FOR INQUIRIES: PLEASE QUOTE ITEM & REPORT NO.

April 5, 2007

Mr. Kevin C. Christenson, City Clerk
The City of Hamilton
City Hall, 71 Main Street W.
Hamilton, ON
L8P 4Y5

Dear Mr. Christenson:

RE: RESIDENTIAL PROPERTY TAX RELIEF FOR SENIORS

I am writing to advise you that Vaughan Council, at its meeting held on April 2, 2007, adopted the following resolution:

WHEREAS many seniors living in our communities have expressed concerns over property taxes for many years due to their limited ability to pay; and

WHEREAS most seniors live on fixed incomes or very limited adjustments; and

WHEREAS a large portion of property tax is not related to municipal service costs, primarily the Education and Social Service component; and

WHEREAS seniors have already contributed immensely to the well being of our community; and

WHEREAS seniors desire to live in the home they worked for or be able to afford to pay rent;

THEREFORE BE IT RESOLVED

That the Provincial Government pass legislation to rebate the Education portion of residential property taxes, or a portion of the rental expenses for seniors, in a similar fashion to Bill 43 which was introduced on June 26, 2003, then refused;

THEREFORE BE IT FURTHER RESOLVED

That a copy of this resolution be forwarded to the Premier of Ontario Dalton McGuinty, the Honourable Greg Sorbara, Minister of Finance, Mario G. Racco, M.P.P. (Thornhill), local Members of Provincial Parliament, Leader of the Progressive Conservative Party, John Tory, Leader of the New Democratic Party, Howard Hampton, the Association of Municipalities of Ontario, the Regional Municipality of York, all Municipalities with a population over 50,000 in the Province of Ontario and all Seniors Groups in the City of Vaughan.
Mr. Kevin C. Christenson, City Clerk
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Attached for your information is Item 38, Report No. 15, of the Committee of the Whole regarding this matter.

Sincerely,

J. D. Leach
City Clerk

Attachment:
Extract
Canadian Snowbird Association highlighted on Bill 43
Explanatory Notes - Bill 43.

JDL/pa
CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 2, 2007

Item 38, Report No. 15, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on April 2, 2007.

38 RESIDENTIAL PROPERTY TAX RELIEF FOR SENIORS

The Committee of the Whole recommends approval of the recommendation contained in the following report of Regional Councillor Rosati, dated March 26, 2007:

Recommendation

Regional Councillor Gino Rosati recommends the following Resolution:

WHEREAS many seniors living in our communities have expressed concerns over property taxes for many years due to their limited ability to pay; and

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WHEREAS a large portion of property tax is not related to municipal service costs, primarily the Education and Social Service component; and

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Economic Impact:

No economic impact to the City of Vaughan

Communication Plan:

As outlined

Purpose:

To provide support to our seniors, who are already petitioning the Provincial Government to enact the proposed legislation.
Background - Analysis and Options:

For many years now, our senior citizens have been complaining and asking for support in assisting them in easing the burden of their property taxes. The proposed resolution will provide some relief to them if enacted. The majority of these seniors have worked a life time to acquire a residential property and it would be an injustice to force a sale of such property due to taxes. Our seniors have worked long and hard and deserve our admiration and support in any way we can. This type of relief is long overdue and it is now time to act.

Relationship to Vaughan Vision 2007

Section A  Serve our Citizens

Section D-2  Develop Internal and External Collaborative Solutions – Develop internal and external “people connections” to solve problems and improve service delivery

The above are consistent with this recommendation.

Regional Implication

Not Applicable

Conclusion:

This recommendation would provide much needed assistance to our seniors if implemented.

Attachments:

Canadian Snowbird Association highlighted on Bill 43
Explanatory Notes - Bill 43.

Report Prepared By:

Regional Councillor Gino Rosati

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)
Senior Power

Ontario's New Seniors' Tax Credit and Proposed Legislation to End Mandatory Retirement

Seniors are the fastest growing segment of the Canadian population. Seniors have worked hard for Canada, fought our wars, and contributed immensely to the country we all now enjoy. Most seniors also rely on fixed incomes and the precipitous drop in interest rates, a weak Canadian dollar, and a collapse in the stock markets have led to serious financial pressures and stress on our senior population.

To date, our governments have, too often, ignored the plight of seniors and the many problems they face. This attitude now appears to be changing. Several provincial governments have set up Ministries, specific to represent the needs and interests of seniors. Ontario has been a leader in this changed attitude and the Ontario Government has introduced two more ground-breaking initiatives to help seniors.

