

## DETAILS OF THE 2019 MUNICIPAL NON-RESIDENTIAL PHASED TAX PROGRAM (PTP)

### Summary

The effect of the PTP was to phase-in 2019 non-residential property tax increases (municipal portion only) by limiting the increase in 2019 to -10 per cent. Eligible non-residential property owners experienced a maximum increase in the municipal non-residential property tax of -10 per cent resulting from the preparation of the 2019 market value assessment. PTP was a one-year program only.

### Eligibility

#### 1) Market Value Changes Only

This program was designed to phase-in only the non-residential property tax effects resulting from the preparation of the 2019 annual market value assessment. Thus, the focus was on market value changes only.

#### 2) Non-Market Value Changes

Properties which had physical changes that affected the 2019 assessment relative to the 2018 assessment or had changes due to other external non-market impacts (e.g. a zoning change, servicing, remediation, a change in taxable status, factual corrections, a change in assessment class) were excluded from the PTP.

#### 3) Regulated Rate Properties

Any non-residential property not valued on the market value standard was excluded; such as farmland and linear properties.

#### 4) Other Criteria

To be included in the PTP, non-residential properties:

- Had existed in 2018.
- Had a tax status of "taxable".
- For properties assessed with more than one assessment class, only those properties where the non-residential component was 50% or higher were included.
- Had 2019 municipal non-residential property taxes greater than \$50.
- The amount to be phased-in exceeded \$25.

#### 5) Provincial Non-Residential Property Tax

PTP did not include any non-residential property tax effects from the provincial government. At that point, The City of Calgary had not been informed of the provincial requirements for property tax to be collected from the non-residential property group.

#### 6) Impact of Filing an Assessment Complaint

In accordance with the *Municipal Government Act* property owners who disagree with their assessment have the right to file a complaint with the Assessment Review Board (ARB). PTP required known and final assessment values to determine if the tax change was above or below the phase-in threshold (-10 per cent). Any non-residential property that filed a 2019 complaint was not included in the PTP until the decision of the ARB was rendered and any further appeals or reviews had been concluded. Any non-residential property that had an outstanding prior years' appeal or review was not included in the PTP until the appeal or review was concluded. Once a final determination of the assessed value was received, any resulting tax effect was taken into consideration in accordance with the PTP.

#### 7) Processing the Phase-in

There was no application process required, and the tax effect of the phase-in was applied on the annual non-residential property tax bill. Property tax accounts using the Tax Instalment Payment Plan (TIPP) had the TIPP amounts accordingly adjusted.