

Bylaw 16155

Tax Penalty, Interest and Monthly Payment Bylaw Amendment No. 11

Purpose

To establish the 2013 due dates for payment of taxes, the rates of penalty to be imposed for late payment, the rate of interest to be applied on overpayments, and the terms under which taxes may be paid in monthly instalments.

Readings

Bylaw 16155 is ready for three readings.

Three readings are required by December 31, 2012, to provide for penalty and interest rates which become effective on January 1, 2013.

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree "That Bylaw 16155 be considered for third reading."

Advertising and Signing

Advertising is not required.

Position of Administration

Administration supports this Bylaw.

Report Summary

The penalty rates and due dates established by this bylaw are consistent with the existing Bylaw. An amendment to Bylaw 12914 is required to delete the reference to penalties on deferred property taxes as there are no properties remaining on this program.

Report

The due dates for payment of annual Business Revitalization Zone and property taxes are consistent with previous years. In 2013, the due dates for the Business Revitalization Zone and property taxes fall on a weekend and penalties will, therefore, be applied on the second business day following March 31 and June 30.

Penalty rates are comparable to those charged by other municipalities, totalling 14% per annum for unpaid current taxes and 15% per annum for arrears of taxes.

Any overpayment of taxes will continue to earn interest at the rate of 0.09% per month based on the minimum monthly credit balance.

A monthly payment program by automatic bank withdrawal has been in place since 1993, and allows taxpayers to pay their taxes in 12 monthly instalments without penalty. Enrolment in this program has increased from 41,000 accounts in 1998 to approximately 101,950 tax accounts participating as of August 1, 2012.

Policy

This bylaw is authorized by sections 340, 344 and 345 of the *Municipal Government Act*.

Corporate Outcomes

Ensure Edmonton's Financial Stability.

Budget/Financial Implications

The actual revenue generated from penalties for 2011 was approximately \$8.7 million. The forecasted revenue for 2012 and 2013 is approximately \$8.9 million prior to the impact of the budgeted tax levy increase.

Attachments

1. Bylaw 16155 – Tax Penalty, Interest and Monthly Payment Bylaw Amendment No. 11
2. Summary of Proposed Amendments
3. Bylaw 12914 – Tax Penalty, Interest, and Monthly Payment Bylaw

Others Reviewing this Report

- D. H. Edey, General Manager, Corporate Services