

**Overview:**

This report dated July 20, 2020 is regarding the financial implications and present tax situation due to the Covid-19 virus situation. The Township wants to help tax payers in these trying times by alleviating the financial pressures for those who may have lost their jobs or who find themselves in financial strain due to the Covid-19 virus. However financial responsibility must also be maintained for the Township.

Resolution #147-2020 was passed in April 2020 which states:

1. Penalty for the April 30<sup>th</sup> due date be waived.
2. That anyone who wishes to be removed from the monthly or due date PAP file can be upon request.
3. That anyone who has post-dated cheques on file for the April 30<sup>th</sup> due date can request that they be pulled.
4. After the April 1<sup>st</sup> penalty there will be no more penalty applied on any account.

And that the tax penalty options be kept in place for sixty (60) days and that Council will further review this matter in forty-five (45) days.

Carried

A further Resolution #203-2020 was passed on June 2, 2020 which stated:

That the Treasurer-2020-17 report, dated May 26, 2020, regarding Tax Implications of Further Deferral be received and that Council consider the waiving of penalty and interest for the month of July 2020 and that it be reconsidered on a month by month basis and that we continue to offer tax deferral options to those on the PAP plan, upon their request. Carried

**Conclusion:**

The change in outstanding taxes as of July 2, 2018, 2019, and 2020 was 12% between 2018 and 2019 and 14% between 2019 and 2020. This indicates that the majority of ratepayers are still paying their taxes. Also, as there have been no increases in requests to stop PAP withdrawals, this suggests that ratepayers wish to continue paying their taxes, rather than defer them.

The direction of moving forward with penalties and interest varies from Township to Township, with some restarting in August or September 2020.

**Recommendation:**

That the Treasurer-2020-19 report, dated July 20, 2020 regarding Tax Implications of Further Deferral be received and that Council consider charging penalties and interest effective August 2020 and going forward but still offer tax deferral options to those on the PAP plan, upon their request.

**Financial Impact:**

The Township will be losing approximately \$11,000 in penalties for the month of August 2020 if it wasn't charged. The approximate impact of waiving penalties and interest for May, June, and July 2020 was approximately \$35,000.

**Strategic Plan Applicability:**

To ensure and enable an effective and efficient municipal administration.

**Sustainability Plan Applicability:**

N/A

