

Request from the Alberta Hindi Association (Parishad) for Tax Forgiveness

Recommendation:

That Executive Committee recommend to City Council:

That the taxpayer's request for tax forgiveness for 2008 and 2009 on Tax Roll Account 4232872 (#102, 3907 – 97 Street NW Edmonton), under the authority of section 347 of the *Municipal Government Act*, R.S.A. 2000, c. M-26 (MGA), be denied.

Report Summary

The Association is requesting tax forgiveness on its property being Tax Roll Account 4232872 (Attachment 1 of the January 4, 2010, Planning and Development Department report 2010PAT002).

Report

- Alberta Hindi Association (Parishad) (the organization) took title to the property located at #102, 3907 – 98 Street NW Edmonton, on January 8, 2008.
- The property is a commercial condominium and was taxable at the time the unit was acquired by the organization.
- An assessment notice for the property was mailed to the organization January 25, 2008, indicating the status as taxable. The organization was also advised of its right to appeal the assessment and/or taxable status. No appeal was filed in 2008.
- In 2009, assessment notices were mailed on January 2, 2009, for residential and non-residential properties. Tax notices were mailed on May 22, 2009, and in June 2009. Dr. M. P. Sharma, Immediate Past President of the organization, inquired in person at the Assessment and Taxation Branch about the requirements to receive exemption for the condominium unit.
- The organization has been receiving an exemption for another adjacent unit since 1999, with a requirement to re-apply on a yearly basis which it has done.
- Dr. Sharma was provided with an explanation of the requirements that need to be met in order to qualify for exemption under the *Community Organization Property Tax Exemption Regulation*, A.R. 281/98 (the "Regulation").
- An incomplete application was submitted to the Assessment and Taxation Branch in June 2009. The final information necessary to complete the exemption review was received August 24, 2009.
- The organization was found to meet the requirements of "the Regulations" and was granted an exemption as of June 2009, as of the time the initial application was received.
- The Regulation 281/98 is specific that non-profit organizations must apply for exemption prior to November 30, in order to qualify for exemption for the following year.
- It has been past practice of the City of Edmonton to grant an exemption for a portion of a year to organizations should an application

be received after the November 30 deadline.

Focus Area

Ensure Edmonton's Financial Stability

Budget/Financial Implications

- The Alberta Hindi Association's (Parishad) property located at #102, 3907 – 98 Street NW Edmonton (Tax Roll Account 4232872) had a 2008 tax bill of \$3,478.76. The municipal tax portion was \$2,677.62, and the provincial education levy portion was \$801.14. The 2009 tax bill to May 31, 2009 was \$1,354.44. The municipal portion was \$1,075.60 and the provincial education levy portion was \$278.84. The taxes for 2008 and 2009 remain unpaid plus penalties (Attachment 2 of the January 4, 2010, Planning and Development Department report 2010PAT002).
- If City Council chooses to forgive the entire amount of taxes owed, the City would remain responsible for payment of the provincial education levy. Local improvements charges are not exempt under legislation. The organization would remain responsible for any local improvement charges applied to the Tax Roll Account.

Legal Implications

Pursuant to section 347 of the *Municipal Government Act*, City Council may cancel or refund all or part of a tax if Council considers it equitable to do so.

Justification of Recommendation

Section 347 of the *Municipal Government Act* affords City Council the discretion to consider this request. If City Council considers it equitable to do so, it may refund, cancel, reduce or defer all or part of the tax currently payable for these properties. Administration does not have the authority to cancel or reduce taxes. The Hindi Association did not provide the documentation required by the reporting deadline to be exempted from taxation.

Attachments

1. Letter dated October 11, 2009, from the Alberta Hindi Association (Parishad)
2. Tax Account Summary for Tax Roll Account 423287

Others Reviewing this Report

- C. Warnock, Chief Financial Officer and Treasurer
- D. H. Edey, General Manager, Corporate Services Department