

2011 Updates

Property Tax

Property Assessment Freeze:

Between 2007 and 2009, Prince Edward Island (PEI) taxpayers enjoyed significant property tax saving as a result of the assessment freeze on owner-occupied residential property. The assessment freeze has now been removed.

Legislative changes in 2010 introduced a "taxable value assessment". This new assessment is used for purposes of taxation. Increases in the taxable value assessment for owner-occupied residential property are tied to the annual increase in the prior year's All-items Consumer Price Index for PEI (CPI), to a maximum of 5%.

For 2011, the taxable value assessment of owner-occupied residential property will be the 2010 taxable value assessment adjusted for the increase in CPI of 1.9%.

The taxable value assessment of owner-occupied residential property will also be increased for any improvements done to the property.

For 2010 and subsequent years, any change in the ownership of an owner-occupied residential property will result in the taxable value assessment being reset to the market value assessment at the time of ownership change. This new taxable value assessment immediately becomes subject to the annual CPI adjustment and cap, provided the new owner occupies the property as a residence.

Taxation and Property Records staff will continue to assess the market value of your property. The revised market value will appear on your Notice of Property Assessment.

Owner-occupied Residential Tax Credit:

With the introduction of the new program for calculating the taxable value assessment for owner-occupied residential property, the owner-occupied residential tax credit program has been discontinued. The existing tax credits will remain in place, provided ownership of the property does not change.

Provincial Tax Credit:

A tax credit is extended to the owners of non-commercial property in PEI who reside in the province for 183 consecutive days or more in each taxation year (January 1 to December 31). Application forms are available at Taxation and Property Records, any Access PEI centre or on our website at www.taxandland.pe.ca/forms.

Real Property Tax Deferral Program for Senior Citizens:

This program lowers the cost of living for eligible seniors by allowing those interested in the program to apply for a deferral of property taxes on their principal residence. If a taxpayer is 65 years of age or older, has occupied the property for six months in the year preceding the date of application, and has an annual household income less than \$35,000, he or she may qualify for this program. Application forms are available at Taxation and Property Records, any Access PEI centre or on our website www.taxandland.pe.ca/forms.

Environmental Land Credits:

- **High Slope Land:** If a property of one hectare or more (2.5 acres) has slope greater than 9% and has a farm assessment or farm-use assessment, it may qualify for an Environmental Land Credit. Application for this credit may be made through the Department of Agriculture or at any Access PEI centre.
- **Buffer Zone:** If a property of one hectare or more (2.5 acres) with cleared or wooded buffer zone has a farm assessment or farm-use assessment, it may qualify for an Environmental Land Credit. Application for this credit may be made through the Department of Agriculture or at any Access PEI centre.

• Environmental Friendly Farm Building Credit:

Under this tax credit program, bona fide farmers who are in compliance or actively in the process of complying with environmental legislation and guidelines, can receive an Environmental Farm Building Provincial Tax Credit. Application for this credit may be made through the Department of Agriculture or at any Access PEI centre.

Information about your Statement of Account – Property Charges:

Your 2011 Statement of Account - Property Charges and Notice of Property Taxes and Notice of Property Assessment were mailed in early May 2011. They show provincial and municipal property taxes, fire dues, and Waste Watch fees, as well as tax credits you are receiving. Please note, amounts in arrears are subject to interest at the rate of 1.5% per month, calculated daily.

Property Tax Contact Information:

Taxation and Property Records Division
Finance and Municipal Affairs
1st Floor Shaw Building
PO Box 2000, Charlottetown, PE C1A 7N8
Tel: (902) 368-4070 Fax: (902) 368-6164
Website: www.taxandland.pe.ca
Email: taxandland@gov.pe.ca

Waste Watch Program

The Island Waste Management Corporation's (IWMC) mandate is to provide a cost effective and environmentally responsible waste management system to help preserve our province for future generations. PEI continues to lead our nation in the diversion of waste from landfill. This success is attributed to the diligence and hard work of Islanders with respect to the mandatory source-separation of waste materials.

