

SCHEDULE 72: Continuity of Taxes Receivable

General Information

This series of schedules is only completed by Single-Tier or Lower-Tier municipalities. In a two-tier system, even though the Upper-Tier municipality sets an upper-tier tax rate, the Upper-Tier municipality does not complete this schedule because taxes are collected by lower-tier municipalities.

This schedule provides information on adjustments to the balance sheet item, taxes receivable, in SLC 70 0699 01.

This schedule consists of the following sections:

- 72A - Continuity of taxes receivable**
- 72A - Cash collections**
- 72B - Tax adjustments applied to taxation**
- 72B - Tax adjustments not applied to taxation**
- 72B - Additional information**

CONTINUITY OF TAXES RECEIVABLE (Schedule 72A)

Line 0210 Taxes receivable, beginning of year

This amount is the subtotal for taxes receivable from the statement of Consolidated Financial Position from the previous year.

Taxes receivable for the beginning of the reporting year will be equal to taxes receivable at the end of the previous year in SLC 72 0290 01.

Line 0215 PLUS: Amounts added to tax bills for collection purposes only

On this line report all amounts which have been added to the collector's roll for collection purposes only. These amounts are not reported in section 6, Amounts added to tax bill, in Schedule 22, Municipal and School Board Taxation. (Please note that actual amounts collected are reflected in line 0640 below.)

A few examples of amounts reported in this line include tile drainage loans pursuant to the Tile Drainage Act, the cost of repairing unsafe buildings pursuant to the Building Code Act, the cost of removing fire hazards pursuant to the Fire Marshall's Act, fence viewers' judgements pursuant to the Line Fences Act, and the cost of destroying weeds pursuant to the Weed Control Act, etc.

Line 0220 PLUS: Tax amounts levied in the year

This amount is automatically carried forward from SLC 26 9199 03. This amount does not include Payments-In-Lieu of taxes.

Line 0225 PLUS: Current year penalties and interest

Include penalties imposed in the current year and the interest imposed in the current year in respect of tax arrears. Please refer to section 345 of the Municipal Act, 2001.

Line 0240 LESS: Total cash collections

Cash collections are automatically carried forward from SLC 72 0699 09.

Cash collections are equal to the sum of taxes collected for the current year, collections on taxes outstanding from the previous and prior years, penalties and interest and accounts added to tax bills for collection purposes only.

Line 0250 LESS: Tax adjustments before allowances

This amount is automatically carried forward from SLC 72 2899 09.

Line 0260 LESS: Tax adjustments not applied to taxation

This amount is automatically carried forward from SLC 72 4999 09.

Line 0280 PLUS: Other

In the space provided please provide an explanation of the adjustment provided for in this line. In column 9, report the increase or decrease for the allowance for uncollectible taxes. Also, include any other increases or decreases not reflected above.

Line 0290 Taxes receivable, end of year

Taxes receivable end of year line 0290 equals:

Taxes receivable, beginning of year - Line 0210
PLUS: Amounts added to tax bills for collection purposes only - Line 0215
PLUS: Tax amounts levied in the year - Line 0220
PLUS: Current year penalties and interest - Line 0225
LESS: Total cash collections - Line 0240
LESS: Tax adjustments before allowances - Line 0250
LESS: Tax adjustments not applied to taxation - Line 0260
PLUS: Other - Line 0280

Taxes receivable at the end of the year reported in SLC 72 0290 09 of this schedule must be equal to taxes receivable in SLC 70 0699 01.

CASH COLLECTIONS (Schedule 72A)

Cash collections consist of the collection of current year taxes, the collection of outstanding taxes from previous and prior years, penalties and interest, and amounts added to the tax bill for collection purposes only.

Include payments received for railway rights-of-way and utility corridors in cash collections for current, previous and prior years.

Line 0610 Current year's tax

Report the amount of the current year's tax which has been collected.

Line 0620 Previous year's tax

Include collections related to previous and prior year taxes.

Line 0630 Penalties and interest

Report the amount of penalties and interest on this line. However, if penalties and interest cannot be isolated from cash collections, the amounts should be reported on line 0610 (Current year's tax) and line 0620 (Previous year's tax).

Line 0640 Amounts added to tax bills for collection purposes only

Report on this line amounts collected during the year in regard to amounts added to tax bills for collection purposes only. If it is not possible to identify the amounts added to tax bills for collection purposes only, then include the collections in line 0610 or 0620.

Line 0690 Other

Report collections not included in lines 0610 through 0640.

Line 0699 TOTAL Cash Collections

Total cash collections are equal to the sum of lines 0610 through 0690.

