1.0  PURPOSE OF FUNDING

1.1 In recognition that some LTC Homes are required to pay municipal taxes while others are exempt, the Municipal Tax Allowance Fund (MTAF) was established to reimburse a portion of the municipal taxes paid by Operators that are liable for such taxes.

2.0  PROVISION OF FUNDING

2.1 The MOHLTC may provide Funding to the Operator to reimburse up to 85% of the Home’s eligible municipal taxes.

3.0  APPLICATION FOR FUNDING

3.1 The Operator shall submit an application for MTAF to MOHLTC annually at the beginning of the fourth quarter of the calendar year.

The application shall include:
(i) A completed Long Term Care Home Municipal Tax Allowance form as prescribed by the Ministry detailing the municipal tax expenditures related to the LTC home, and the portion not related to the LTC Home, as applicable; The form is currently available through www.fimdata.com;
(ii) a copy of the LTC home’s final tax bill for the calendar year; and
(iii) as applicable, documentation supporting municipal taxes billed to the LTC home.

The application must clearly identify the following:

a) any special charges or levies included in the tax bill that are not part of the municipal tax levy related to the municipal tax assessment ; and

b) the portion of municipal tax expenditures as described above that is attributable to the Home and the portion that is not (see paragraph 3.3 below). An explanation of the method used to make the attribution, using generally accepted accounting practices, must be provided.

3.2 MOHLTC will review the application submitted by the Operator and determine the municipal tax expenditure that is eligible for reimbursement. Upon receipt of the information provided as per section 3.1, MOHLTC may adjust the MTAF reimbursement, and adjust the monthly payment accordingly.

3.3 Only the portion of the property that is attributable to the LTC Home is eligible for MTAF. Non-eligible uses include retirement home, corporate head office,
personal, and non-LTC Home uses (e.g. adult day care and meals on wheels program, etc.). Any special charges or levies that are not included in the municipal tax levy related to the municipal tax assessment are not eligible for reimbursement.

3.4 Pending receipt of the MTAF application, the MOHLTC may provide a MTAF reimbursement to the Operator, based on the previous year’s property tax assessment or municipal tax expenditure in respect of the home.

3.5 The MOHLTC may estimate and provide the MTAF reimbursement applicable to new beds, pending receipt of a final property tax bill. The estimated rate for new beds will be provided in the funding letter that MOHLTC provides to Operators for the corresponding calendar year.

4.0 PAYMENT OF FUNDING

4.1 The MOHLTC shall pay the eligible Funding as may be determined under section 3.0 to the Operator in monthly installments on or about the twenty-second (22nd) day of each month.

5.0 USE OF AND ACCOUNTABILITY FOR FUNDING

5.1 The Operator shall use the MTAF reimbursement to offset property tax expenditures assessed by and paid to a municipality in respect of the LTC home.

5.3 The Operator shall maintain records in connection with the funding sufficient to show full compliance with this Agreement and Guidelines, including the final property tax bill. Records must be retained for a period of at least seven years from the last day of the year in which the record was made.

5.4 Where the Operator’s municipal property tax assessment, or amount of municipal tax expenditure, is reduced as a result of a municipal tax appeal process, or any other cause, the Operator must notify the ministry within 30 days of receiving the decision or notification thereof.

5.5 Funding for the MTAF will be deemed to form part of the Other Accommodation envelope. Any estimated MTAF reimbursement shall be reconciled against actual MTAF expenditures by the MOHLTC in accordance with the provisions of the LTC Home Annual Report and applicable MOHLTC and L-SAA policies.