If you qualify for a rebate this amount will be credited to your account, you can then defer all or part of the balance.
- You can make payment on the deferred amount at any time.
- To continue the deferral you must apply to the program each year.

Who is Eligible for a Tax Deferral?

- The applicant must be the registered owner or co-owner of the property (the title is registered at the Nova Scotia Land Registry of Deeds).
- If there is more than one owner, all owners must sign the application form.
- The combined household income before tax is \$27,000 or less.
- The property is your permanent place of residence (your “home”) and not a cottage, second home, vacant lot or income property.
- A deferral cannot be awarded to: a person with adverse possession (no title), a trustee in bankruptcy, a corporation or company (other than a registered Canadian charity).
- A deferral cannot be awarded to customers whose property tax is paid by a bank as part of a mortgage.
- A deferral can be awarded to a resident with a living interest, the person billed for property tax who has legal power of attorney, a government or court appointed trustee, guardian or estate executor.

How Much Tax Can I Defer?

- You can defer the full amount of tax billed or part of the bill (after any rebate has been awarded to you).



- The total amount of all taxes or charges deferred cannot be more than 75% of the assessed value of the property.
- A deferral cannot be back-dated, it only applies to the year in which you make application. So, if you want to defer your property tax (or part of the tax bill) every year you must apply each year and provide proof of income.
- You can defer Residential Property Tax (including an area rate) and Mandatory Provincial Contributions (Education, Corrections, Public Housing and Assessment Services).
- These charges cannot be deferred: Dangerous and Unsightly Premises fines, Snow and Ice Removal fines, Solid Waste (garbage) fines, False Alarm Charges, Commercial or Resource Property Tax, or Legal Fees.

Deferral of Local Improvement Charges

Local Improvement Charges are sometimes collected from neighbourhood residents for major sewer, water, or road projects. These charges are paid once a year. If you need help paying these charges you can apply to put off payment (called a deferral).

Who is eligible to apply for a deferral?

- The applicant must be the registered owner or co-owner of the property (the title is registered at the Nova Scotia Land Registry of Deeds).
- If there is more than one owner, all owners must sign the application form.
- The combined household income before tax is **\$27,000** or less.
- The property is your permanent place of residence (your “home”) and not a cottage, second home, vacant lot or income property.
- **A deferral cannot be awarded to:** a person with adverse possession (no title), a trustee in bankruptcy, a corporation or company (other than a registered Canadian charity).
- A deferral can be awarded to a resident with a living interest, the person billed for property tax has legal power of attorney, a government or court appointed trustee, guardian or estate executor.
- **To continue with a deferral, the owner(s) must apply each year.**

How Much Can I Defer?

- You can defer all or a portion of Local Improvement Charges for Sewer (including trunk sewer charges), Water or Road Improvements.
- The total amount of all taxes or charges deferred cannot be more than 75% of the assessed value of the property.

How to Complete Your Form

Income Tax Summary: This is the form that Canada Customs and Revenue Agency sends back to you after you have filed income tax for the year. This form states your total income and whether or not you owe Canada Customs and Revenue Agency money or are receiving a refund. If you do not have your Notice of Assessment from Canada Customs and Revenue Agency, you can **call 1-800-959-8281** and have one sent to you.

NOTE: This form is not the Provincial Notice of Assessment for your property, and is not the Notice of Assessment for GST Rebate, or the Notice for Child Tax Credit Benefits.

Net World Income for Deemed Residents: If your spouse or common-law partner was a **deemed resident in 2005**, your spouse or common-law partner's net world income is the amount on line 236 of your spouse or common-law partner's tax return, or the amount that it would be if he or she filed a return.

Net World Income for Non-Residents: If your spouse or common-law partner was a **non-resident in 2005**, your spouse or common-law partner's net world income is his or her income for 2004 from all sources both inside and outside Canada.

Household Income: This is the income from Line 150 for all resident's on the property over the age of 18, it includes all members of the household. This amount also includes disclosure of all owner's withdrawals from a business.

If you are self-employed: If your business location is the same as your home, a copy of your business return submitted to Canada Customs and Revenue Agency must be included for information purposes.

Spouse's Income: Gross income for all applicants is found on line 150. If a husband and wife file on the same tax return, the spouse's net income is recorded between line 300 and line 303 and on the front of the return submitted to Canada Customs and Revenue Agency. Staff have been advised that couples cannot file jointly and that line 150 is only the income of the person named at the top of the Notice of Assessment.

Student Income: If you have a student residing on the property and the student is over the age of 18, you will need to submit proof that income earned by the student is being expensed for payment of tuition. This can be in the form of a letter and supporting documentation from the school.

NOTE: If you have a second person living on the property over the age of 18, who is not a student, proof of their income from Canada Customs and Revenue Agency must be submitted.

Net Income from a Boarder: If you have a person living on the property and are not claiming the income received for board with Canada Customs and Revenue Agency, you are required to either submit their proof of income or declare the "rent and/or board" received on the application form.



If the Assessed Owner is Deceased: You will need to submit a copy of the death certificate for the member of the household who is deceased and a registered owner on the property. This will be forwarded by staff to the Provincial Assessment Office to update the property ownership record.

Income Not Included: Income does not include RCMP Pensions and Veterans Pension amounts covered under the Income Tax Act, Section 81.1 subsections (d) and (i) are not claimed by Revenue Canada, and are not taxed (but Department of National Defense Pensions are taxable and should be claimed on line 115 under Other Pensions or Superannuation), GST/HST Credit, Child Tax Benefit as well as those from related provincial and territorial programs (such as the heating oil rebate).

