

Town of Happy Valley-Goose Bay

Title: Residential Property Tax/Doctor's Property Tax /Young Entrepreneurs Business Application and Business Tax /Business and Property Tax Non-Profit Organizations and Groups Exemption	Internal/External: Internal/External
Department: Finance	Policy Number: F0009
Approval Date: November 28, 2024	Implementation Date: January 1, 2025
Authority: 13 th Council	Page: 1 of 5

Policy Statement

All persons owning real property in the municipality may be eligible for a reduction on their property as provided for in the table below on their principal residence only, based on all household annual income from all sources, except Federal Government Family or Disability Allowances as well as residents who now reside in Long Term Care Facility, for the previous year.

Gross Household Income Range	% Reduction
\$0 - \$26,322	100%
\$26,322- \$33,761	75%
\$33,761- \$41,200	50%
\$41,200- \$48,639	25%

1. Exemption to be applied for annually.
2. Revenue Canada Notice of Assessment Form must be supplied to the Town Office when applying for the exemption.
3. Low Income Relief applies to the Property Tax balance on the account at the time of application for exemption and not the annual billing.
4. Any interest charges charged to the account pertaining to the reduction amount shall be reversed.
5. The Gross Household Income Range thresholds will be reviewed annually and may be adjusted based on the rate of inflation.
6. For any eligible reduction, the Property Owner(s) are responsible to notify the Town.

DOCTORS PROPERTY TAX EXEMPTION

1. Doctors who own residential property and reside in the municipality may be exempt from Property Tax only on their principal residence.
2. Doctors shall apply in writing to the Town Council
3. Exemption shall be for three (3) years from the year they apply.
4. One-time exemption per doctor, per family.
5. For any exemption, the Property Owner(s) are responsible to notify the Town.

YOUNG ENTREPRENEURS BUSINESS APPLICATION AND BUSINESS TAX EXEMPTION

1. Policy applies to Summer Students or Students who will be returning to studies in the fall of the year that they are applying in.
2. Application to the Town Council must include:
 - a. Letter from Youth Ventures Program supporting application.
 - b. Letter from University or any other postsecondary educational institution stating that the applicant will be returning to school in the fall semester, where applicable.
 - c. Letter from the applicant stating the name of business, mailing address of business, civic address of business, type of business, and as well, if applicable, a letter from the owner of the property they will be operating from, stating that they have permission from the owner of the property to operate from this address.
3. Town Council will advertise this application at Town expense.
4. Applicant shall have the necessary approval from the Town Council before commencing their business.
5. Applicant will be exempt from paying business tax if their business application is approved by the Town Council.
6. Business permit is applicable for the summer session only and must be applied for annually.

BUSINESS AND PROPERTY TAX NON-PROFIT ORGANIZATIONS AND GROUPS EXEMPTION POLICY

Purpose

This policy aims to provide a structured and fair approach to municipal taxation for non-profit groups and organizations within the Town of Happy Valley-Goose Bay, ensuring that tax relief is granted based on financial need and the organization's ability to sustain its operations without undue financial burden.

Definition of Non-Profit Groups and Organizations

Non-profit groups and organizations are entities that operate for purposes other than generating profit for owners or shareholders. They focus on furthering a social cause or providing a public benefit. Characteristics include:

- **Purpose:** Established to serve a public or mutual benefit other than the pursuit or accumulation of profits for owners or investors.
- **Revenue:** Surplus revenues are reinvested in the organization to help achieve its goals, rather than being distributed as profit or dividends.
- **Governance:** Governed by a board of directors or trustees who oversee the organization's activities and ensure it adheres to its mission.
- **Tax-Exempt Status:** Many qualify for tax-exempt status, meaning they do not pay income tax on the money they receive for their charitable activities.
- **Funding:** Often rely on donations, grants, and fundraising activities to support their operations.

Eligibility Criteria

1. **Non-Profit Status:** Only registered non-profit groups and organizations within the Town of Happy Valley-Goose Bay are eligible for tax relief.
2. **Financial Transparency:** All entities must provide third-party reviewed financial statements to demonstrate their financial position.
3. **Community benefit:** All entities must provide their Articles of Incorporation, Mission Statement, Mandate or Strategic Plan.

Tax relief will be granted based on the organization's annual net income less government grants and contributions. The relief will be scaled as follows:

1. Net Income less than \$20,000 per year: 100% tax relief.
2. Net Income between \$20,000 and \$30,000 per year: 75% tax relief.
3. Net Income between \$30,001 and \$40,000 per year: 50% tax relief.
4. Net Income between \$40,001 and \$50,000 per year: 25% tax relief.
5. Net Income over \$50,000 per year: No tax relief.

Rationale

1. **Need-Based Relief:** This policy is designed to support non-profit organizations that are most in need of financial assistance, ensuring they can continue to provide valuable services to the community.
2. **Financial Accountability:** Requiring third-party audited financial statements ensures transparency and accountability, preventing misuse of tax relief provisions.
3. **Sustainability:** By scaling tax relief based on income, this policy ensures that organizations with higher financial capacity contribute their fair share to municipal revenues, while those with limited resources receive the support they need.

Application Process

1. **Submission of Documents:** Non-profit organizations must submit their proof of non-profit status, third-party reviewed financial statements, and either Articles of Incorporation, Mission Statement, Mandate or Strategic Plan annually to the Town of Happy Valley-Goose Bay no later than September 30 each year for which they are seeking tax relief for the subsequent financial year. This timeline is required to allow the Town to properly assess and budget for the upcoming financial year.
2. **Assessment:** The Town of Happy Valley-Goose Bay will assess the financial statements and determine the appropriate level of tax relief based on the income thresholds.
3. **Notification:** Organizations will be notified of their tax relief status and the amount of relief granted.

Review

This policy shall be reviewed annually to ensure it continues to meet the needs of non-profit organizations and the municipality.



IN WITNESS WHEREOF, this policy is sealed under the Common Seal of the Town of Happy Valley-Goose Bay.



Mayor, George Andrews



CAO, Nadine MacAulay