

Chapter 6: Shelter Benefits:

(v) Municipal Taxes and Fees

Intent:	To provide details on the eligibility criteria, the payment process and regulations involving municipal taxes and fees.
Act: (if applicable)	N/A
Regulations:	<p>Other income support</p> <p>19. (5) Other income support for which an applicant or recipient may be eligible is:</p> <p>(c) for a recipient who has been receiving income support continuously for at least 90 days, outstanding municipal taxes and fees levied by a municipality, Regional Service Board or local service district retroactive to the date the recipient began receiving income support;</p>
Overview: (if applicable)	<ul style="list-style-type: none"> A municipality is an incorporated body that can charge taxes/fees including real property tax, poll tax, garbage collection, and water & sewer fees. Clients in receipt of Income Support benefits are eligible for payment of these municipal taxes and fees. Within these municipalities, landlords/landladies are responsible for the payment of property tax and water/sewer fees on behalf of tenants; therefore, there is no eligibility under the Income Support Program to pay these fees for clients who are renting. A local service district/community (LSD) is also an incorporated body and can impose fees on residents/users (including homeowners or renters). Some examples of these fees include water & sewer, fire protection, animal control, waste collection/disposal and street lighting. Income Support recipients (whether homeowners or renters) may eligible for payment of these fees by the Department. A Regional Service Board (RSB) is an entity for which the Minister may provide powers for regionally based services such as waste management, water supply, sewage systems, animal control, fire protection systems etc., and also the authority to charge fees for these services.

	<ul style="list-style-type: none"> • There are occasions when people are exempt from the payment of municipal taxes. The provisions under the Municipalities Act include; <ul style="list-style-type: none"> ◦ 127 (1) (c) Exemptions from Poll Tax: upon application to a council, a person whose income from all sources for the taxation year under the Income Tax Act (Canada) immediately before the date on which a poll tax is due is less than the basic personal exemption provided for under that Act, or a greater amount which the council may determine. ◦ (2) An application for an exemption under paragraph (1)(c) shall be made before July 1 in a financial year in order for that exemption to be applicable to that financial year.
<p>Policy:</p>	<ul style="list-style-type: none"> • Eligible taxes and fees include: property taxes, water and or sewer fees, waste management fees, fire protection fees and poll taxes. • Municipal taxes are only paid on behalf of eligible clients who have been in receipt of Income Support benefits for at least ninety (90) consecutive days. After the client has received benefits for 90 days, an adjustment can be provided to cover retroactively any portion of the first 90 days of taxes. • Those who were eligible for income support only because they were receiving medical transportation, prior to the transfer of this service to the Department of Health and Community Services in 2018, will continue to be eligible to have their municipal taxes considered for payment. There is no eligibility for any new clients to be considered and staff must ensure that municipal taxes were being considered prior to the transfer. • Clients will be asked to submit their invoices for these taxes and fees early in the calendar year, and provide consent for the Department to direct the payment to the applicable town, LSD or RSB, once the 90 day eligibility period has been met. • Such taxes and fees are only to be paid on a client's principle residence. If clients have cabins/cottages or other properties, taxes will not be paid. In the case of clients who own and rent out

their property, the cost of municipal taxes can be considered as a deduction in determining their rental income.

- Recipients who have entered into a Rental-Purchase Agreements prior to April 2, 2000 will be eligible for payment of property/municipal taxes as long as they remain in continuous receipt of Income Support benefits. If an individual ceases to receive Income Support benefits and reapplies at some future date, there will be no eligibility for payment of property taxes for the remaining period of the Rental-Purchase Agreement.
- For those clients subject to poll tax, the Department's interface with Canada Revenue Agency identifies clients whose income fell below the basic personal exemption in the previous year, and can be exempted from the payment of poll tax. Clients who qualify for this exemption will not receive payments for poll taxes.
- The Municipalities Act stipulates that a council must declare vacant a council seat of any councillor who becomes indebted for taxes 31 days after the end of the financial year. Therefore, those seeking to run for council are required to pay their taxes in full prior to nominations for a municipal election, and for elected councillors, within the deadline for the year for which the taxes are levied. The same is true of members of LSD committees. The fiscal year of municipalities and local service districts is January 1st to December 31st. To ensure that clients are given an equal opportunity to serve on their respective councils or LSD committees, workers need to address each case individually and if the clients are eligible, to arrange payment or fees within the calendar year to which they apply.

