
For Information

REPORT TITLE: **Tax Relief Program Low-income Seniors and Low-income Persons with Disabilities**

FROM: Gary Kent, CPA, CGA, ICD.D, Chief Financial Officer and Commissioner of Corporate Services

OBJECTIVE

To provide Regional Council with updated information on the Region's Tax Relief Program for low-income seniors and low-income persons with disabilities.

REPORT HIGHLIGHTS

- At the December 2, 2021 Regional Council Budget meeting, staff was asked to bring back a report with updated information regarding the Region's tax relief program for low-income seniors and low-income persons with disabilities.
 - The Region's existing tax relief program is a common rebate program that was introduced in 2010 after significant research and collaboration between the Region and the local municipalities.
 - The common rebate program allows the Region to cost share the local's tax relief program under Section 365 of the *Municipal Act, 2001*, as amended (the Act). The common rebate program is structured to meet the Region's mandatory tax relief program requirement under Section 319 of the Act and includes common eligibility criteria across the Region.
 - In 2022, the Region's year-to-date actual costs for the program amount to approximately \$550,000 and relate to around 2,800 processed applications.
 - Staff surveyed the various tax relief programs offered by other municipalities, and the tax rebates currently offered across the Region (i.e. \$514 in Brampton, \$525 in Caledon and \$459 in Mississauga) fall within the higher end of the tax rebate spectrum observed among the municipalities surveyed.
 - The Region and the local municipalities have developed various programs and strategies to support vulnerable residents, including low-income seniors and persons with disabilities, and continue to advocate for funding from senior levels of government to further support people who are the most vulnerable.
 - Regional staff, the tax managers and area treasurers from local municipalities have reviewed the tax relief program information and parameters together; the collective and aligned recommendation is to maintain the program unchanged. The Region will continue to cost share in the local tax rebate programs for low-income seniors and low-income persons with disabilities.
-

Tax Relief Program Low-income Seniors and Low-income Persons with Disabilities

DISCUSSION

1. Purpose

At the December 2, 2021 Regional Council Budget meeting, staff was asked to bring back a report to a future meeting of Regional Council with updated information regarding the tax relief program in the Region for low-income seniors and low-income persons with disabilities.

2. Updates

a) Background of the Existing Tax Relief Program

The existing common rebate program was introduced in 2010 after significant research, consultation and collaboration between the Region and local municipalities. The program allows the Region to participate in the tax rebate program offered by the local municipalities under section 365 of the *Municipal Act, 2001*, as amended (the Act).

The consultation in 2010 included reviewing the requirement of the Region to provide a mandatory tax relief program for all or part of the tax increase to low-income seniors and persons with disabilities through a deferral or cancellation program. As it was confirmed that a common rebate program through section 365 could be structured to meet the Region's mandatory tax relief program requirement through section 319, the Region agreed to eliminate its deferral program and replace it through participation in the rebate program. The common rebate program also replaced the previous loan program offered by the City of Mississauga and previous rebate programs offered by the City of Brampton and the Town of Caledon.

At the inception of the program it was agreed by all Peel municipal councils that the tax reduction provided to eligible taxpayers would be \$400 per year. The Regional share of the program cost is funded based on the percentage of Regional taxes in proportion to total taxes in each lower tier municipality.

As part of the program review in 2010 the following objectives/principles were identified to provide tax relief to low-income seniors and low-income persons with disabilities:

- i) Provide tax relief to eligible applicants without significantly impacting the taxpayers that will fund the program cost;
- ii) Provide a common rebate amount/methodology to eligible applicants across the Region;
- iii) Use common eligibility criteria across the Region;
- iv) Promote low-cost service delivery by eliminating duplicate programs; and
- v) Share the costs of the program between the Region, local municipalities and the school boards, as allowed by legislation.

The following common eligibility criteria were established through the program review:

- i) 65 years of age or older and in receipt of the Guaranteed Income Supplement, or disabled and in receipt of benefits under the *Ontario Disability Support Program Act, 1997*;
- ii) Must be the personal/principal residence;
- iii) The property is classified in the residential or farm property class;
- iv) Owned the property in the municipality for at least one year; and
- v) Every owner on the property title must be either eligible person or the spouse of an

Tax Relief Program Low-income Seniors and Low-income Persons with Disabilities

eligible person.

Since the inception of the program, the local municipalities have made some adjustments to their tax relief programs under Section 365 of the Act. For example:

- In 2011, the Town of Caledon increased its rebate amount to \$450, followed by the introduction of an annual indexing, effective as of the 2016 taxation year.
- In 2017, Regional Council approved the removal of the Region's tax rebate contribution cap of \$400. The change provided flexibility for the Region to cost share proportionately with the local municipal by-laws (i.e. to support the annual indexing/blended residential tax rate increase percentage, as approved by local municipalities).
- In 2018, the Cities of Brampton and Mississauga implemented an annual indexing of the \$400 rebate to reflect the blended residential tax rate increase.
- In 2021, Brampton Council approved an increase for the 2022 tax rebate amount to reflect an annual adjustment equivalent to the change in the Consumer Price Index (CPI) for the Toronto Metropolitan Area (CMA) as if it applied since inception of the program in 2010. This amendment also instructed that moving forward, the tax rebate amount be adjusted annually in accordance with the change in the CPI for the Toronto CMA, as reported by Statistics Canada.
- In May 2022, the Town of Caledon revised its program by amending the restriction on the ownership criteria. The amendment allows for at least one eligible owner or their spouse to be listed on property title in conjunction with other individuals (such as children or other family members) while still permitting for the tax assistance to be provided.

