



Questions and Answers:

Low Income Tax Exemption Policy - Town of Annapolis Royal

Who is eligible for the Exemption?

Persons who own and live in their principal residence and meet certain criteria to make them eligible for the tax exemption. Please click on or go to the link for recent changes on the Designation of a Property as a Principal Residence by an Individual.

<http://www.cra-arc.gc.ca/gncy/bdgt/2016/qa12-eng.html>

What are the Criteria?

First of all, the total income of the applicant including the income of all other persons of the same family residing in the same household must total less than \$18,000. Proof of income must be provided with the application for tax exemption.

How much of a tax exemption is available?

The amount of tax exemption is available for a total income level:

| Income Level | Tax Exemption |
|----------------|---------------|
| \$0 - \$18,000 | \$300 |

Is all income included?

No! Do **not** include an allowance paid pursuant to the *War Veterans Allowance Act* (Canada) or *disability* pension paid pursuant to the *Pension Act* (Canada).

What is Income?

Income is normally what is shown as a total on Line 150 of your Income Tax return. It would include: Employment Income, Old Age Security (OAS), Canada Pension (CPP), Other Pension income, RRSP and RRIF income, OAS Supplement, Employment Insurance (EI), Bank interest, investment interest & taxable dividends, Business Income and Rental Income. **If you have income from "Other Sources" from outside the country, you must also include that income as part of "Total Income".**

How do I apply?

An application form for a tax exemption is available at the Town Office, on the Town's website or can be mailed to you by phoning 902-532-2043. If you require assistance in filling out this form, please call 902-532-3147 or email: finance@annapolisroyal.com

Why do I have to "swear" an affidavit?

An affidavit is a legal document that authorizes the Town to grant you a tax exemption based on the contents of the affidavit. Therefore, your application must be signed in the presence of a Commissionaire of Oaths. Before signing and returning the application, please have your signature witnessed by a Commissioner of Oath. A Commissioner of Oaths is available at the Town Office to witness the signature of the applicant.

DO NOT sign the application before it has been witnessed.

What is "proof of income"?

Acceptable proof of income is a copy of the Notice of Assessment received from the Canada Customs and Revenue Agency **along with a copy of Page 1 and 2 of your previous years' Income Tax Return.** Normally your total income is shown as Line 150 on either document. If you do not have your Notice of Assessment from Canada and Revenue Agency, you can call 1-800-959-8281.

If other persons of the same household have income, proof of their income will also be required.

Proof of "Other Income", Income from outside Canada will also be required.

If I sign an affidavit, why is proof of income required?

The municipal government act provides for the requirement of proof of income in the granting of a tax exemption. Town employees are the trustees of the finances of the Town and our auditors require proof that the Town's policies are followed by staff.

Privacy Act

The Town does not disclose nor share any personal information. Privacy laws and regulations set by both the Government of Canada and the province of Nova Scotia are strictly adhered to.