

SECTION	NAME OF POLICY
GENERAL ADMINISTRATION	TAX REBATES FOR CHARITABLE ORGANIZATIONS

DEVELOPED BY: PROPERTY ASSESSMENT AND TAXATION REFORM AD HOC COMMITTEE
APPROVED BY: REGIONAL COUNCIL DATE: JULY 30, 1998
EFFECTIVE DATE: JULY 30, 1998 LATEST REVISION: MARCH 17, 2005

POLICY OBJECTIVE:

The purpose of this policy is to provide tax rebates:

- to eligible charities occupying commercial or industrial property that were previously exempt from paying the Business Occupancy Tax (BOT),
- to organizations occupying residential property as defined under section 325 (1) of the Municipal Act, 2001, and
- to organizations as defined under section 6 of the Assessment Act.

This policy recognizes that the Fair Municipal Finance Act, 1997 may have impacts on the amount of property taxes such organizations are required to pay, either directly or indirectly, and provides relief in the form of tax rebates subject to certain conditions as set out in the policy.

LEGISLATIVE AUTHORITY:

The *Municipal Act, 2001*, Section 361 has been used to determine how charitable organizations are to be treated for property tax purposes.

I) GENERAL PRINCIPLES

a) *Legions and other similar organizations Eligible for Tax Rebates:*

To be eligible for tax rebates, these organizations must meet the following criteria:

- i) be defined under section 325 (1) of the Municipal Act, 2001;
- ii) occupying residential property; and
- iii) if leasing, be able to identify the amount of taxes included in their lease payments.

b) *Navy League*

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To be eligible for tax rebates, these organizations must meet the following criteria:

- i) be defined under section 6 of the Assessment Act; and
- ii) occupying the property; and
- iii) if leasing, be able to identify the amount of taxes included in their lease payments.

c) *Other Organizations Eligible for Tax Rebates:*

To be eligible for tax rebates, organizations must meet the following criteria:

- i) be a charitable organization as defined in subsection 248 (1) of the Income Tax Act and have a registration number issued by the Canada Customs and Revenue Agency;
- ii) be occupying commercial or industrial property;
- iii) if leasing, be able to identify the amount of taxes included in their lease payments;

d) *New Charitable Moving to Commercial or Industrial Property*

New charitable will be considered for rebates provided the conditions in c) i) and iii) above are met.

Rebates will be provided for charities that commence eligible occupancy on a date after January 1st of the year in which the rebates would apply.

Under these circumstances, the rebate amount will be determined from the date of occupancy through the remainder of the taxation year.

II) APPLICATION PROCEDURE

Eligible organizations must apply for the tax rebate on an annual basis as follows:

- a) applications for tax rebates will be accepted and processed by the Area

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- Municipality in which the organization is located;
- b) applications will be addressed to the Treasurer of the Area Municipality;
 - c) applications will be accepted between January 1st of the tax year and February 28th of the following year;
 - d) applications from eligible charities re-locating within the year will be accepted up until February 28th of the following year for rebates for the current taxation year;
 - e) applications must be made on the standard application form which will be available at the Region of Niagara and at all of the Area Municipalities.

III) AMOUNT OF THE TAX REBATE

- a) Tax rebates for Legions and other similar organizations will be 100% of the taxes paid, providing that all of the conditions in I a) above are met.
- b) Tax rebates for Navy Leagues will be 100% of the taxes paid, providing that all of the conditions in I b) above are met.
- c) Tax rebates for all other eligible charities will be 40% of the taxes paid by the eligible charitable organization, providing that all of the conditions in I c) above are met.
- d) If the eligible charity is required to pay an amount under section 367 or 368 of the Municipal Act, 2001 which deals with gross leases and flowing through of taxes, the amount of the rebate shall be the total of the amounts the charity is required to pay under those sections.

IV) PAYMENT OF TAX REBATES

Payments of tax rebates will be made by the Area Municipality in which the organization is located as follows:

- a) A rebate relating to the taxation year shall be paid as follows:
 - 50% within 60 days of municipality receiving application
 - 50% within 120 days of municipality receiving application

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- b) **Eligible** organizations that move to another area municipality (either within or outside the Region of Niagara) within a taxation year are required to repay a prorated amount of the rebate to the area municipality that issued the rebate;
- c) **Eligible** organizations that move within an area municipality within a taxation year may not be required to repay portions of the rebate.