Residential Services:

The annual 2011 Waste Watch fee per household is \$199.85. This includes monthly recyclable collection, free Saturday morning blue bag drop-off, alternate weekly collection of compostables and wastes, Spring and Fall Cleanup, and Christmas Tree collection. It also includes free disposal of household hazardous wastes, tires, white goods, and large household furniture at Waste Watch Drop-Off Centers.

Cottage Services:

Cottage service is provided from May 30 to September 30, 2011 for the annual fee of \$89.85. Extended service is available from mid-May to the end of October for an additional fee of \$25.00 by contacting IWMC to register. Once a property is registered, the seasonal extension will be provided until a stop service notification is received.

Collection Calendars:

Calendars are mailed to residential properties in June and December of each year, with copies available at IWMC facilities, town and city halls, Access PEI, and on IWMC's website. Seasonal residents may contact IWMC to request calendars be sent directly to an alternative address.

Cart Information:

Carts are assigned to individual properties, however remain the property of IWMC. Carts are under warranty. Please contact IWMC if repairs or parts are required. The maximum cart capacity is 220 lbs; use in excess of this limit may void the warranty. Participation in Waste Watch is mandatory for Islanders and visitors. Contact IWMC for sorting information and guidelines.

Waste Watch Contact Information:

Island Waste Management Corporation
Customer Service Office
Toll-free 1-888-280-8111
Email: info@iwmc.pe.ca Website: www.iwmc.pe.ca

Do You Rent Tourism Accommodations?

If you rent tourism accommodations on a daily or weekly basis, you must:

1. Be licensed by Tourism and Culture to operate an accommodations facility [pursuant to the *Tourism Industry Act*, Subsection 2(1)]; and
2. Be registered as a vendor with Taxation and Property Records to collect and remit the 10% revenue tax (PST) on the rental price (including GST).

If not serviced by a municipal system, all tourism accommodations must submit water samples for analysis before opening and every three months thereafter (*Tourism Industry Act* Regulations – September 2004).

If you rent accommodations or campgrounds, you must file an occupancy report with Tourism and Culture for each month that the operation is open.

Tourism Contact Information:

Accommodations Licensing and Inspection
Tourism and Culture
Tel: (902) 368-5508
Email: jewood@gov.pe.ca
Website: www.gov.pe.ca/tourism

Do You Make Purchases Out-of-Province?

Provincial legislation requires that 10% revenue tax (PST) be paid on all taxable goods purchased for consumption or use in PEI. Even if you paid HST or another province's PST at the time of purchase, you are required to pay PEI PST when the goods are brought into this province. Please note that the fees collected by the Canada Border Services Agency at border crossings and customs entry points do not include PEI PST.

If you are an individual or business who purchases taxable goods in another province or country (either in person, through the Internet or by mail order) for consumption or use in Prince Edward Island, you are responsible for the payment of PEI revenue tax (PST) on your purchases. The onus is on the consumer to report and pay the applicable PEI tax.

Tax payments initiated by an individual, rather than through assessment by Taxation and Property Records, may be made without penalty or interest.

If you have purchased taxable goods in a harmonized province and these goods are brought into PEI for consumption or use, you may be eligible for a refund of the provincial component of HST. In order to be eligible for a refund, a claim must be filed with the Canada Revenue Agency within one year of the date the goods were removed from the harmonized province. In addition, you must provide proof that you have paid the applicable PEI PST.

If you have purchased taxable goods out-of-province, and have not yet remitted the PST due, you should do so by completing a Revenue Tax (PST) Self-declaration form. You can obtain this form from Taxation and Property Records, any Access PEI centre or on our website at www.taxandland.pe.ca/forms.

PST Contact information:

Taxation and Property Records
Finance and Municipal Affairs
PO Box 1330
Charlottetown, PE C1A 7N1
Tel: (902) 368-4070
Fax: (902) 368-6164
Website: www.taxandland.pe.ca
Email: taxandland@gov.pe.ca

Information for Taxpayers

2011



Finance and
Municipal Affairs