Financial Accounting

Title: **Tax Collection, Incentives and Enforcement Policy**	**Policy Number:** **FI-02**
Authority: Resolution 2026-201 - July 21, 2026 Council Minutes	**Next Review:** December 2028

Purpose:

To outline the process for Tax collection and enforcement and the existing tax incentives for Agricultural, Commercial, and Residential properties.

Tax Collection:

The Municipality shall accept installment payments or prepayments on tax accounts when requested by the ratepayer.

To accommodate ratepayers, we will accept post-dated cheques, and receipts will be issued on the date indicated on the cheques.

Taxes are due no later than August 31st each year. As an incentive to pay early, the Town of Carrot River offers discounts 5% if paid between January 1st and June 30th.

The administrator is authorized to arrange payment schedules with the Saskatchewan Municipal Board for any delinquent tax accounts.

Tax Incentives to Develop:

Residential:

As per ***Resolution 2004/155*** – Never before occupied and new residential accommodation for single family occupancy will be subject to no municipal property taxes for the first two years of occupancy, and further, that this policy shall apply to mobile homes, newly constructed detached dwellings and RTM detached dwelling units, so long as the provisions of the Town building bylaws are met.

General:

As per ***Resolution 2013/056*** – Properties that have living quarters at their business location will pay municipal property taxes abated so that the grand total of both rolls' municipal property taxes equals the sum total of each individual roll calculated without using the minimum tax tool, insofar as the grand total equals at least the minimum municipal property tax set by Council.

As per ***Resolution 2013/ 057*** – Undeveloped and unserviced residential properties located in the Town of Carrot River limits used for agricultural purposes shall be abated so that the municipal property taxes equal the rate that adjoining agricultural property would be charged, had the property been located in the adjoining rural municipality and zoned agricultural.

Commercial:

As per ***Resolution 2014/ 144*** - Each of the following tax incentives can only be considered separately and there will be NO consideration of any of the following four incentives to be used in combination or in consecutive calendar years:

1. ***New Business Construction:***

   Definition: Any construction of a new commercial building for the purposes of establishing a business; any business that is subject to commercial taxation, excluding home based businesses and businesses subject to grants-in-lieu.

   The automatic tax exemption will be granted on a newly constructed building with regards to 100% of the land taxes and the new improvement portion of taxes and **does not include taxes on improvements existing on the property prior to the permit being issued.**

   Eligibility:

   - A building permit must applied for, approved, and be issued by the Town of Carrot River after January 1, 2014.
   - The construction must follow the criteria set forth by the Town of Carrot River and have all requirements satisfied.
   - Tax exemption may be transferred in the event of a new owner, up until the expiry date of original agreement.
   - The exemption of school taxes will be in accordance with **Sections 298 (2), (5) and (6) of the *Municipalities Act.***

   Exemption application:

   i. 100% exempt in year one (Permit Year)
   ii. 100% exempt in year two
   iii. 100% exempt in year three
   iv. Full Taxation in years four and beyond

   Considerations for application:

   The building permit year:

   v. If issued prior to February 1, the calendar year of the issuance of a building permit.
   vi. If issued on or after February 1, the calendar year following the issuance of a building permit.

   Council reserves the right to approve each incentive individually and has the option to expand or limit the incentive on a case-by-case basis.

2. ***Existing Business Expansion/Construction:***

   Definition: a business that has been licensed by the Town of Carrot River for a minimum period of one year and is not in tax arrears; a business that is subject to commercial taxation, excluding home based businesses and businesses subject to grants-in-lieu.

   The automatic tax exemption will be granted on the increased assessed value of the enhanced building portion of taxes and does not include taxes on improvements existing on the property prior to the permit being issued or taxes on land.

