



Financial Task Force Implementation Update

EC2021-1597

2021 December 14



Themes of the Financial Task Force Work



1 Improving the Understanding of Municipal Finance Circumstances



2 Responding to Calgary's Cyclical Economy using Existing Tools



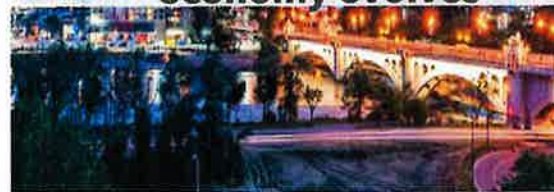
3 Bringing Property Taxation into the Twenty-First Century



4 Improving Tax Efficiency for Long-Term Fiscal Sustainability



5 Preparing for Changes that would occur as the economy evolves



6 Making Calgary more Competitive, Livable and Attractive



7 Supporting Regional Economic Development



8 Working Better with Partners in Achieving Progress





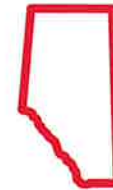
In The Next Six Months - More to Come



- Results of investigations into assessment smoothing and subclass legislation



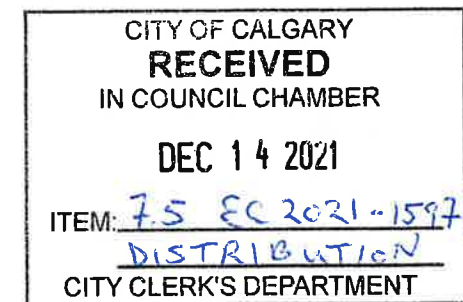
- Municipal finance options related to alternative revenue sources and countercyclical fiscal policy



- Update on provincial advocacy measures



- Taxation Policy





Principles for Property Taxation Needed to Evaluate Tax Policy Options

Fairness: Ability to Pay

Horizontal Equity



Vertical Equity



Fairness: Benefits



Neutrality



Stability & Predictability



Accountability / Simplicity / Transparency



Efficiency / Ease of Administration





Tax Distribution Approaches – No Perfect Solution

Proportional Approach

Tax Rate Ratio Approach

Tax Share Approach

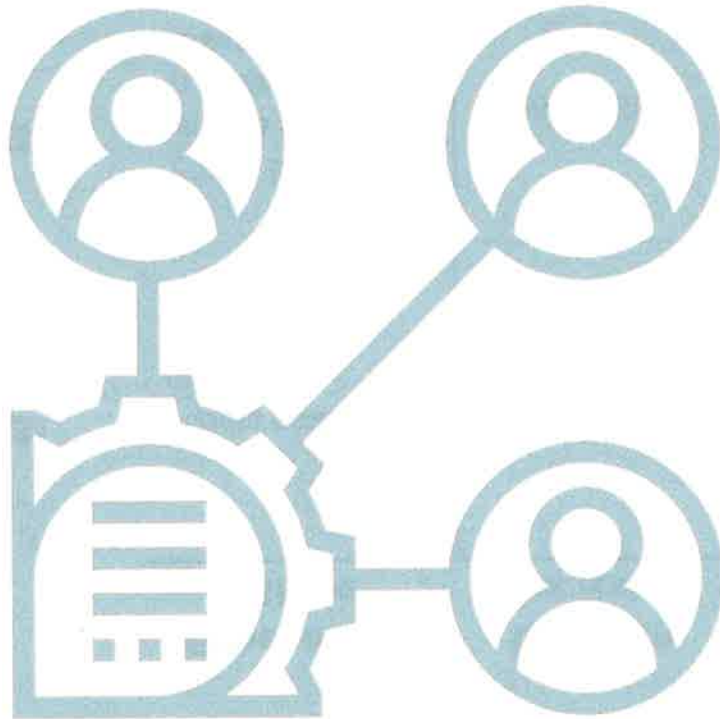
	Effect on Tax Share	Effect on Tax Rates	Effect on Tax Rate Ratio	Tax Shifts within Classes	Tax Shifts between Classes	Overall Effect on Tax Bills
Proportional Approach	Floats based on real growth	Less stable	Floats based on relative performance of assessment bases	Solved with one-time rebates	No shifts	More stable growth
Tax Rate Ratio Approach	Floats based on relative increases in assessment bases	More stable	Fixed by Council	Can be shifted automatically to other classes	Shifting is part of the system	Less stable growth, more prone to large increases
Tax Share Approach	Fixed by Council	Less stable	Floats based on relative performance of assessments bases	Intraclass shift can be shifted to other classes via Council decision	Shifts can occur with Council decision	More stable growth



More Work Required Before Recommendation

1. Stakeholder Engagement

2. More Comparative Data



Changes to the Tax Instalment Payment Plan

Background

- Financial Task Force recommended increasing uptake in the Tax Instalment Payment Plan (TIPP).
- Administration commissioned a third-party survey of property owner perceptions of, and experiences with, TIPP.
- Survey results provided valuable insights into the program's ability to meet taxpayer needs.
- Survey results and Administration's program knowledge and experience informed this response to Financial Task Force recommendations.

Program Enhancements

- Remove the requirement to pay a 2% filing fee for participants who join the program after January 1 of a given year.
- Remove the requirement to pay missed instalments as a lump sum for those participants who join the program after January 1 of a given year.
- Create an online TIPP Application Portal to improve the taxpayer experience and improve administrative efficiency.
- Continue to enhance communication with taxpayers regarding the benefits of TIPP.



Recommendation

That the Executive Committee recommend that Council give three readings to the proposed Bylaw (Attachment 7) to amend the Tax Instalment Payment Plan Bylaw 9M2002.