

C2020-0890 Financial Relief for Taxpayers

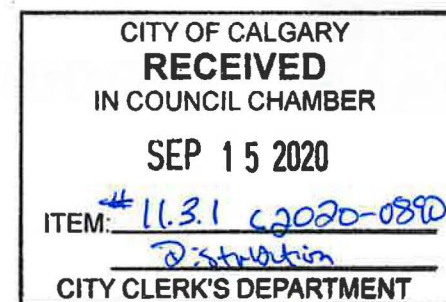
Combined Meeting of Council

2020 September 14

Billing and Payment Overview – Lump Sum

As of 2020 August 31

	Residential	Non-residential	Total
Total billed (\$ millions)	698.5	698.3	1,396.8
Total payments received (\$ millions)	470.4	280.0	750.4
Balance outstanding (\$ millions)	228.1	418.3	646.4
Percent paid	67.3%	40.0%	53.7%



Billing and Payment Overview – TIPP

Month (2020)	Amount (\$ millions)	Explanation for change from prior month
Jan	130.7	
Feb	130.9	
Mar	130.8	
Apr	112.5	Inclusion of provincial deferral for non-residential properties
May	100.6	TIPP cancellations as property owners assess financial situation
Jun	97.8	TIPP cancellations as property owners assess financial situation
Jul	103.9	Increasing TIPP enrolment
Aug	104.6	Increasing TIPP enrolment
Sep	107.8	Increasing TIPP enrolment



Property Tax Penalties

- Authorized by the Municipal Government Act and a City Bylaw:
 - 7% penalty applied July 1 to unpaid current year tax balance.
 - 7% penalty applied October 1 to unpaid current year tax balance.
 - Any outstanding tax balance from a prior tax year (arrears) assessed a 1% penalty on the first of each month.
- Under section 347 Council is the only authority who can cancel part or the whole value of tax.

Property Tax Relief Measures

- Tax payment deadline has been extended from June 30 to September 30 without late payment penalties.
- 7% penalty applied on July 1 was cancelled. Property owners have until September 30 to pay their 2020 tax bill without penalty.
- Any unpaid 2020 tax balance as of October 1 is scheduled to have a late payment penalty applied.
- The Tax Instalment Payment Plan (TIPP) has suspended its 2% filing fee for taxpayers who join TIPP between January 1, 2020, and January 1, 2021.

Factors Influencing Recommendations

- City's short-term borrowing costs = 0.45% to 0.55%
- City's average return on investment = 2.47%
- Availability of retail credit products based on prime rate of 2.45%
- Mortgage requirement to pay property taxes to avoid default
- Payment deadlines and penalty amounts of other Alberta municipalities
- Balancing the interests of City and property owners

Administration Recommendation

That Council:

1. Approve the cancellation of 50% of the portion of the property tax comprised of the penalties imposed under section 2(b) of Bylaw Number 8M2002 to be charged on 2020 October 1, and;
2. Approve that the requirement for a taxpayer who joins the Tax Instalment Payment Plan (TIPP) after January 1 of the current year to pay the total of missed instalments beginning from January 1 of the current year, under Section 7(5) of Bylaw Number 9M2002, be waived up to and including 2020 December 31.

Supplementary Information

Contact Tax

Method	Details
Telephone	<p>311</p> <p>403-268-CITY (2489) if calling from outside Calgary</p> <p>24 hours a day, 7 days a week</p>
Mailing address	<p>The City of Calgary</p> <p>Tax & Receivable #8044</p> <p>P.O. Box 2405, Station M</p> <p>Calgary, AB T2P 3L9</p>
Street address	<p>Tax Advisory Services, Third Floor, Calgary Municipal Building (City Hall), 800 Macleod Trail S.E.</p> <p>Limited access with physical distancing measures</p> <p>There is limited access to the Municipal Building and we're practicing physical distancing measures. You're encouraged to use an alternative that is not in person. For those who must attend in person, there is limited access to the Municipal building. Citizens will be directed to one of two doors where security staff will help direct them. Due to physical distancing measures there may be delays as we're limiting the amount of people in the building at one time.</p>
Office hours	<p>Monday - Friday, 8 a.m. - 4:30 p.m.</p>

Comparison of Payment Deadlines and Penalties in Alberta

Municipality	Last Payment Date before Penalty	Penalty(ies)
Edmonton	2020 August 31	5% - Sep 1; 5% - Nov 3
Red Deer	2020 September 30	7% - Oct 1
Lethbridge	2020 September 30	3% - Oct 1; 4% - Nov 1; 5% - Dec 1
Grande Prairie	2020 August 31	6% - Sep 1
Slave Lake	2020 August 31	2% - Sep 1; 2% - Oct 1