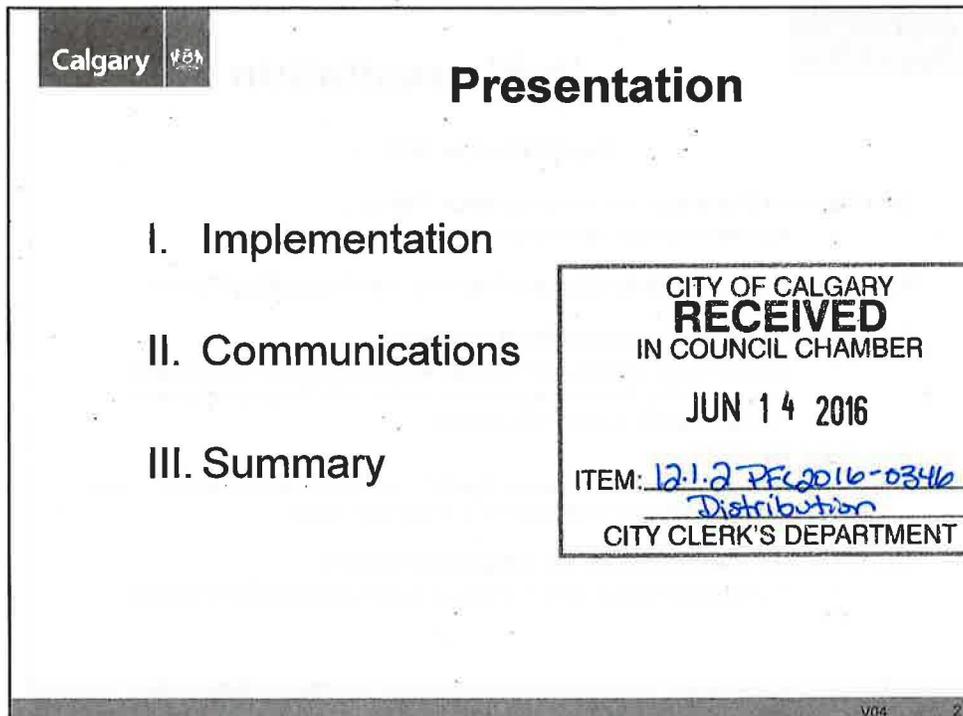


Calgary 

Business Tax Consolidation
Annual Status Update Report
PFC2016-0346

2016 June 13
Council Meeting

V04 1



Calgary 

Presentation

- I. Implementation
- II. Communications
- III. Summary

CITY OF CALGARY
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Implementation

7-year implementation

Transfer of business tax revenues to non-residential property tax

| Year | | % Transferred | |
|------|------|---------------|------------|
| # | Year | Incremental | Cumulative |
| 1 | 2013 | 0 | 0 |
| 2 | 2014 | 10 | 10 |
| 3 | 2015 | 10 | 20 |
| 4 | 2016 | 20 | 40 |
| 5 | 2017 | 20 | 60 |
| 6 | 2018 | 20 | 80 |
| 7 | 2019 | 20 | 100 |

3rd year of incremental business tax transfer to non-residential property tax

- a 20% transfer in 2016
- Results in a 4.0% increase to the 2016 NR property tax rate
- 40% of BT revenues have been transferred since start of BTC, with a 8.5% increase to the NR property tax rate over that time

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Implementation

Key Actions in 2016

Zero Per cent Business Tax Rate Increase Policy

- Applied in setting business tax amount and business tax rate

Passing of Machinery & Equipment Property Tax Exemption Bylaw

Business Revitalization Zones (BRZ) Financing

- Calgary and Edmonton work towards legislative change, through MGA review and City Charter negotiations, to allow BRZ levy administration through property assessment process

Grants in Lieu of Taxes

- In relation to the consolidation, the CPR, and provincial and federal Crown paid 2015 GILs for both property and business taxes

BTC's Limited Benefit Non-Profit Mitigation Program

- 3-yr transition period for non-profits no longer applied for 2016 forward

Presentation V04 4

Communications – 2015/2016

Communications since last Annual Status Report

- 2016 Advance Consultation Period letters to non-residential property and business owners advised of the 2016 incremental business tax transfer to the non-residential property tax
- 2016 Advance Consultation Period (October 06 – November 06 2014)
 - property and business owners were able to discuss BTC with assessment staff
- BTC insert included with 2016 Property and Business Assessment Notices
- 2016 Customer Review Period
 - customers can also ask BTC questions year round
- Calgary.ca website updated with latest BTC information

Summary

- BTC is proceeding as planned
- Annual implementation and communications plans are being executed
- No major issues identified for 2016
- This 2016 Annual Update report to be received by Council for information