



<b>Title:</b> Tax Exemption/Incentive Policy	<b>Internal/ External</b>
<b>Department:</b> Corporate Services	<b>Policy Number</b> CS-005
<b>Approval Date:</b> November 21, 2013	<b>Implementation Date:</b>

## BACKGROUND

Over the years a number of policies have been put in place in the Town of Paradise regarding tax exemptions for particular organizations as well as tax incentives. This policy replaces Accounting 007, Accounting 006, and Accounting 010.

## PURPOSE/OBJECTIVE

This policy combines a number of previous decisions regarding tax exemptions and incentives to simplify the policy manual and provide a simple reference for the provision of tax incentives and exemptions.

DEFINITIONS: n/a

## POLICY STATEMENT

At Councils discretion particular organizations may receive tax exemptions or incentives.

## GUIDELINES AND PROCEDURES

### 1. Business Tax Exemption- Charitable & Not-For-Profit Organizations

The Town of Paradise shall exempt from business tax, all not-for-profit organizations operating within the Town if the following criteria are met:

- (i) The operation is a charitable organization recognized by the Federal Government.
- (ii) The operations mandate is to provide support to the business community as a whole or to contribute to the general well- being or pleasure of the citizens of the Town.  
This is usually accomplished through voluntary membership and lack of direct charges for services

The Town of Paradise shall charge a business tax rate of 5 mills to not-for-profit organizations operating within the Town if the following criteria are met:

- (i) The operation is a not-for-profit organization recognized by the Federal Government and the organizations charges direct fees for service in the regular operation of the business

## 2. Business Tax Exemption

### 2.1 New Business

- (i) The Town of Paradise gives a tax reduction of at least 50% on business tax on new businesses up to a maximum of three years. Each individual business must be approved by Council.
- (ii) Requests for tax incentives for new business should state that concessions or reductions will only be applied upon payments of the amount due and concessions or reductions will be void if the Town has to seek collection action
- (iii) All requests for tax incentives for new businesses must be received within 12 months from the commencement of operations to be considered

### 2.2 Business Expansion

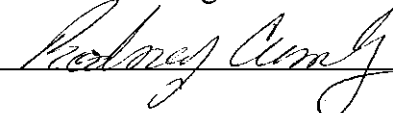
- (iv) Existing businesses wishing to physically expand their business will be given a three (3) year business tax exemption on the expansion only. All other taxes will apply.
- (v) All requests for business tax exemptions with respect to physical expansion of all business must be received within 12 months of the completion of the expansion to be considered.

## 3. Chamber of Commerce Member Tax Incentive

- (i) The Town of Paradise supports the Conception Bay and Mount Pearl/Paradise Area Chamber of Commerce through the endorsement of a \$100 tax incentive to any business in Paradise joining the Chamber, providing their taxes are up to date at any time during the fiscal year.

## REVIEW

This policy may be subject to review following new knowledge or new experience.

Chief Administrative Officer:  Date: Dec 6/13