

Type of Decision									
Meeting Date	Friday, April 9, 2010				Report Date	Monday, April 5, 2010			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction	x	Information Only			Type of Meeting	X	Open		Closed
REPORT TITLE									
Tax Billing Changes Report 09/04/10/206									

Subject: Potential changes to the tax billing cycle and tax bill paper.

RECOMMENDATION: That Council adopt the following resolution amending the billing dates for taxes for 2011 forward. That council agree to absorb the costs of specialized paper for tax bill purposes.

WHEREAS taxes are currently due in March, July and October;

AND WHEREAS the new billing system allows for 4 payments instead of just three;

AND WHEREAS a system of four payments might make it easier for people to meet their deadlines without causing undue financial hardship;

THEREFORE BE IT RESOLVED THAT the Council of the United Townships of Head, Clara & Maria does hereby agree to have the Treasurer arrange for a split of the interim bill into two equal instalments beginning in 2011 to be due on February 28 and May 31 with the final instalments due on August 31 and November 30.

AND BE IT FURTHER RESOLVED THAT Council agrees to absorb the costs of using the specialized tax paper to allow for ease of use and a professional appearance.

BACKGROUND/EXECUTIVE SUMMARY: Currently taxes owed in March 31 of each year are based on 50% of the previous year's taxes according to legislation. It is felt that splitting the payment into two equal portions might ease the financial strain on ratepayers who have fixed and/or lower incomes. The remaining two payments (which are calculated after the municipality, province and county have set their rates for the current year) will fall due on August 31 and November 30. This will allow a more equal division of the annual tax burden and will still leave December without a payment as people often incur additional expenses at Christmas.

The new taxation software allows us to make these changes with minimal effort or expense.

The second issue is that of the paper used to prepare the new tax bills. With the perforations and sorting (one perforated page and then one solid page for information) the cost of the paper is higher than regular paper. The cost of this paper is about \$383 for the year. Using solid photocopier paper will cost approximately \$100. The photocopier paper

will not be perforated. The ratepayer would have to cut along the markings to remove our portion of the bill.

Options/Discussion: There is no pressing need for a change in tax due dates however it might be a convenience we are now able to offer ratepayers. People have been making these payments for years. Taxes are required to be collected prior to March 31 annually as that is the due date for the school board and county remittances and we need to have funds in the bank. Other than that, dates have been determined to ease taxpayer hardship. The change to 4 payments will simply spread the impact more equally over the year rather than a 50% payment due at one time.

The quality and type of paper issue is simply one of ease of use, cost and appearance.

Using regular photocopy paper will require the use of scissors to separate the portion that needs to be submitted.

The costs are approximately .19 per bill for perforated paper vs. .05 per bill for white copy paper.

The appearance issue could go both ways with people being upset that taxpayer's dollars are being spent on specialized paper or, people being upset that the bills do not separate properly and are unprofessional looking.

Financial Considerations/Budget Impact: Cost of increased deposits that an extra due date would require. These costs should be minimal. People may choose to continue to pay the entire amount all at once. The costs will be offset by some people utilizing the option to pay their bill at a Scotiabank Branch.

Policy Impact: None. Any change will be incorporated into the annual interim tax by-law to be passed in 2011.

Approved and Recommended by the Clerk

Melinda Reith,
Municipal Clerk

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