

# 2023-2026 Service Plans and Budgets Tax Rate, Tax Distribution Scenarios and Related Estimates

2022 November 08

Regular Meeting of Council

ISC: Unrestricted





# Municipal Property Tax Calculation

Total 2023 Projected Expenditures  
\$4,684 M

-

Non-Tax Revenues (Utilities, user fees, etc.)  
\$2,560 M

=

Required Property Tax Revenues\*  
\$2,166 M

52%

Tax Share

48%

Residential Property Taxes  
\$1,126 M

Non-Residential Property Taxes  
\$1,040 M

*Residential Tax Rate*

*Non-Res Tax Rate*

$$\frac{\text{Tax Revenue}}{\text{Taxable Assesed Value}} = \frac{1,126 M}{260,931 M} = 0.0043162$$

$$\frac{1,040 M}{58,364 M} = 0.0178122$$

Municipal Tax Rate Ratio

$$\frac{NR Rate}{Res Rate} = 4.13$$



*Residential Example*



*Non-Res Example*

*Assessed Value* × *Tax Rate* = *Tax*  
\$555,000 × 0.0043162 = \$2,395

*Assessed Value* × *Tax Rate* = *Tax*  
\$5,250,000 × 0.0178122 = \$93,514

\* Includes additional \$42m in bylaw adjustments

**Estimates provided are subject to change**



# Elements Impacting Property Tax Bill



Property Assessment



Municipal Property Tax Revenue Required



Municipal Tax Share Between Res/Non-Res



Provincial Property Tax Revenue Required



Special Taxes, Local Improvement Levies, Penalties, etc.



Council Directed



Provided Inputs



# Rate Based Approach: Hypothetical Illustration

Calculated using 2023 assessed values and 2022 tax rates  
(for illustrative purposes only)

Rate-based approach (hypothetical) - In \$M	2022	2023F	Change
Residential Property Tax - 52%	\$1,060.7	\$1,225.1	\$164.4
Preliminary Residential Assessment	\$225,913.6	\$260,931.3*	-
<b>Residential Property Tax Rate**</b>	<b>0.0046950</b>	<b>0.0046950</b>	-
Non-Residential Property Tax - 48%	\$983.0	\$1,043.8	\$60.8
Preliminary Non-Residential Assessment	\$54,962.7	\$58,364.1*	-
<b>Non-Residential Property Tax Rate**</b>	<b>0.0178843</b>	<b>0.0178843</b>	-
Total Property Tax Collected***	\$2,043.6	\$2,268.9	\$225.2
Total Property Tax Required		\$2,165.9	
<b>Over collection</b>		<b>\$103.0</b>	
Municipal Tax Ratio (NR Tax Rate/Res Tax Rate)	3.81 : 1	3.81 : 1	

\*2023 forecasted residential and non-residential assessments include forecasted market value change and physical growth.

\*\* Final tax rates will depend on the tax revenue budget approved by Council and the finalized assessments.

\*\*\*Does not include revenue from Farm Land also included in the Property Tax Bylaw.



# Illustration of 2023 tax rates using preliminary taxable assessment base

Budget-based approach (current)- In \$M	2022	2023F	Change
Residential Property Tax – 52%	\$1,060.7	\$1,126.2	-
Preliminary Residential Assessment	\$225,913.6	\$260,931.3*	-
<b>Residential Property Tax Rate**</b>	<b>0.0046950</b>	<b>0.0043162</b>	<b>-8.1%</b>
Non-Residential Property Tax – 48%	\$983.0	\$1,039.6	-
Preliminary Non-Residential Assessment	\$54,962.7	\$58,364.1*	-
<b>Non-Residential Property Tax Rate**</b>	<b>0.0178843</b>	<b>0.0178122</b>	<b>-0.4%</b>
Total Property Tax Collected***	\$2,043.6	\$2,165.8	
Total Property Tax Required		\$2,165.8	
Difference		-	
Municipal Tax Ratio (NR Tax Rate/Res Tax Rate)	3.81 : 1	4.13 : 1	