The Eves government recently introduced Bill 43 to give Ontario's seniors some much needed tax relief. This new legislation - the Ontario Home Property Tax Relief for Seniors Act - was passed in the Legislature of Ontario on June 25, 2003. It provides senior homeowners and senior tenants with a tax credit that reimburses them for the residential education property taxes they paid on their principal residence for the half of the 2003 taxation year, and on a full-year basis starting in 2004.

The new seniors' tax credit will directly benefit Ontario's 700,000 senior homeowners and the 245,000 senior tenants who will collectively receive $450 million in net new benefits every year. This represents an average net saving of $475 a year per senior household.

Persons are eligible for the new tax credit if:

- They are at least 65 years of age on December 31 of the tax year (to maintain consistency with existing provincial tax credit and federal programs for seniors);

- Their primary place of residence is located in Ontario during the tax year; and

- They are liable to pay property taxes or rent on their principal residence.

Seniors are required to complete an application form to apply for their tax credit. And applications will be sent out to eligible seniors this September. The first payments will be issued to seniors in December. To request specific information on the tax credit, seniors can call the Ontario Ministry of Finance's toll-free number at 1-877-533-2188.


9/19/2006
Combining the personal income tax age credit, the additional support for seniors in the Ontario Property
Sales Tax Credits and the benefits from Ontario's personal income tax cuts, will result in a total of $2.5
billion in tax savings, per year, for Ontario seniors.

The initiative does not replace the existing Ontario Tax Credits program, which includes a combined
property tax and sales tax credit for low-income seniors. These people will continue to be eligible to receive
up to a maximum of $1,000 a year in credits under the existing program, but only on the portion not already
reimbursed through the new Ontario Home Property Tax Relief for Seniors program.

On May 29, 2003, the Eves government also introduced Bill 68, the Mandatory Retirement Elimination Act
2003. Bill 68 would amend the Ontario Human Rights Code to eliminate mandatory retirement and to
protect workers aged 65 and over from discrimination in employment on the basis of age.

This legislation has already passed First Reading in the Legislature of Ontario. If and when it passes Second
and Third Reading, Bill 68 will allow more seniors to remain active in the workforce, retiring at a time of
their own choosing, rather than automatically at the age of 65. The legislation would not affect those who
decide to retire at the age of 65. These people will still receive their full pensions.

Bill 68 would also amend the Audit Act, the Election Act, the Health Protection and Promotion Act, the
Ombudsman Act and the Public Service Act so that they no longer set out a mandatory age of retirement.

These two Acts will benefit, literally, hundreds of thousands of seniors and will also provide more flexibility
in retirement planning. We hope that they will set a precedent for other provinces and our Federal
Government to follow. Senior Power - The Up and Coming Special Interest Group! ☺

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EXPLANATORY NOTE

This Explanatory Note was written as a reader's aid to Bill 43 and does not form part of the law. Bill 43 has been enacted as Chapter 4 of the Statutes of Ontario, 2003.

A new statute, the Ontario Home Property Tax Relief for Seniors Act, 2003, is enacted. The new Act establishes a tax credit that is payable to eligible seniors for home property taxes payable on their eligible principal residence for 2003 and subsequent years. For 2003, the tax credit applies to home property taxes that are attributable to the period from July 1 to December 31.

"Home property taxes" is defined in section 1 of the Act.

An individual is an eligible senior with respect to a year if he or she satisfies the criteria set out in subsection 2 (3) of the Act and such additional criteria as may be prescribed by regulation. Regulations may also specify that other individuals are eligible seniors.

An individual's eligible principal residence for the purposes of this Act is the same as his or her principal residence under subsection 8 (1) of the Income Tax Act, unless otherwise prescribed by regulation.

Subsection 3 (1) of the Act specifies that the amount of the tax credit is to be calculated in accordance with the regulations.

To receive payment of the tax credit for a year, the eligible senior must apply to the Minister of Finance for the credit within two years after the end of the year or within such longer period as may be prescribed by regulation.

Complementary amendments are made to the Income Tax Act and to the Municipal Act, 2001.

Clause 8 (3.1) (a) of the Income Tax Act establishes a property tax credit for seniors. Section 8 of that Act is amended to reflect the tax credit that will be provided to Ontario seniors in respect of property tax for 2003 and subsequent years under the new Act.

Section 319 of the Municipal Act, 2001 requires municipalities to pass bylaws providing for property tax relief for low-income seniors and specified others. Amendments to that section provide that it does not apply with respect to taxes for school purposes levied in such circumstances and for such years as may be prescribed by the Minister of Finance.