TAX ADJUSTMENTS APPLIED TO TAXATION (Schedule 72B)

Adjustments reported in this section reduce tax revenue.

Description of Columns

Columns record tax adjustments recoverable from school boards, the municipality, and the upper-tier municipality. The following columns are used:

Column 1 School Boards: English - Public

The tax adjustments recoverable from the English-Public school board should be reported in this column.

Column 2 School Boards: French - Public

The tax adjustments recoverable from the French - Public school board should be reported in this column.

Column 3 School Boards: English - Separate

The tax adjustments recoverable from the English - Separate school board should be reported in this column.

Column 4 School Boards: French - Separate

The tax adjustments recoverable from the French - Separate school board should be reported in this column.

Column 5 School Boards: Other

The tax adjustments recoverable from other school boards should be reported in this column.

Column 6 TOTAL Education

The tax adjustments recoverable from all school boards should be displayed in this column. The Total Education amount in column 6 is equal to the sum of columns 1 through 5.

Column 7 Lower-Tier (Single-Tier)

This column records tax adjustment funded from the general accounts of the local municipality.

Column 8 Upper-Tier

In a two-tier system, lower-tiers use this column to record tax adjustments recoverable from the upper-tier municipality.

Column 9 TOTAL Tax Adjustments

Total tax adjustments are equal to the sum of columns 6 through 8.

Description of Lines

In this section, several lines are used to identify specific tax adjustments. The following is a description of lines used to report each of the tax adjustments.

Line 1099 Municipal Act, Sections 353, 354, 357, 358, 365, ARB's, Request for Reconsiderations

Report the tax adjustments in respect of the following sections of the Municipal Act and Assessment Act.

Municipal Act

Section 353 (previously Section 421) of the Municipal Act refers to a deficiency in taxes collected for another body. On this line, record the amount of the deficiency shared by the lower-tier, upper-tier and school boards in a two-tier system or by the single-tier and school boards. Please refer directly to the Act.

Section 354 (previously Section 441) of the Municipal Act refers to taxes which have been deemed uncollectible by the treasurer or ruled uncollectible by a court decision and are to be recovered from the local municipality, upper-tier and school board. Enter the amounts of tax adjustments to be shared by the lower-tier, upper-tier and school boards in a two-tier system or by the single-tier and school boards. Please refer directly to the Act.

Section 357 (previously Section 442) of the Municipal Act refers to cancellations, reductions, refunds, etc. of taxes approved by Council where an individual has applied to Council for tax relief due to specific circumstances outlined in this section of the Act. Enter the amount of tax adjustments shared by the lower-tier, upper-tier and school boards in a two-tier system or by the single-tier and school boards. Please refer directly to the Act.

Section 365 (previously Section 442.6) of the Municipal Act refers to cancellation, reductions or refunds of taxes approved by Council in respect to residential/farm, farmlands and managed forest properties. Taxes are considered by Council to be unduly burdensome. Enter the amounts of tax adjustments to be shared by the lower-tier, upper-tier and school boards in a two-tier system or by the single-tier and school boards. Please refer directly to the Act.

Section 358 (previously Section 443) of the Municipal Act refers to cancellation, reductions or refunds of taxes approved by Council in respect to clerical errors. Enter the amounts of tax adjustments to be shared by the lower-tier, upper-tier and school boards in a two-tier system or by the single-tier and school boards. Please refer directly to the Act.

Assessment Act

Assessment Review Board decisions:

Include Assessment Review Board decisions under section 40 of the Assessment Act that result in a reduction of tax responsibility.

Request for Reconsiderations:

Include Requests for Reconsiderations under section 39.1 of the Assessment Act that result in a reduction of tax responsibility.

Line 1299 Discounts for Advanced Payments (Municipal Act, Section 345 (10))

This line only applies to lower-tiers and single-tiers (column 7).

Enter discounts which apply to prepaid taxes under **section 345 (10) (previously 399 (5)) of the Municipal Act**. Please refer directly to the Act for further details.

Line 1499 Tax Credit (Municipal Act, Section 474.3)

Report tax credits under **Section 474.3 of the Municipal Act** (previously the Municipal Elderly Residents' Assistance Act). Please refer directly to the Act for further details.

Line 1699 Tax Cancellation - Low income seniors and disabled persons

(Municipal Act, Section 319)

Under **Sections 319 and 466 (previously Section 373) of the Municipal Act**, single-tier municipalities and upper-tier municipalities may pass a by-law providing for tax deferrals, cancellations or other relief in respect of assessment related tax increases for low income seniors or low-income persons with disabilities. This assistance also applies to tax increases for lower-tier and school board purposes. Tax relief is categorized as:

Tax cancellations for low income seniors, disabled persons and report tax relief other than cancellations and deferrals. Please note that deferrals under section **Sections 319 and 466 (previously 373) of the Municipal Act** are reported in Schedule 72, line 4210 in the section, Tax adjustments not applied to taxation. Please refer directly to the Act for further details.