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# 2023 Tax Changes



	2022 Municipal Tax Rate	2023F Municipal Tax Rate	Tax Rate Change	2023 Prelim Assessment Change
Residential	0.0041399	0.0043162	-8.1%	+13%
Non-Residential	0.0178843	0.0178122	-0.4%	+5%



Tax Share

52 Res / 48 Non-Res



Tax Rate Ratio

4.13 : 1

*Final tax rates will depend on the tax revenue budget approved by Council and the finalized assessments.*





# 2023 Tax Changes



Illustrative Examples	Single Residential		
	2022	2023	Year-over-Year Change
Assessment	\$485,000	\$555,000	14.43%
Estimated Municipal Taxes Prior to Budget Adjustments (revenue neutral)	\$2,277	\$2,298	0.90%
Estimated Municipal Taxes	\$2,277	\$2,395	<b>5.20%</b>

Retail – Strip Mall	Office - Downtown AA	Industrial - Warehouse
Year-over-Year Change	Year-over-Year Change	Year-over-Year Change
9.81%	12.19%	2.53%
4.70%	6.96%	-2.25%
9.37%	11.73%	2..11%

*Note that these illustrative examples show preliminary values and are subject to change and will vary by individual property*



# Scenarios Based on Share

Budget Based (In \$M) Scenario Based on Share	2022	2023 Forecast	2023 Scenario	Change from 2022
Residential Property Tax Share	52%	52%	52%	
Residential Property Tax	\$ 1,060.7	\$ 1,126.2	\$ 1,126.2	
Preliminary Residential Assessment*	\$ 225,913.6	\$ 260,931.3	\$ 260,931.3	
<b>Residential Property Tax Rate**</b>	<b>0.0046950</b>	<b>0.0043162</b>	<b>0.0043162</b>	<b>-8.1%</b>
Non-Residential Property Tax Share	48%	48%	48%	
Non-Residential Property Tax	\$ 983.0	\$ 1,039.6	\$ 1,039.6	
Preliminary Non-Residential Assessment*	\$ 54,962.7	\$ 58,364.1	\$ 58,364.1	
<b>Non-Residential Property Tax Rate**</b>	<b>0.0178843</b>	<b>0.0178122</b>	<b>0.0178122</b>	<b>-0.4%</b>
Total Property Tax Required***	\$ 2,043.6	\$ 2,165.8	\$ 2,165.8	
Municipal Tax Ratio	3.81	4.13	4.13	8.3%

Red = Input    Blue = Calculated from Input    Black = Set or Assumed Value



Illustrative Examples (Values are preliminary and subject to change)	Single Residential		
	2022	2023	Year-over-Year Change
Assessment	\$485,000	\$555,000	14.43%
Estimated Municipal Taxes Prior to Budget Adjustments (revenue neutral)	\$2,277	\$2,298	0.90%
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# Scenarios Based on Tax Rate

Budget Based (In \$M) Scenario Based on Tax Rate	2022	2023 Forecast	2023 Scenario	Change from 2022
Residential Property Tax Share	52%	52%	52%	
Residential Property Tax	\$ 1,060.7	\$ 1,126.2	\$ 1,126.2	
Preliminary Residential Assessment*	\$ 225,913.6	\$ 260,931.3	\$ 260,931.3	
<b>Residential Property Tax Rate**</b>	<b>0.0046950</b>	<b>0.0043162</b>	<b>0.0043162</b>	<b>-8.1%</b>
Non-Residential Property Tax Share	48%	48%	48%	
Non-Residential Property Tax	\$ 983.0	\$ 1,039.6	\$ 1,039.6	
Preliminary Non-Residential Assessment*	\$ 54,962.7	\$ 58,364.1	\$ 58,364.1	
<b>Non-Residential Property Tax Rate**</b>	<b>0.0178843</b>	<b>0.0178122</b>	<b>0.0178122</b>	<b>-0.4%</b>
Total Property Tax Required***	\$ 2,043.6	\$ 2,165.8	\$ 2,165.8	
Municipal Tax Ratio	3.81	4.13	4.13	8.3%

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