   Eligibility:
   - Any construction for which a building permit has been issued by the Town of Carrot River, after January 1, 2014, that results in an increase in taxable assessment for the expansion of the building.
   - Construction will have a minimum value of $50,000 as confirmed by the building official.
   - Tax exemption may be transferred in the event of a new owner, up until the expiry date of original agreement.
   - The exemption of school taxes will be in accordance with **Sections 298 (2), (5) and (6) of the *Municipalities Act.***

   Exemption Application:

   i. 100% exempt in year one (Permit Year)
   ii. 100% exempt in year two
   iii. Full Taxation in years three and beyond

   Considerations:

   iv. If issued prior to February 1, the calendar year of the issuance of a building permit.
   v. If issued on or after February 1, the calendar year following the issuance of a building permit.

   Council reserves the right to approve each incentive individually and has the option to expand or limit the incentive on a case-by-case basis.

3. **Existing Business with New Owner (Arm's Length) OR New Business in Existing Building:**

   Definition: Any business or new arm's length owner that has not conducted business in the Town of Carrot River subject to commercial taxes at the taxable property or any business that purchases and fills a commercial zoned building within the Town of Carrot River, excluding Home based businesses and businesses subject to grant-in-lieu.

The automatic tax exemption will be granted with regards to 100% of the municipal taxes both land and improvement.

Eligibility:

- At least two consecutive calendar years where full commercial taxes have been paid on the property must have occurred.
- Tax exemption will terminate effective on the date that a business ceases operation, taxes become payable on January 1 immediately following the business ceasing operation.
- No one building will be able to access this incentive more than three times during its existence unless the building has been vacant for at least 5 years, in which case the count will reset at 0.
- The transfer of title or proof of registration as a business must be received by the Town of Carrot River after January 1, 2014.
- Tax exemption may be transferred in the event of a new owner, up until the expiry date of original agreement.
- The exemption of school taxes will be in accordance with **Sections 298 (2), (5) and (6) of the *Municipalities Act*.**

Exemption Application:

i. 100% exempt in year one
ii. 100% exempt in year two
iii. Full Taxation in years three and beyond

Considerations:

Year one shall be considered:

iv. If the first day of business is prior to February 1, the calendar year of the first day of business.
v. If the first day of business is on or after February 1, the calendar year following the first day of business.

Council reserves the right to approve each incentive individually and has the option to expand or limit the incentive on a case-by-case basis.

Storefront Enhancement Grant:

Definition: a business that has been licensed by the Town of Carrot River for a minimum period of one year and is not in tax arrears; a business that is subject to commercial taxation, excluding home based businesses and businesses subject to grants-in-lieu; the improvement (building) must be at least 10 years old.

The Town of Carrot River will issue a grant that will not exceed 50% of eligible expenses (to a maximum $3000 per applicant) for projects that result in significant visual storefront improvement to local business properties.

The Carrot River Economic Development Board will adjudicate and award grants according to applications received and funding allotted by Town Council in the calendar year. ***The storefront enhancement grant will not be awarded in conjunction with any other tax incentive.***

Considerations:

i. Applications must be completed and submitted to the Community Development Manager and/or Town Administrator prior to construction start date.
ii. Applications will be approved on a first qualified, first approved basis subject to Town allocated funds.
iii. Applicable Building Permits have been applied for and issued prior to approval.
iv. There has not been an application for the same property in the last ten (10) years.

Eligible Costs:

vi. Construction Costs affecting the look of the business from the outside
vii. New Canopies or Lighting
viii. Paint
ix. Signage
x. Siding

Ineligible Costs:

i. Roof top improvements (shingles, tin, air conditioner, etc.)
ii. Consultations, Architects, Engineers, or Conceptual Drawings
iii. Building permit, building official inspection fees

Grant Disbursement:

i. The Town of Carrot River will match a portion of eligible expenses, up to 50% with a maximum of $3000 once the project is complete
ii. The business owner(s) must have submitted copies of paid construction invoices for the project; payment will be issued directly to the property owner(s) on file with the Town of Carrot River.

Tax Enforcement:

Property with tax arrears of less than 25% of the year's levy remaining shall be removed from the tax enforcement advertising list.