

Criteria for the Deferral of Full Taxes for Seniors and Low-Income Persons with Disabilities Program (“Full Tax Deferral Program”)

Deferred amount:

- The total taxes for applicable taxation year including municipal and education taxes.
- Accumulated deferred amounts, including interest, shall not exceed 40% of the assessed value of the property at the time of application, considering the tax estimate of year being applied for.

Eligible person:

- The owner, the owner’s spouse, or both, are 65 years of age in the year preceding the taxation year in which the rebate would be granted.
OR
- The owner or the owner’s spouse is a low-income person with disabilities who is in receipt of assistance paid under the Ontario Disability Support Program (ODSP) or a disability amount paid under the Guaranteed Income Supplement (GIS) or an amount paid under the CPP disability benefit.
- Only eligible if the registered owners are not participating in any other City of Hamilton property tax relief program.

Income:

- The aggregate taxable income of all applicants is no more than 150% of the GIS Maximum Annual Income (combined), as published by the Government of Canada for individuals whose spouse / common law receives the full OAS pension. This threshold applies regardless of marital status (\$36,900 for 2020).
- The income threshold will be verified against line 15000 – Total Income, on the previous year’s Notice of Assessment(s) from Canada Revenue Agency. In the case of pension income splitting, line 15000 of the transferring spouse will be adjusted by the deduction for elected split-pension amount captured on line 21000 of the Income Tax and Benefit Return.

Property:

- The property must be assessed in the residential property class. For multiple use properties, only the residential portion is used to determine eligibility.
- Must be the principal residence of the applicant.
- Property taxes for the prior years must be up to date at the time of the application.
- A registered owner cannot apply for a deferral for more than one property.

Ownership:

- Must have owned the property for at least one year preceding the application.

Application:

- Annual application is required to defer the current year's taxes. If an application is not made for the taxation year, the property taxes for the taxation year become payable.
- If an application is not received for the current taxation year, previously deferred amounts will remain in the tax account until they become payable.
- The application can be made any time during the year and up to the last business day of September of the taxation year.
- The applicant, the applicant's spouse and all registered owners must apply and qualify.
- Any taxes paid prior to the submission of successful application will be refunded.

Penalties and Interest:

- Deferred amounts will be subject to interest, compounded annually, based on the City's external debt forecasting assumptions (3% for 2020 – to be revised annually).
- Interest will be charged starting January of the applicable taxation year.
- Penalties and Interest charged before an application is accepted will be cleared.
- Penalties and Interest incurred before an application is rejected will be applied to the tax account.

Special Lien:

- Deferred amounts and interest and penalties, if applicable, are a special lien on the respective property. Deferred amounts and any interest and penalties will be shown in the Tax Certificate

Repayment:

- If the current owner / applicant is no longer eligible, deferred amounts will remain in the tax account, continuing to accrue interest, until the property is sold.
- Deferred amounts, plus interest, become payable immediately if the property is sold.
- If at any point the assessment cap is reached, no additional deferrals will be allowed for the property, regardless of Current Value Assessment (CVA) changes. Existing deferred amounts will continue to be subject to interest and will become payable when the property is sold or if the owner is no longer eligible.

Fees:

- Non-refundable application fee of \$200 for 2020. To be revised annually and included in the User Fee and Tax Policy reports.
- Annual renewal fee of \$100 for 2020. To be revised annually and included in the User Fee and Tax Policy reports.