

# Taxation Deferral Policy

## 1.0 Policy Statement

Mount Pearl residents whose combined **family taxable income** is less than \$40,000 will be eligible for interest exemption on their principal place of residence. No interest will be charged commencing the time eligibility for low-income exemption is first established.

## 2.0 Background

The City of Mount Pearl has implemented a taxation deferral program for residents who meet the eligibility requirements as set out in this policy.

## 3.0 Procedure

The water and sewer tax plus a portion of the property tax based on family taxable income must be paid, the remainder can be deferred upon request. The amount of property tax subject to deferral will be reduced by 10% for each \$1,000 of taxable income earned over \$30,000 to a maximum of \$40,000. All taxes owing, including any amounts deferred, and unpaid at the time a property is sold or transferred will become due immediately upon sale or transfer by the owner.

Eligibility for interest exemption and tax deferral will be **reviewed annually** and will require proof of taxable income in the form of the Canada Revenue Agency's income tax assessment of the prior year. Failure to pay will result in interest charges and collection activities being reinstated.

## 4.0 Related Form

*Request for Tax Deferral Form*

## 5.0 Approvals



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Steve Kent, Chief Administrative Officer

April 18, 2018

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Date