

Staff Report

Financial Services Department



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REPORT TO: Planning and Strategic Initiatives Committee

DATE OF MEETING: September 18, 2023

SUBMITTED BY: Saleh Saleh, Director of Revenue, 519-741-2200 ext. 7346

PREPARED BY: Feras Abdulhadi, Tax Specialist, 519-741-2200 ext. 7440

WARD(S) INVOLVED: All

DATE OF REPORT: August 29, 2023

REPORT NO.: FIN-2023-354

SUBJECT: Applications for Cancellation, Refund, Reduction of Taxes

RECOMMENDATION:

That the applications to City Council for write-off, cancellation, reduction, or refund of taxes totalling \$656,395.31 as attached to Financial Services Department report FIN-2023-354, be approved, pursuant to Sections 354 and 357 of the *Municipal Act, S.O. 2001, c. 25* (“the Act”).

BACKGROUND:

Sections 354 and 357 of the Act allow the local municipality to write-off, cancel, reduce, or refund all or part of taxes levied on land in the year in respect of which the application is made for certain specific reasons as laid out in these sections of the Act.

REPORT:

Seventy-seven requests for tax adjustments under Sections 354 and 357 of the Act were reviewed and processed. Additional statistics related to these applications are as follows:

- 53 applications were approved for adjustment resulting in a total tax reduction of \$656,395.31.
- 15 applications were declined for adjustment for reasons such as an absence of a building permit or other documentation in support of the application.
- 9 applications were returned by the Municipal Property Assessment Corporation without any recommended changes to the assessment.

The required notices to the affected parties were sent out in accordance with the relevant legislation.

*** This information is available in accessible formats upon request. ***
Please call 519-741-2345 or TTY 1-866-969-9994 for assistance.

The following table shows a breakdown of the reduction in taxes in this report by the applicable reason.

Relevant subsection of the Act	Reason for Application	Total Taxes Reduced
357(1)(a)	Ceases to be liable for tax at rate it was taxed	\$71,323.66
357(1)(c)	Became exempt	\$59,342.52
357(1)(d)(i)	Razed by fire, demolition or otherwise	\$389,399.95
357(1)(f)	Gross or manifest clerical/factual error	73,988.82
357(1)(g)	Repairs/renovations preventing normal use	\$9,401.89
	S.357 Tax only Adjustment	\$52,938.47
	Total	\$656,395.31

STRATEGIC PLAN ALIGNMENT:

The recommendation of this report supports the achievement of the city’s strategic vision through the delivery of core service.

FINANCIAL IMPLICATIONS:

The tax reductions are shared with the Regional Municipality of Waterloo and the School Boards. The net effect to the City of Kitchener is a reduction in current year revenue, including a reduction in City levies of \$144,922.38 and a reduction in BIA levies of \$9,868.15 dollars, both of which are accommodated within the 2023 Operating Budget. The City share forms part of the year’s net supplementary taxes and write-offs, which carries a net revenue budget of \$1.1 million annually.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City’s website with the agenda in advance of the council meeting.

The required notices to the affected parties were sent out in accordance with the relevant legislation under Section 357 of the Act.

ACKNOWLEDGED BY: Jonathan Lautenbach, Chief Financial Officer.