

2021 Property Tax Related Bylaws C2021-0329

Combined Meeting of Council

2021 March 22

Recommendations

Administration recommends that Council:

1. Give three readings to:

- a) The proposed Property Tax Bylaw 11M2021 (Attachment 2);
- b) The proposed Machinery and Equipment Property Tax Exemption Bylaw 12M2021 (Attachment 3);
and
- c) The proposed Rivers District Community Revitalization Levy Rate Bylaw 13M2021 (Attachment 4).

2. Approve the charge equal to 2% of the total amount of missed instalments under section 7(5) of Bylaw Number 9M2002, be waived for taxpayers who join the Tax Installment Payment Plan after 2021 January 1, up to and including 2021 December 31.

3. Approve the requirement to pay the total of missed instalments beginning from 2021 January 1 under section 7(5) of Bylaw Number 9M2002, be waived for taxpayers who join the Tax Instalment Payment Plan after 2021 January 1, up to and including 2021 December 31.



Property Tax Bylaw Requirement

- Municipal Government Act (MGA) requires The City to pass a Property Tax Bylaw each year to raise revenue for:
 - Payment of municipal expenditures
 - Payment of provincial requisition
- Proposed bylaws reflect Council's approval of the 2021 Mid-Cycle Adjustments to the One Calgary 2019-2022 Service Plans and Budgets
- Municipal property tax funds almost 50% of the total operating budget
- Current challenges in other revenues underscore the importance of the property tax

Municipal Tax - Summary

Municipal Property Tax Rate Changes approved in 2021 Mid-Cycle Adjustments

	Overall*	Residential	Non-Residential before Business Tax Consolidation	Non-Residential after Business Tax Consolidation
2021 Mid-Cycle Adjustments (November 2020)	-1.77%	-1.57%	-2.06%	-1.57%
+ \$6.3M Savings on Tax Loss Provision	-0.37%	-0.07%	-0.78%	-0.59%
+ Residential rebate (typical single residential at 0%)	-	-0.11%	-	-
Total	-2.14%	-1.75%	-2.84%	-2.16%

*Combined % of residential and non-residential before Business Tax Consolidation

Provincial Tax

The Province announced on 2021 February 25 that the requisition would be frozen at the 2020 level.

Provincial Property Tax Changes from 2020 to 2021 (\$ millions)

	Total City	Residential	Non-Residential
2020 Requisition (a)	\$772.0	\$552.3	\$219.6
2019 Catch-up included in 2020 Bylaw (b)	\$15.4	\$24.2	-\$8.8
2020 Adjusted amount for Bylaw Calculation (c) = (a) + (b)	\$787.4	\$576.5	\$210.8
2021 Adjusted amount for Bylaw Calculation (d)	\$768.5	\$538.8	\$229.6
<i>Provincial Tax Change from 2020 Bylaw (d) – (c)</i>	<i>-\$18.9</i>	<i>-\$37.7</i>	<i>\$18.8</i>

Combined Residential Impacts

Impacts on residential assessment class:



	Single Residential		
	2020	2021	Year-over-Year Change
Assessment	\$455,000	\$445,000	-2.20%
Municipal Taxes	\$2,175	\$2,147	-1.27%
Municipal Taxes After Rebate	\$2,145	\$2,145	0.00%
Provincial Taxes	\$1,248	\$1,149	-7.94%
Total Taxes After Rebate	\$3,393	\$3,294	-2.92%



Condo	High-Rise Apartment
Year-over-Year Change	
-4.08%	10.44%
-3.17%	11.49%
-1.93%	12.92%
-9.71%	3.96%
-4.79%	9.63%

TAX ROOM: \$14.8 million of tax room available.

In light of the prevailing economic conditions, Administration does not recommend taking it.

Combined Non-Residential Impacts

Impact on various property types within the non-residential assessment class:



	Retail – Strip Mall	Retail - Neighbourhood Shopping Centre	Suburban Office	Office - Downtown AA Class	Hotel/ Accommodation	Large Format Industrial - Warehouse	Typical Industrial - Warehouse
	Year-over-Year Change		Year-over-Year Change		Year-over-Year Change	Year-over-Year Change	
Assessment	-12.21%	-0.36%	-0.46%	-12.33%	-28.83%	10.43%	2.17%
Municipal Taxes	-8.41%	3.95%	3.85%	-8.53%	-25.75%	15.21%	6.59%
Municipal Taxes After Rebate	-7.19%	5.34%	5.24%	-7.31%	-24.76%	16.75%	8.01%
Municipal Taxes After PTP	-1.42%	14.64%	5.24%	-7.31%	-24.76%	15.97%	8.01%
Provincial Taxes	0.42%	13.98%	13.87%	0.29%	-18.59%	26.32%	16.87%
Total Taxes	-1.06%	14.50%	6.85%	-5.90%	-23.61%	17.96%	9.66%

TAX ROOM:

There is no tax room available in non-residential properties.

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