Client Consent for Payment of Taxes and Fees

- A completed [consent form](#) should be on file for each active case allowing the Department to forward payments directly to the town/LSD/RSB on their behalf. Clients have the option on the consent form to provide consent or decline.
 - In the case of couples, only one adult/case needs to sign.
 - If there is a break in assistance, a new form should be completed.
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	<ul style="list-style-type: none"> • Clients have the option of withdrawing their consent at a later date.
Procedure:	<p><u>CAPS Processes</u></p> <ul style="list-style-type: none"> • When adding a client to CAPS or completing a reassessment on a file, it is very important that CSO's record the correct information in the address section, and the accommodations screen given that this area also dictates whether a client owns their home and whether taxes are included in mortgage payments. • In some instances, clients apply for Income Support benefits and their mortgage documents indicate that municipal taxes are included in their mortgage payments. When workers select an accommodation type of mortgage – screen AM 4100 refers, a mortgage tab appears. Staff are required to select whether or not these taxes are included in the mortgage payment. In these cases, staff can add the municipal taxes/fees requirements to the client's Income Support allowance, as opposed to taxes being paid separately to the municipalities. However, this requirement is still not added to an active case until after the required 90 consecutive days has elapsed – a KIV should be set up to note this time frame. • The Department should not approve payment of property taxes for cases which receive the rural & remote mortgage requirement. Property taxes are included in a client's mortgage payment to NLHC, who in turn pay the property tax to the appropriate municipal/community council. • On the Accommodations screen, there is a button labelled MUN TAXES. Staff should select to access the tax screens. • TX 1000 screen is a grid with 2 tabs which contain a history of consents by the client, as well as invoices which were submitted for the payment of municipal taxes and fees. • TX 1100 screen captures the completed tax consent forms by the client. The value on this screen indicates whether clients have given their consent (approved direct payment), declined direct payment, or withdrawn their initial consent.

- With each break in assistance, a new consent form is required, and the addition of a new form cancels the previous consent (status of closed).
- Staff must complete screen TX 1200 which identifies the taxation year, TRIM # of the tax invoice, community involved, as well as the type, frequency and amount of taxes and fees being charged to the client. In some cases, there may be an LSD and an RSB each submitting an invoice for separate services, so each entity would have to be added separately with the specifics.

Consent Tab

- When adding or viewing a consent record, a new screen (TX 1100) will appear. Some fields are self-explanatory.

Consent status

- The status of the consent record can be:
 - Approved – client has provided consent to forward payments on their behalf to the town/LSD/RSB etc.
 - Declined – client has not provided consent to forward payments. Staff will need to provide money directly to the client to manage their own taxes. Invoices will be required, and the case KIV'd for a receipt. If the client does not provide a receipt or statement to show the taxes were paid, no further payment of taxes will be made to the client.
 - Withdrawn – client had originally provided the consent, but at a later date, chose to withdraw it. These clients will now follow the same criteria as those who declined to provide the consent in the first place.
 - Closed – A new consent will be required each time there is a break in assistance. As a new consent record is added, the previous one will be automatically closed by the system.

Signed Type

- Will show roles for that particular case – Client A1 and A2, Proxy as applicable

Signed By

- Identifies the specific individual who signed. Only 1 adult is required to sign
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Trim Document

- Staff should insert the document # in order to provide a link to the actual signed document

Invoices Tab

- When adding or viewing an invoice record, a new screen (TX 1200) will appear. Some fields are self-explanatory.
- It is possible to have multiple invoices for a given case for the same taxation year. A separate record is required for each invoice.

TRIM document

- # of the invoice is a required field.

Tax Year

- Is also a required field. Controls will not permit entering a taxation year more than 6 years back, or for future taxation years.

Service Provider

- Once a service provider is selected, other related fields will open and be required.
- Lists of towns, RSB's and LSD's are in drop down boxes for selection, while the 'Other' field is only to be used for other providers not listed – i.e. water committees, private contracts for garbage collection etc. The name of this provider will need to be typed in the box provided.

Previous Year Receipt

- This field is to be used for clients who decline or withdraw their consent to have payments made directly to the service provider. Before further tax payments are made, staff will need to ensure and note the receipts provided for the previous year's taxes.

