



CITY OF TERRACE
3215 Eby Street, Terrace, B.C. V8G 2X8 Tel: 635-6311; Fax: 638-4777
PRE-AUTHORIZED TAX AND UTILITY PAYMENT PLAN

The City of Terrace offers a Plan for taxpayers to make PRE-AUTHORIZED PAYMENTS to make Tax and Utility installment payments, and thus avoid having to make large sum payments.

IT'S CONVENIENT AND SECURE

The Pre-Authorized Payment Plan provides a means of budgeting Tax and Utility payments by automatic monthly withdrawal from your financial institution. It is secure in that you must authorize the Plan to start and you may stop payment at any time you wish by notifying the City in writing or in person.

IT'S A GOOD INVESTMENT

The Pre-Authorized Payment Plan will pay interest on your pre-paid tax installments at a rate higher than you could earn from chartered banks and other financial institutions for similar deposits. Since the interest does not attract income tax, it makes the Plan even more attractive. If your pre-authorized payments are reducing outstanding taxes, you will also reduce interest being charged to your tax account.

WHAT COULD I PAY?

If you need assistance in determining the monthly installment, please contact the tax office.

PREPAYMENT DATES

Ten (10) equal payments will be withdrawn from your bank account commencing **August 17th** each year. The final or 10th payment May 17th will be the difference between the actual amount of the current year tax bill, less the prepayments, interest earned and H.O.G., if eligible, up to the monthly payment amount authorized. Please remember that you still have to complete the Homeowner Grant Application, if eligible, and forward to City Hall before the tax due date.

For those taxpayers who are currently paying taxes with their mortgage payment and would like to participate, it may be possible for you to alter your mortgage payment on request to your Bank.

For more information, call City Hall Tax Department, 635-6311. Terms and conditions of the Pre-Authorized Payment Plan are on the reverse.

IT IS IMPORTANT TO REMEMBER THAT TO AVOID A PENALTY, THE HOME OWNER GRANT MUST BE CLAIMED PRIOR TO THE TAX DUE DATE AND THAT THE PRE-AUTHORIZED PAYMENT PLAN IS NOT A SUBSTITUTE FOR CLAIMING THE GRANT.

PLEASE COMPLETE AND RETURN THIS LOWER PORTION WITH YOUR VOID CHEQUE

TO BE COMPLETED BY NEW MEMBERS ONLY
THE CITY OF TERRACE
PRE-AUTHORIZED TAX AND UTILITY PAYMENT PLAN APPLICATION

I/We hereby authorize the City of Terrace to draw nine equal payments in the amount of \$ _____, to be charged against my/our account on the 17th of each month. The 10th and final payment on May 17th (being the difference between the actual amount of the current year tax bill, less the prepayments, interest earned and H.O.G., if eligible) is to be charged against my/our account, up to the monthly amount pre-authorized. I have read and understood the conditions for the Pre-Authorized Payment Plan. These amounts are to be applied against property taxes and utilities covered by:

Tax Roll No. _____ Date _____

OWNER NAME(S) _____ PROPERTY ADDRESS, _____ TERRACE, B.C.

MAILING ADDRESS _____ CITY _____ PROV. _____ POSTAL CODE _____

Name of Financial Institution _____

Branch Address _____

Branch Number _____ Account Number _____ Void Cheque Enclosed

Home Owner Grant Eligibility – Check One: Not Eligible Eligible, Under 65 Eligible 65 Over/Other

Your treatment of each payment shall be the same as if I/we had personally directed you to pay as indicated and to charge the amount specified to the account of the undersigned. This authorization may be cancelled at any time upon written notice. Any delivery of this authorization to you constitutes delivery by the undersigned.

Signature(s) _____ Telephone No. (Home) _____

_____ Telephone No. (Work) _____

PLEASE READ REVERSE SIDE

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TERMS AND CONDITIONS

Prior to the property tax due date, interest on the credit balance from pre-payment installments paid to the day tax notices are issued shall be credited to the benefit of the taxpayer.

Revenue Canada's Interpretation Bulletin IT-396R states, interest earned and applied to municipal taxes is considered as a reduction of the payable and is not income for tax purposes.

A participating taxpayer may, at any time, cancel this arrangement by advising the Collector in writing, but monies paid under the Plan will not be returned or refunded and the Collector shall continue to pay interest on the credit balance from monies previously paid.

Only in the case where a participant sells the property for which tax pre-payments are made, the participant may apply for a refund of unapplied credits upon presentation of a completed Statement of Adjustments.

The Treasurer-Collector may cancel the privilege of continuing in the Pre-Payment Plan if two installments fail to be honoured on the due date. In the event that an installment is not honoured, a charge of \$20.00 will be levied for all late or returned payments.

If eligible, the homeowner must still apply for a Home Owner Grant, which must be claimed prior to the due date to avoid a penalty addition.

REMEMBER the Pre-Authorized Payment Plan is not a substitute for claiming the Grant.

Personal information contained on this form is collected under the Freedom of Information and Protection of Privacy Act, and will be used only for the purpose for which it was collected. If you have any questions about the collection and use of this information, contact the City's Freedom of Information Co-ordinator at (250) 638-4722.