

## **Town of Portugal Cove-St. Philip's**

### **Low Income Tax Deferral and Interest Exemption Policy**

Pursuant to the authority conferred in sections 7 and 8 of the *Towns and Local Service Districts Act, 2025*, the Town Council of Portugal Cove-St. Philip's has adopted the following Policy on the (date).

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#### **1. TITLE**

- 1.1. This document will be known and cited as the Town of Portugal Cove-St. Philip's Tax Deferral and Interest Exemption Policy.

#### **2. PURPOSE**

- 2.1. To establish guidelines and criteria for the eligibility of a tax deferral and/or interest exemption.

#### **3. INTERPRETATION/DEFINITION**

- 3.1. “**Combined Household Income**” shall mean the total income earned by all members of a household over the age of 18, including income from employment (salaries, wages, tips, commission, self-employment), investments, interest, pensions, regular cash income (child support, spousal support or government benefits), rental income (basement apartment, room rentals), before taxes and deductions.
- 3.2. “**Council**” shall mean the Town Council of Portugal Cove – St. Philip's.
- 3.3. “**Fiscal Year**” shall mean 01 January to 31 December of the current year.
- 3.4. “**Principal Place of Residence**” shall mean a housing unit that you own, either alone or with another person and is ordinarily inhabited by you, your spouse or your children.
- 3.5. “**Resident**” shall mean a person who is 18 years of age or older and lives in the Town on a full-time basis.
- 3.6. “**Town**” shall mean the Town of Portugal Cove – St. Philip's.

#### **4. APPLICATION**

- 4.1. This Policy shall apply to residents of Portugal Cove-St. Philip's whose combined household income is less than \$40,000, on their principal place of residence within the Town.

#### **5. PROCEDURE**

- 5.1. Resident(s) shall apply annually for the tax deferral and/or interest exemption no later than 31 January of the current fiscal year.
- 5.2. All members of the household over the age of 18 must submit their Canada Revenue Agency's Notice of Assessment for the previous year.
- 5.3. A full deferral of the current year's property tax will be granted if the combined household income is less than \$20,000. If the combined household income is

more than \$20,000 but less than \$40,000, the deferral amount will be reduced by 5% for each \$1,000 of income earned.

- 5.4. If eligible for interest exemption, interest will not be charged commencing from the time eligibility is first established.
- 5.5. A combined household income of greater than \$40,000 is not eligible.
- 5.6. Water and/or sewer tax is not eligible.
- 5.7. Should a property be sold or transferred, all taxes owing, including amounts deferred, will become due immediately upon sale or transfer.
- 5.8. Deferral or exemption approval is subject to a 2/3 vote of Council at a Public Council Meeting.
- 5.9. Property tax amounts not eligible for deferral are due for payment in the current fiscal year by the tax payment deadline, unless the account is on a pre-authorized payment plan. Failure to pay will result in interest charges and collection activities being reinstated.

## **6. REPEAL OF PREVIOUS POLICY AND AMENDMENTS**

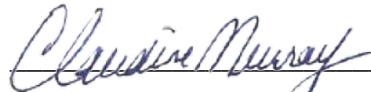
- 6.1. Low Income Interest Exemption and Tax Deferral; Motion #2017-400, 29 August 2017.

## **7. CAME INTO EFFECT**

- 7.1. This Policy first came into effect on the 22 April 2025, through a resolution of Council, #2025-134



**Carol McDonald, Mayor**



**Claudine Murray, Town Clerk**