

### **Pre Authorized Withdrawal System for taxes**

The City of Vernon offers a plan for you to pay next year's property taxes in installments by automatic monthly withdrawal from your bank account.

Monthly payments will be withdrawn from your bank account on the 15<sup>th</sup> of each month, starting in August and ending in May, with the final withdrawal on the tax due date in July.

Interest is earned on the payments applied to your property taxes each month until May 31. This interest is credited to your property tax account.

### **Signing Up**

Your property tax account must be paid in full, prior to enrollment for PAWS. You must complete an authorization form and submit it to the City Finance Department along with a cheque marked "VOID".

Forms are available at City Hall or on the City's website. You may sign up at any point in the year.

### **Changes to Your Account**

You must contact the City Finance Department before the 10<sup>th</sup> of the month in any of the following circumstances:

- Selling your property
- Changing your bank account
- Changing banks or branches
- Stopping payment on an installment
- Discontinuing the installment plan

The City requires written notification and signature by the individual on title or if you're the individual who signed up for the program, in order to cancel PAWS.

### **Do you need to apply for the HOG every year if you're on PAWS?**

Yes, if you are eligible, a HOG must be completed every year. Your grant application must be completed by June 15<sup>th</sup> each year to ensure the correct amount is withdrawn from your bank account on the due date.

HOG applications that are incomplete, unclaimed or late may result in penalty charges.

### **Penalties**

A 10% penalty will be added to any current outstanding taxes remaining unpaid after the due date. Penalties are also applicable to the unclaimed HOG portion of your taxes. Until the HOG is claimed, that portion of the balance on your tax account is considered taxes outstanding.

### **Change your mailing address?**

Please visit our website at [www.vernon.ca](http://www.vernon.ca) under the Online Services heading to complete the online Change of Address Form or submit your request in writing to City Hall with the property owner's signature.



**City of Vernon**

#### **To contact us**

Tel: 250-545-1361  
E-mail: [finance@vernon.ca](mailto:finance@vernon.ca)  
3400 30th Street  
Vernon BC V1T 5E6

# City of Vernon

## Finance Department



## Understanding Property Taxes

- Assessments
- Tax Levies
- Home Owner Grant
- Ownership Changes
- Pre-Authorized Withdrawal System
- Penalties

**City of Vernon**

[www.vernon.ca](http://www.vernon.ca)

# Property Taxes

## Property Taxation

Property taxation is the most important single source of municipal revenue. The amount of money that is to be raised through property taxes is set by Council each year. The tax rate together with the assessed value of the property determines the amount of property tax payable each year. Property taxes are billed & mailed in late May and cover the calendar year from January 1<sup>st</sup> to December 31<sup>st</sup>. Payment of taxes is due the first working day each year after the Canada Day holiday in July.

## What are the assessment values?

The value of a property for tax purposes is determined by BC Assessment, which is established under provincial legislation and is independent of the municipality. For more information on your assessment, contact the Kelowna Regional, BC Assessment office at 1-800-990-1192.

## What is the tax rate?

The tax rate is the sum of a number of different levies including the general levy. The general levy is set by the City of Vernon to meet its revenue requirements. The other levies, hospital, NORD, school, etc, are set by those taxing authorities. Some tax rates apply to land value only, building value only or both values combined.

## Why have my property taxes changed?

The following may be some of the factors that affect the amount of your tax bill:

- Change in the assessment values
- Increase/decrease in the tax rate
- Changes in Home Owner Grant (HOG) status.
- Any unpaid user rate amounts on December 31<sup>st</sup> are automatically transferred to taxes as arrears and interest is calculated daily.

## Are you eligible for the Provincial Home Owner Grant (HOG)?

- You must be a BC resident
- You must own and reside on the property as your principal residence when you apply
- You and your spouse, together, can only claim one grant
- You may be required to prove your eligibility

If you turn 65 years of age anytime during the current year, you are eligible to claim the additional grant by providing your date of birth on the application.

To find out more about the HOG program and to see if you are eligible, check the back of your tax notice, contact the Finance Department at City Hall, or go to the Ministry of Provincial Revenue website at [www.rev.gov.bc.ca/hog](http://www.rev.gov.bc.ca/hog)

## Where do you apply for the HOG?

It is the responsibility of the home owner to claim the HOG every year. You can claim your grant by:

- Mail to the City of Vernon
- City Hall drop box at anytime
- In person at City Hall
- Electronically at [www.vernon.ca](http://www.vernon.ca) (eHOG)

DO NOT claim your grant at your banking institution or through a lawyer's office, as your grant application may not be accepted.

## When is the deadline for applying?

If eligible, you can apply for the grant until December 31. However, penalty charges will apply after the tax due date in July each year.

## Claim your HOG online (eHOG)

City of Vernon residents who are eligible for the HOG deduction can claim their grant through the City's website at [www.vernon.ca](http://www.vernon.ca)

## New Home Owner Information

A new owner is liable for all outstanding taxes. You cannot claim the HOG on the property in the year of purchase if current year taxes were previously paid in full by the previous owner, or your lawyer, or if you already claimed a grant on another property.

If taxes are not paid in full, then the grant claimable is the lesser of the balance due, or the maximum grant available.

## Is your name on the tax notice?

If your name is not on the tax notice and you are applying for the HOG, you must attach a copy of your Freehold Transfer document to your HOG application.

## Selling Your Property

The property tax account stays with the property. The statement of adjustments you receive from your lawyer or notary should show any allocation between the purchaser and the seller.

*If you are on PAWS it will be necessary for your lawyer or notary to include the tax installment credit in the statement of adjustments. There are no refunds under the Property Tax Withdrawal System.*

In selling your property, you or your lawyer MUST terminate PAWS by providing written authorization to the City Finance Department before the 10<sup>th</sup> of the month, in order to stop the withdrawal on the 15<sup>th</sup>.