Line 1810 Rebates to Commercial properties (Municipal Act, Section 362)

Under Section 362 (previously Section 442.2) of the Municipal Act, Single-tier municipalities and upper-tier municipalities in a two-tier system may provide rebates to owners of Commercial and Industrial properties. The costs of these rebates are shared proportionally by the single-tier or upper-tier and school boards.

On this line, report rebates to Commercial properties. Please refer directly to the Act for further details.

Line 1820 Rebates to Industrial properties (Municipal Act, Section 362)

Under Section 362 (previously Section 442.2) of the Municipal Act, Single-tier municipalities and upper-tier municipalities in a two-tier system may provide rebates to owners of Commercial and Industrial properties. The costs of these rebates are shared proportionally by the single-tier or upper-tier and school boards.

On this line, report rebates to Industrial properties. Please refer directly to the Act for further details.

Line 1899 Subtotal

The subtotal for Rebates to Commercial and Industrial properties is automatically displayed on this line and equals the sum of lines 1810 and 1820.

Line 2099 Rebates for Charities (Municipal Act, Section 361)

Under Section 361 (previously Section 442.1) of the Municipal Act, upper-tier and single-tier municipalities may provide tax rebates to eligible charities which pay commercial or industrial taxes on properties occupied. In a two-tier system, enter amounts shared by school boards, lower-tiers and the upper-tier. In a single-tier, enter amounts shared by school boards and the single-tier. Please refer directly to the Act for further details.

Line 2299 Vacant Unit Rebates (Municipal Act, Section 364)

Under Section 364 (previously Section 442.5) of the Municipal Act, every local municipality shall have a program to provide tax rebates to owners of property that had vacant portions in the commercial and industrial property classes. In a two-tier system, enter amounts shared by school boards, lower-tiers and the upper-tier. In a single-tier, enter amounts shared by school boards and the single-tier. Please refer directly to the Act for further details.

Line 2399 Reduction for Heritage Property (Municipal Act, Section 365.2)

Section 365.2 (previously Section 442.8) of the Municipal Act which allows municipalities to establish a program, by bylaw, to provide a tax reduction or refund in respect of eligible heritage properties. The cost of the rebate may be shared with the lower-tier, upper-tier and school boards in a two-tier system or with the single-tier and school boards. Please refer directly to the Act for further details.

Line 2890 Other

Enter other tax adjustments which are not reported in any of the categories above.

Line 2891 Other

Enter other tax adjustments which are not reported in any of the categories above.

Line 2899 TOTAL Tax Adjustments before Allowances

The Total tax adjustments before allowances on this line, equals the sum of Lines 1099 through 2893.

- Municipal Act (Sections 353, 354, 357, 358, 365, ARB's, Request for Reconsiderations) - Line 1099
- Discounts for Advance Payments (Municipal Act, Section 345(10)) - Line 1299
- Tax Credit (Municipal Act, Section 474.3) - Line 1499
- Tax Cancellations - Low income seniors and disabled persons - Line 1699
- Subtotal, Rebates to Commercial and Industrial properties - Line 1899
- Rebates for Charities (Municipal Act, Section 361) - Line 2099
- Vacant Unit Rebates (Municipal Act, Section 364) - Line 2299
- Reduction for Heritage Property (Municipal Act, Section 365.2) - Line 2399
- Other - Line 2890
- Other - Line 2891
- Other - Line 2892
- Other - Line 2893

TAX ADJUSTMENTS NOT APPLIED TO TAXATION (Schedule 72B)

The tax adjustments in this section do not reduce tax revenue for the current year. The columns in this section are the same as in the previous section. Please refer to the previous Description of Columns for information on each column.

Description of Lines

The following is a description of lines used to report each of the tax adjustments not applied to taxation.

Line 4010 Tax sale, Tax registration accounts

Enter the amount contained in tax sale and tax registration accounts in column 7.

Line 4210 Tax Deferral - Low income seniors and Disabled persons (Municipal Act, Section 319)

Report the tax deferrals for low income seniors and disabled persons under section 319 and 466 of the Municipal Act and other Acts.

Line 4420 Net impact of 5% Capping Limit Program

In this line, record the aggregate impact of the capping tax adjustments from the frozen capping reports for all the capped property classes (Multi-Residential, Commercial and Industrial).

The calculation of the capping tax adjustments for line 4420 recognizes that "taxation revenue" is to be recorded at full CVA tax responsibility as if capping did not apply.