Some Special Circumstances

Trustee, Guardian or Power of Attorney

If the owner of the property has a family member, friend, or court appointed trustee helping them with their daily activities, when they apply for either the Residential Property Tax Exemption, Property Tax Deferral or the Deferral of Local Improvement Charges Program, the trustee, guardian or person acknowledged legally as having power of attorney, must submit proof in the form of legal documentation to HRM so that staff can release information to the person representing the owner.

Death of a Joint Owner or Partner

If a joint owner of a property dies (spouse, relative or un-related co-owner) their name needs to be removed from the “tax roll” so they do not receive future tax bills. A copy of the death certificate (or copy of the will) needs to be sent to **Nova Scotia Assessment Services Office** so that the ownership record for the property is correct.

Nova Scotia Assessment Services
780 Windmill Road
Dartmouth, NS B3B 1T3
1-800-667-5727

A payment plan or tax deferral may help the other owner(s) pay the property taxes while the estate is being settled. In this case, if you apply for a tax rebate, or a rebate and deferral, you need to include a copy of the death certificate with your application form to HRM.

Loss of Income in Current Year

HRM’s property tax assistance programs use last year’s income and this year’s taxes to calculate a rebate and minimum tax payable or the amount of tax that can be deferred (put off payment to a later date).

If your household income has dropped since last year (due to retirement, illness, divorce, death of a spouse, unemployment etc) it is still last year’s income that will be used to calculate eligibility. In this situation, a payment plan or tax deferral might help with tax payment for this year. In you apply again next year, this year’s lower income will be used to qualify for the program and the value of any rebate.



Provincial Programs

Grants for Home Repairs

Provincial Housing Emergency Repair Program

Provides grants of up to \$5,000 to lower income households to carry out emergency, health and safety related repairs to their homes. The annual income limit for eligibility varies, depending on location and household size. Call 424-5110.

Senior Citizens Assistance Program

Provides grants of up to \$5,000 to seniors, who are at least 65 years of age, to carry out emergency, health and safety related repairs to their homes. The annual income limit for eligibility varies, depending on location and household size. Call 424-5110.

Assess-A-Home Program

Provides grants of up to \$3,000 to help homeowners renovate their homes to make them more wheelchair accessible. Often the grant pays for wheelchair ramp but it can also be used to pay for widening doorways and hallways or making bathrooms wheelchair accessible. The amount of the grant available depends on the applicant's income level. The annual income limit for eligibility is \$30,000. Call 424-5110.

Emergency Repair Program

Assists eligible homeowners who live in rural areas to carry out repairs that are needed on an urgent basis to deal with health and safety hazards. Examples include repairs to unsafe wiring and heating systems and installing new wells and septic systems. The maximum grant available is \$6,000. The income limit for eligibility varies, depending on locations and household size. Call 424-5110.

Help for Major Repairs and Adaptations

Homeowners Residential Rehabilitation Assistance Program (Homeowners RRAP)

Provides a forgivable loan of up to \$16,000 to qualifying homeowners who own and occupy sub-standard housing, to make repairs so that the home will meet at least minimum health and safety standards. The amount of assistance available depends on the cost of the repairs, household income and household size. The income limit for eligibility varies, depending on location and household size. Call 424-5110.

Disabled Residential Rehabilitation Assistance Program (Disabled RRAP)

Provides a forgivable loan of up to \$16,000 to qualifying homeowners to carry out work needed to modify homes occupied by someone with a disability. The amount of assistance depends on the cost of the modifications, household income and household size. The income limit for eligibility varies, depending on location and household size. Call 424-5110.

Home Adaptations for Seniors Independence

Provides financial assistance of up to \$3,500 to qualifying homeowners to carry out home adaptations needed to extend the time that lower income seniors, who are at least 65 years old, can live in their homes independently. The income limit for eligibility varies, depending on location and household size. Call 424-5110.

Other Programs

Property Tax Rebate Program

Assists senior citizens who are in receipt of the Guaranteed Income Supplement to the Old Age Security, by providing a rebate of a portion of the municipal property taxes paid for the previous year. Information on this program may be obtained by calling 424-4500 or toll free 1-877-296-9338.

How to Apply

To apply for assistance to repair your own home, contact **NS Department of Community Services Housing Services Office**.

Metro Region

Halifax: 424-5110

Toll free: 1-800-774-5130

To apply for public housing, contact **Metropolitan Regional Housing Authority**

Halifax (902) 420-6000

Wrong Name on a Tax Bill

If the name on your tax bill is wrong or incomplete, please contact:

Nova Scotia Assessment Services
780 Windmill Road
Dartmouth, NS B3B 1T3
1-800-667-5727

Wrong Address on a Tax Bill

If the mailing address on your tax bill is wrong or incomplete, please contact:

HRM Financial Services
PO Box 1749
Halifax, NS B3J 3A5
490-4000

Send Your Application Form to HRM

You can **drop off** your application at any one of the following **HRM Customer Service Centres**

Sackville	Acadia Centre, 636 Sackville Drive
Halifax	West End Mall, 6960 Mumford Road
Halifax	Scotia Square Mall, Lower Level, Duke Street
Dartmouth	40 Alderney Gate, 2 nd Floor, 40 Alderney Drive
Cole Harbour	Cole Harbour Place, 2 nd Floor, 51 Forest Hills Parkway
Musquodoboit Harbour	East Petpeswick Road, Musquodoboit

You can mail your application form to the HRM Grants Program Office:

Residential Tax Exemption Program, c/o HRM Grants Program
PO Box 1749, Halifax, NS B3J 3A5





FINANCIAL SERVICES
GRANTS PROGRAM