

REPORT TO: Committee of the Whole

DATE OF MEETING: March 20, 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: February 27, 2023

REPORT NO.: FIN-2023-101

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 \$295,065.32 as attached to Financial Services Department report FIN-2023-101, 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:

Twenty-nine applications for adjustment of taxes under Sections 354 and 357 of the *Act* were processed, resulting in a net reduction of taxes in the amount of \$295,065.32. The required notices to the affected parties were sent out in accordance with the relevant legislation.

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	\$11,748.00
357(1)(c)	Became exempt	\$934.90
357(1)(d)(i)	Razed by fire, demolition or otherwise	\$168,383.08
357(1)(d)(ii)	Damaged and substantially unusable	\$815.97
357(1)(g)	Repairs/renovations preventing normal use	\$113,183.37
	Total	\$295,065.32

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

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 \$ 65,577.73 and a reduction in BIA levies of \$23,461.38 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.