The capping tax adjustment for line 4420 applies to column 8: upper-tier.

The data to calculate the capping tax adjustments is available in OPTA under the **2016** capping reports: Upper-tier Distribution of Capping Tax Adjustments.

Any amounts reflected for each property tax class in the column headed "municipal share" in the report: Upper-tier Distribution of Capping Tax Adjustments indicates a property class shortfall and is to be reported as an operating expense on Schedule 40 under general government SLC 40 0250 03.

For single-tier municipalities, the **2016** Capping Summary Report using Actual Rates reports reflects the tax adjustment amounts for each property tax class. The amount reflected as Broad Class Grand Total for property tax class is to be reported as an operating expenditure on Schedule 40 under general government SLC 40 0250 03.

The following chart provides an example of how to calculate the amount to be reported in SLC 72 4420 08.

Example: How to calculate the amount to be reported in SLC 72 4420 08 Upper -Tier Distribution of Capping Tax Adjustments

For Munc. Multi-Residential:

If Levy*= 200,000; Cap Impact=-86,692; Municipal Share=3,958; Net Adjustment=-82,734

For Munc. Commercial:

If Levy*=400,000; Cap Impact=9,183; Municipal Share=0; Net Adjustment=9,183

For Munc. Industrial:

If Levy*=200,000; Cap Impact=-119,052; Municipal Share=0; Net Adjustment=-119,052

Municipal share represents share of shortfall:

Positive amounts under net adjustments represent payments due from Lower-Tier to Upper-Tier

Negative amounts under net adjustments represent payments due from Upper-Tier to Lower-Tier

*Levy amount in this report reflects the Lower-Tier levy only. For the overall levy for each class (Lower-Tier, Upper-Tier and School), please refer to the **2016** frozen capping reports for your municipality.

Multi-residential: total CVA levy (lower-tier, upper-tier & school): 600,000

Dr. taxes receivable - 600,000
Dr. expenditure - 3,958
Dr. accounts receivable-upper-tier - 86,692
Cr. taxes receivable - 86,692
Cr. accounts payable-upper-tier - 3,958
Cr. taxation revenue - 600,000

Commercial: total CVA levy (lower-tier, upper-tier & school): 2,700,000

Dr. taxes receivable - 2,709,183
Cr. accounts payable-upper tier - 9,183
Cr. taxation revenue - 2,700,000

Industrial: total CVA levy (Lower-tier, upper-tier & school): 1,300,000

Dr. taxes receivable - 1,300,000
Dr. accounts receivable-upper tier - 119,052
Cr. taxes receivable - 119,052
Cr. taxation revenue - 1,300,000

Summary:

Dr. taxes receivable - 4,609,183
(600,000+2,709,183+1300,000)
Dr. expenditure - 3,958
Dr. accounts receivable-upper-tier - 205,744
(86,692+119,052)
Cr. accounts payable-upper-tier - 13,141 (3,958+9,183)
Cr. taxes receivable - 205,744 (86,692+119,052)
Cr. taxation revenue - 4,600,000

Record on SLC 72 4420 08: 192,603 (205,744 - 13,141)

Line 4890 Other

Enter other non-tax adjustments which are not reported in any of the categories above.

Line 4891 Other

Enter other non-tax adjustments which are not reported in any of the categories above.

Line 4999 TOTAL Tax Adjustments Not Applied to Taxation

The Total tax adjustments not applied to taxation on this line equals the sum of Lines 4010 through 4891.

- Tax Sale, Tax Registration Accounts - Line 4010
- Tax Deferral - Low income seniors and Disabled persons - Line 4210
- Net impact of 5% Capping Limit Program - Line 4420
- Other - Line 4890
- Other - Line 4891

ADDITIONAL INFORMATION

The following lines are used to report other information related to tax adjustments.

Line 6010 Recovery of Tax Deferrals

On this line, report any taxes paid which were previously deferred.

Line 7010 Entitlement of school boards

In Co-ordination with the Ministry of Education, this line was introduced to show the total Property Tax and Payment-In-Lieu entitlement of School Boards after adjustments. Amounts on this line are automatically calculated by the following formula.

Entitlement of School Board		Schedule 72, Line 7010
	=	
Total Taxes (Before Adjustments)		Schedule 26, Line 9199
	+	
Total Payments-In-Lieu of Taxation		Schedule 26, Line 9599
	-	
Tax Adjustments Before Allowances		Schedule 72, Line 2899
	-	
Tax Adjustments Not Applied to Taxation		Schedule 72, Line 4999
	+	
Recovery of Tax Deferrals		Schedule 72, Line 6010