



<b>Title: TAX DISCOUNT RATE / TAX PENALTY RATE POLICY</b>		<b>Number: 0120</b>
<b>Reference:</b> Board of Commissioners - November 23, 2005 Administrative Committee - November 17, 2009	<b>Adopted by City Council:</b> <b>December 21, 1992</b>	<b>Supersedes:</b>
<b>Prepared by: FINANCE</b>		

## STATEMENT

THE RECOMMENDATION FOR THE CITY OF MEDICINE HAT TAX DISCOUNT RATE AND TAX PENALTY RATE SHALL BE SET IN RELATION TO THE BANK OF CANADA RATE.

## PURPOSE

To establish a reasonable, reliable and consistent approach to determine on an annual basis, a recommendation for fair, reasonable and effective rates for the Tax Discount and Tax Penalties Bylaw.

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## 1. DEFINITIONS

- 1.01 The Bank of Canada rate used as the basis for the proposed Tax Discount Rate and Tax Penalty Rate for the following year, shall be the average of the weekly Bank of Canada Rates as at the second Tuesday in September, October and November.
- 1.02 The recommended Tax Discount Rate shall be an amount equal to the Bank of Canada Rate as determined herein, less one percent or a minimum incentive rate of 0.50% for ratepayers.
- 1.03 The recommended Tax Penalty Rate shall be an amount equal to the Bank of Canada Rate as determined herein, plus five percent.

## 2. RESPONSIBILITIES

- 2.01 The Finance Department  
Shall, in early December of each year, submit to the Corporate Services Committee a recommended Tax Discount Rate and Tax Penalty Rate for the following year, along with a copy of the proposed amended Tax Discount Bylaw and Tax Penalty Bylaw.

## 3. PROCEDURES

- 3.01 The recommended Tax Discount Rate and Tax Penalty Rate shall not exceed the percentage rate prescribed by Provincial Legislation, by Regulations or by Ministerial Order.
- 3.02 The terms of application of the Tax Discount Rate shall be outlined in the Tax Discount Bylaw.
- 3.03 The terms of application of the Tax Penalty Rate shall be outlined in the Tax Penalty Bylaw.