Tax Types

- Within this grid, staff will need to enter each particular from the tax invoice. For some towns, several types of taxes may need to be entered, as well as the frequency of the billing and the actual amount for that billing period.
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Payment Processes:

- At the end of April each year, a report of homeowners will be generated in CAPS showing all clients who have been in receipt of Income Support for at least 2 years and have submitted their invoices and provided consent for the direct payment.
 - Staff will complete a request for each case on the report within CAPS using a cheque as payment, and entering the town/LSD etc. as “other” payee. (No service authorization is required.)
 - Payments will be made to the town, LSD or RSB as per the invoice information contained on screen TX 1200. This payment will be for January 1 – December 31 for the current taxation year. No further tax payment for this client will be considered until the next taxation year.
 - At the end of each quarter, an additional report will be generated to identify any other clients eligible for the payment of taxes and fees who did not meet the two year homeowner requirement at the time of the April payment. Staff will complete a request for each case on the report within CAPS. Cheques will be generated to the applicable town, LSD or RSB for each quarter of that year in arrears, or the applicable portion for which a client was in receipt of IS.
 - On the stub attached to the cheque, the text will show that the payment is on behalf of a specific client, and provide the client’s address.
 - In the case of clients who did not provide their consent for direct payment to the town, but did submit a bill, staff will complete a request for each case and cheques will be generated to the client at the end of each quarter, for the payment of taxes as per the previous bullet. Payments will be in arrears and the client will be expected to make their own arrangements with the municipality, LSD or RSB. In the following year, the client will be expected to provide a receipt showing that taxes were paid for the previous year, before further issuances for taxes are made.
 - Clients charged with poll tax who fall below the basic personal tax exemption, will not appear on the report and will not have
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taxes paid on their behalf. Clients may need to apply to their town to have their taxes exempted based on their income.

- Beginning with the 2016 taxation year, the payment of taxes can be viewed under the applicable file in CAPS, as opposed to bulk payments not attached to files for the 2015 tax year and earlier.
- Where a client does not submit their bill until much later in the year, staff should complete a request to pay the taxes retroactive to January 1 or the date in the year the client began receiving Income Support benefits.
- Where the benefit for taxes and fees is paid directly to the client, and they do not make the payments and falls into arrears, consideration can be given to redirect a portion of the clients basic benefits to the town/LSD with the clients consent until the arrears are paid. The negotiation of the redirect is between the town and the client, and the role of the Department is simply to redirect the payment. Current bills should not be included in the redirect, as they will continue to be paid out as per the reports schedule as outlined above.

Overpayment Process for Municipal Taxes

- An overpayment is defined as income or employment support which was provided to or on behalf of a recipient where it is determined that the recipient:
 - was not entitled to any of the benefits which had been issued; or
 - was not entitled to a portion of the benefits issued. This may be due to a change in circumstances which alters the requirements of the individual or family; or there was a change in income (usually, income which had not previously been reported, an increase in the income, or receipt of income which was for a retroactive period of time that overlapped with the receipt of Income Support benefits) or
 - receives benefits to meet an immediate need, and the recipient agrees in writing to repay all or a portion of at a future date.
 - When the Department pays the Municipality directly, either quarterly or for the entire year:
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	<ul style="list-style-type: none"> ○ If the suspension date is on, or prior to, the payment date, all municipal taxes following the suspension date will be calculated in the overpayment. Example: If a client's suspension date is determined to be April 16 and the payment date for municipal taxes was May 1, all payments for municipal taxes will be calculated in the overpayment. ○ If the suspension date is determined to be after the payment date there would be no overpayment calculated. Example: If a client's suspension date is determined to be May 1st and payment date was April 16, there will be no overpayment calculated as the client was determined eligible prior to suspension. <ul style="list-style-type: none"> • Municipal Tax can be issued on Recurring Pay or Mail-back if included in the mortgage payment. • If paid on Recurring Pay or Mail-back there is no further eligibility for municipal taxes once the file is suspended. • When a client turns 65, any municipal taxes that are paid, either direct to a municipality or on Recurring Pay or Mail-back, will not be set up as an overpayment and client is eligible for any taxes paid. • If a client calls in to report a change in circumstances in a timely manner, for example employment, an overpayment will not be set up for any municipal taxes already paid, either to the client or to a Municipality.
Authority Level:	<p>Client Services Officer</p> <p>Client Service Manager – requests for full payment in advance, on behalf of municipal councillors or candidates.</p>
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