

**Tax Deferral Programs for Seniors and Low Income Persons with Disabilities
Criteria for Full Tax Deferral Program**

Deferred amount:

- Up to the total taxes for applicable taxation year including municipal and education taxes. Partial deferrals are permitted.
- Accumulated deferred amounts including interest should not exceed 40% of the assessed value of the property (referred to as the assessment cap).
- Other charges added to the tax bill through the year such as local charges, water arrears, property standards, etc. are not part of the deferral.

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 deferral 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 (\$34,800 for 2017).
- The income threshold will be verified against Line 150 – Total Income on the previous year’s Notice of Assessment(s) from Canada Revenue Agency.

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 date.

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.

- For 2018, taxation year, the application can be made any time during the year and up to the last business day of September. This deadline may be reviewed for the subsequent taxation years.
- 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 & Interest:

- Deferred amounts will be subject to interest, compounded annually, based on the City’s external debt forecasting assumptions (5% for 2018 - to be revised annually).
- Interest will be charged starting January 1st 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 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 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 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 plus applicable HST for 2018. To be revised annually and included in the User Fee reports.
- Annual renewal fee of \$100 plus applicable HST for 2019. To be revised annually and included in the User Fee and Tax Policy reports.