



TOWNSHIP OF EDWARDSBURGH CARDINAL ACTION ITEM

Committee: Administration and Finance

Date: September 13, 2021

Department: Finance

Topic: 2021 Federal PILT Revenue

Purpose: To obtain Council support for a motion to be forwarded to the Prime Minister, MP, MPP and AMO regarding an issue related to the federally owned properties education portion of PIL tax payments.

Background: The Province of Ontario announced in the 2020 budget that for the 2021 calendar year the BET (Business Education Tax) reductions would take place to support businesses as they recover from the pandemic. In an effort to ensure municipalities would not be negatively impacted by BET reductions, the province will maintain the BET rates at the 2020 rate for government owned properties that pay PIL's (Payment in Lieu of Taxes).

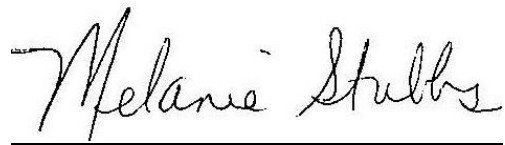
The Township received notification by email from Canada Post that the Federal Government will be paying the reduced BET rate of 0.0088 instead of the legislated rate of 0.0125 for 2021 PIL(in council correspondence).

According to a notice by OMTRA, if all federal departments pay the reduced BET rate instead of the legislated BET rate, the loss of revenue to municipalities across Ontario has been estimated at \$20 million in 2021(in council correspondence).

Policy Implications: The Tax Class affected is CF- Commercial PIL-Full, the education portion of the tax is retained by the municipality.

Financial Considerations: The loss of tax revenue associated with the Canada Post properties is \$762.20 and the Public Works Canada property would be \$1,757.50 for a total loss of revenue of \$2,519.70.

Recommendation: That Committee recommends that Council support a motion that the Federal government and all Crown Corporations, commit to paying the legislated BET rate of 0.0125 for 2021.



Treasurer



CAO