

**Halton Region Tax Increase Deferral Program for  
Low-Income Seniors and Low-Income Persons with Disabilities  
Questions & Answers**

**Q.** What is a tax increase deferral?

**A.** A tax increase deferral is a program offered by Halton Region that allows an eligible person to defer payment of the increase in property taxes for the year in which the application is made.

**Q.** What amount can be deferred?

**A.** The amount that can be deferred is the total increase from the previous year's property taxes to the current year's property taxes. For example:

Taxes paid in previous year = \$2,400

Taxes owed in current year = \$2,450

Increase in Taxes = \$50

Tax Increase deferred in current year = \$50

Taxes paid in current year = \$2,400

**Q.** Is there a minimum amount that can be deferred?

**A.** No, the annual application is for the total increase in property taxes between the current year and prior year.

**Q.** Is there a maximum amount that can be deferred?

**A.** There is no annual maximum amount; however the total accumulated value of the deferral cannot exceed 75% of the current value assessment of the property.

**Q.** When is the deferral repaid?

**A.** The accumulated amount of all deferred amounts is paid when the applicable property is sold or is no longer the principle residence for the applicant.

**Q.** Is the deferral registered as a lien against my property?

**A.** Yes, the deferral is registered on title as a lien against the property.

**Q.** What about the cost to register the lien?

**A.** The cost of the lien is initially borne by the municipality but is added to the amount to be deferred and repaid to the municipality at the end of the deferral.

**Q.** Is a new lien registered each time the increase is deferred?

**A.** No, a general lien is registered with the first application which covers the first deferral and any future deferrals. A schedule attached to the lien sets out the by-laws and section of the *Municipal Act, 2001* that provide authority for the lien and the process for discharging it.

**Q.** What is the cumulative effect of deferring the property tax increase?

**A.** If an annual deferral occurs, your property tax level would remain constant at the current level and the accumulated balance of the annual defer would become payable to the municipality at the end of the deferral.

In the example below, assuming that the total taxes increase by 2% annually, in the fifth year the taxes would remain constant at \$2,400 and a balance of \$565 would be owed to the municipality. Note that the balance includes the one-time costs to register the lien.

<b>Cumulative Effect of a Tax Deferral</b>					
<b>Year</b>	<b>Taxes Owed</b>	<b>Tax Increase</b>	<b>Tax Deferral</b>	<b>Taxes Paid</b>	<b>Balance of Taxes Deferred</b>
1	2,400			2,400	-
2	2,448	48	48	2,400	48
Cost of the registration of the lien			75		123
3	2,497	49	97	2,400	220
4	2,547	50	147	2,400	367
5	2,598	51	198	2,400	565

**Q.** How would a potential buyer find out the amount of the deferral?

**A.** When a search of the property is conducted by a prospective purchaser or their lawyer, the municipality must be contacted to obtain the actual deferral amount of the lien registered on title. Depending on the municipality, this may require a tax certificate which can be obtained from the municipality for a nominal fee.

**Q.** Who qualifies for this program?

**A.** To qualify for the deferral program the applicant must have a combined family income at or below the upset limit as specified in the Halton Region By-Law No. 26-18. This is currently \$48,500 and is reviewed annually. Seniors must be at least 65 years of age in the taxation year for which the application for the deferral is made. Disabled persons, must qualify for disability benefits under government programs such as, but not limited to, Ontario Disability Support Program (ODSP), Canada Pension Plan Disability Benefit, and/or private insurer plans, or provide proof of eligibility for the Disability Tax Credit.

**Q.** How do I apply for the deferral?

**A.** To apply for the program you must complete the application form which can be obtained from the Tax Office of the local municipality in which your property is located or on the Regional or Local Municipality websites. The completed application is then returned to the Tax Office of your local Municipality. (i.e. if the applicant's property is in the City of Burlington, return the form to the Tax Office for the City of Burlington).

**Q.** What is the deadline for the deferral application?

**A.** Applications for the current taxation year are due on or before 45 days after the date of the mailing of the final property tax bill.

**Q.** Is there any other information that needs to be provided with the application?

**A.** Yes, the application must include supporting documentation for eligibility, examples of which include but are not limited to:

- \* Proof of age
- \* Proof of disability assistance
- \* Notice of Assessment prepared by the Canada Revenue Agency or proof of receipt of the federal governments Guaranteed Income Supplement (GIS)
- \* Listing of residential properties owned by the applicant or spouse in the Region of Halton

**Q.** Is anything else required with the application?

**A.** Applications must include signed authorization for the release by third parties of all information to the Treasurer that may be required to verify the accuracy of the application.