

BYLAW 22-20 – TAX PENALTY DEFERRAL

Purpose

The purpose of Bylaw 22-20 is to amend Bylaws 08-20 and 10-20 to permit Town of Okotoks taxpayers the option to defer the payments on 2020 taxes without penalty, until August 31, 2020.

Readings

This Bylaw is ready for three readings.

Report, Analysis and Financial Implications

In response to the COVID-19 pandemic, in March of 2020, the Government of Alberta announced a six (6) month deferral on the non-residential education requisition amount on property tax bills. After consultation with municipalities, it was identified that this would complicate tax collection, require the issuance of multiple bills, and lead to confusion. To correct this, municipalities were given the option of collecting the non-residential education property tax for business for six (6) months as announced or deferring both the municipal and education property tax for a shorter period that is of equivalent benefit.

It is recognized that the COVID-19 pandemic has placed financial constraints on many Okotoks taxpayers and in order to provide financial relief, draft Bylaw 22-20 proposes to permit all taxpayers (residential and non-residential) the option to defer either their full tax bill or the July and August 2020 current tax TIPP payments, without penalty until August 31, 2020.

Council passed Bylaw 10-20 on January 13, 2020 to permit penalties to be imposed on unpaid current taxes and arrears taxes; and Bylaw 08-20 was passed on January 13, 2020 to permit taxpayers to pay the property and supplemental property taxes by pre-authorized instalments, also called the Tax Instalment Payment Plan (TIPP).

Draft Bylaw 22-20 amends Bylaw 10-20 to allow for no (0%) penalties to be charged until September 1, 2020 on current 2020 taxes that are due by June 30, 2020, at which time any current taxes remaining unpaid will receive a penalty equal to:

- 4% as of September 1, 2020;
- 4.5% as of October 1, 2020;
- 5% as of November 1, 2020; and
- 1.5% as of December 1, 2020.

Draft Bylaw 22-20 amends Bylaw 08-20 to permit property and supplemental taxpayers the option to defer their pre-authorized TIPP withdrawals for July and August. If taxpayers choose to defer their July and August 2020 pre-authorized withdrawals they must fill out the online TIPP Deferral Form. The TIPP will be reinstated automatically by the Town of Okotoks on September 1, 2020 and the deferred withdrawals will be spread out evenly over the last four monthly payments from September to December 2020. No penalties shall be imposed with respect to the outstanding balance of the taxes for the current year as long as the TIPP remains in good standing. As background information, 54% of taxpayers pay on TIPP and 46% pay their taxes in one lump sum.

Property tax notices will be mailed on May 25 and are due on June 30, 2020. This year late payment penalties on unpaid current taxes will not be charged until September 1, 2020. This applies to both the education and municipal portions of the tax bill for residential and non-residential properties. The Town asks all property owners who can pay their taxes on time to please do so and honour the normal due date of June 30. This helps ensure the municipality can continue to deliver the essential and vital services during these challenging times.

The Finance and Audit Committee reviewed this item at the May 11, 2020 Meeting and recommend adoption of draft Bylaw 22-20 by Council.

Strategic Plan Goals

<input type="checkbox"/>	Manage Community Growth	<input checked="" type="checkbox"/>	Provide Strong Governance
<input type="checkbox"/>	Provide Quality Community Infrastructure	<input type="checkbox"/>	Healthy and Safe Community
<input type="checkbox"/>	Enhance Organizational Excellence	<input checked="" type="checkbox"/>	Foster Economic Vitality
		<input type="checkbox"/>	Promote Environmental Excellence

Public Hearing / Participation Strategy

n/a

Alternatives for Consideration

n/a

CAO Comments

I support providing an option to waive penalties on municipal taxes for all taxpayers and encourage those who can pay, to honour the traditional due date of June 30.

Attachment(s)

1. Draft Bylaw 22-20 – Tax Penalty Deferral Bylaw

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