

To: Mayor Caul & Members of Council

FROM: Dawn Galusha, Treasurer

DATE: May 19, 2021

SUBJECT: Letter from Jackie Lampi-Hughes re: Tax break

BACKGROUND

At the Council meeting of April 26, 2021, the attached letter from Jackie Lampi-Hughes, owner of Energy Fitness Centre was referred to the Administration and Finance Committee. Jackie's letter is requesting Council to put a policy in place for businesses to receive a tax break when closed during the world-wide COVID pandemic.

This request was discussed at the May 4, 2021 Administration and Finance Executive Committee meeting. The committee was advised that I had provided Jackie with information on Provincial and Federal programs, of which Jackie has accessed. The Committee requested that I investigate how other Northern Ontario Municipalities have dealt with collecting property tax and interest charges and if there is anything innovative that other municipalities are utilizing that we have not deployed.

Here is the information I gathered:

Municipality	Information Received
Dryden	Interest and penalty relief last year (April-June) but it was limited to the time period that City Hall was closed.
Kenora	Delayed tax bill due dates from 3 rd week in July to end of August 2020. No interest on Utility bills from May to the end of August Referring businesses to Provincial and Federal relief programs as well
Atikokan	No changes to billing, penalty or interest
Red Lake	2020 First installment due date was March 31 st and was extended to July 31 st
Alberton	Waived August 2020 penalty
Emo	Extend due date from March to April 2020 Did not waive late fees Final bills not due until October
Rainy River	Waived interest on current amounts for April 2020

A point to consider is that property taxes are based on the assessment values of the property established by MPAC where income tax will tax the prosperity of the business. The Federal and Provincial governments have implemented financial support programs for businesses who have been negatively impacted by the pandemic, which is the appropriate level of government for providing support to business enterprises. The only way for the Town to make any changes to the actual Property taxes owed is through the tax rates, which have been set for 2020 and 2021.

RECOMMENDATION

The Administration & Finance Executive Committee recommends receiving the letter from Jackie Lampi-Hughes re: Tax Break for Businesses with no further action.

Council Approval of this Report will agree to the Administration & Finance Executive Committee recommendation to receive the letter from Jackie Lampi-Hughes with no further action.