When local municipalities made a change to their program, the Region was often asked to support similar changes. In 2017, Regional Council approved the removal of the Region's tax rebate contribution cap of \$400. The change provided flexibility for the Region to cost share proportionately with the local municipal by-laws (i.e. to support the annual indexing/blended residential tax rate increase percentage as approved by local municipalities). It should be noted that although the Region's tax rebate threshold was removed in 2017, the program eligibility criteria for cost sharing have remained consistent across the Region, as envisioned at the introduction of the common tax rebate program back in 2010.

b) Costs of the Regional Share in the Tax Relief Program

The Region's shares in the tax relief program costs are based on the percentage of Regional taxes in proportion to total taxes in each lower tier municipality. The table below shows each local municipality's 2022 taxation year rebate amount and the approximate amount being shared amongst the city/town, the Region and the school boards.

Table 1 – Cost Share Summary

	City / Town	Region	Education	Total
Brampton	\$229	\$205	\$80	\$514
Caledon	\$248	\$179	\$98	\$525
Mississauga	\$167	\$207	\$85	\$459

Tax Relief Program Low-income Seniors and Low-income Persons with Disabilities

The table below summarizes the historical Regional costs of the low-income seniors and persons with disabilities tax relief program. The cost of the rebate varies as it depends on the number of applications submitted annually and deemed eligible by the local municipalities.

Table 2 – Tax Rebate Cost Summary

Tax Rebate Program (Region's Portion) (\$)				
Years	Brampton	Caledon	Mississauga	Total
2022 (YTD)	264,107	29,360	259,279	552,746
2021	241,428	31,950	322,793	596,171
2020	241,746	36,748	153,100	431,594
2019	228,528	34,753	336,427	599,708
2018	226,657	32,781	310,760	570,198
2017	194,278	28,908	218,705	441,891
5-year average application number	1,400	200	1,600	3,200

c) Other Municipalities' Assistance Programs

As part of the review, staff surveyed the various tax relief programs currently offered by other municipalities. The results of this survey indicate that there is no consistent approach to offering property tax assistance to low-income seniors and low-income persons with disabilities. The amount of rebate offered by other municipalities ranges from \$100 to \$550.

The tax rebates currently offered across the Region (i.e. \$514 in Brampton, \$525 in Caledon and \$459 in Mississauga) fall at the higher end of this tax rebate spectrum. The Region's tax relief program is a unique structure that allows the Region to cost share the local municipalities' tax rebate program and includes common eligibility criteria across the Region.

d) Other Ontario Property Tax Relief Program

There are a number of other property tax assistance programs available to low-income seniors and low-income persons with disabilities in Ontario. These programs include:

- The Ontario Senior Homeowners' Property Tax Grant provides up to \$500 each year to an eligible property.
- Property assessment exemptions specifically for alterations or improvements that accommodate a senior or person with disability, administered by the Municipal Property Assessment Corporation.

3. Regional Programs and Strategies

The recent shift to a higher priced economic environment, including higher inflation and rising interest rates, has eroded real income(s), increased the cost of necessities and worsened affordability risks. These changes will likely force a greater proportion of Peel residents into low-income.

Tax Relief Program Low-income Seniors and Low-income Persons with Disabilities

The Region of Peel has developed strategies, identified Term of Council priorities, and implemented several programs geared towards supporting vulnerable residents, including low-income seniors and persons with disabilities.

a) Assistance for Seniors

The Region currently supports low-income seniors through the redevelopment of older long-term care homes, dementia supports in long term care, integrated care models, as well as funding for home and community care and seniors' service hubs.

From an affordable housing perspective, Peel Living targets affordable housing units specifically for seniors, including market rent and low-income rent units. It also ensures all its projects are accessible, so that seniors living in any project can age in place (whether units are targeted for seniors or not).

In addition to the tax relief program, the Region offers the Canada Homeshare Peel program which matches older adults (55 years or older) who have a spare room with post-secondary students who need housing. Students pay \$400 to 600 a month for rent and contribute 5 to 7 hours a week of companionship and assistance around the home.

b) Assistance for people with disabilities

Those who qualify for Ontario Disability Support provided by the Ontario government, can also apply for additional support from Peel to help pay for items such as moving costs, medical equipment, and dental care.

c) Various Working Groups and Advocacy

The Region maintains a Poverty Working Group, Region of Peel Accessibility Advisory Committee, and an Age-Friendly Planning Implementation group, alongside its participation in the Brampton Age-Friendly Brampton Advisory Group and Caledon Seniors Task Force. Human Services also maintains a Peel Outreach Team that supports residents who are at risk of losing their housing.

The local municipalities also have a variety of programs to provide support for people who are in need, those programs include transit fare discounts, active assistances and other community and financial support. The Region and the local municipalities continue to advocate for funding and supports for people who are the most vulnerable. The Region's provincial pre-budget advocacy included the following recommendations seeking provincial support:

- Provide funding and stronger regulatory requirements and measurement to support emotion-based care and enable dementia-friendly design in Long Term Care;
- Provide \$4 million in sustainable operational funding and \$30 million in capital funding to support the expansion of community support services and wrap around care at the Seniors health and Wellness Village at Peel Manor; and
- Provide additional funding and service-delivery changes for the Ontario Seniors Dental Care Program to meet the number of eligible seniors in Peel.

Tax Relief Program Low-income Seniors and Low-income Persons with Disabilities

CONCLUSION

Regional staff, the tax managers and area treasurers from local municipalities have reviewed the tax relief program information and parameters collectively. The Region will continue to cost share in the local tax rebate programs for low-income seniors and low-income persons with disabilities, without making changes to the program eligibility criteria and as further prescribed by the Region's By-law 61-2017.



Gary Kent, CPA, CGA, ICD.D, Chief Financial Officer and Commissioner of Corporate Services

Authored By: Maggie Wang, CPA, CGA, AIMA, MIAM, PLE, Senior Financial Strategy Manager