

Background and Previous Council Direction

Background

Council has implemented the Tax Instalment Payment Plan (TIPP) Bylaw in accordance with its authority under the Municipal Government Act (MGA) to provide the option for taxpayers to pay in monthly instalments. Following an Administrative Inquiry on the topic, Council recently directed that the bylaw should be amended to change the notice period so that recalculations can better reflect approved budget changes and mitigate variability in TIPP payments by allocating any change in a property's total tax over twelve months instead of the last six months of the year.

Previous Council Direction

Bylaws, Regulations, Council Policies

The City permits taxes to be paid in instalments at the option of the taxpayer through Bylaw 9M2002 in accordance with section 340 of the *Municipal Government Act* (MGA). Pre-authorized debit (PAD) payments are regulated by Payments Canada.

Relevant Regulations and Bylaws

- [Payments Canada Rule H1 – Pre-Authorized Debits \(PADs\)](#)
- [Tax Instalment Payment Plan \(TIPP\) Bylaw 9M2002](#) (current)
- [Tax Penalty Bylaw 8M2002](#)
- Annexed Property Tax Payments Bylaw 18M91 (available via the City Clerk's Office)

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2022 July 05	C2022-0798	<p>2023-2026 Service Plans and Budgets - Guidance of Funding City Services, Attachment 4 - Tax Instalment Payment Plan (TIPP) Recalculation</p> <p>As part of preliminary direction on 2023-2026 Service Plans and Budgets, Council directed Administration to use the relevant tax rate reflecting the Council approved budget to forecast the January to June Tax Instalment Payment Plan (TIPP) Recalculations and bring back a proposed change to Bylaw 9M2002 no later than 2022 December 20 to enable 10 days notification of change to TIPP participants.</p>
2022 July 5	AI2022-0005	<p>Response to Administrative Inquiry – Tax Instalment Payment Plan and Adjustments to Payments</p> <p>Administration provided a response to Councillor Demong’s 2022 July 5 Administrative Inquiry, providing additional background on how TIPP payments are calculated and what would be required to reduce the variance in monthly payments throughout the year.</p>
2022 June 7	N/A	<p>Administrative Inquiry - Tax Instalment Payment Plan and Adjustments to Payments</p> <p>Submitted by: Councillor Demong</p> <p>“Presently the City adjusts the monthly Tax Instalment Payment Plan (TIPP) program payments in June for the last 6 months of the year based on the “tax finalization day” number. Since this increase is only applied on the last 6 months of the year, many constituents believe their tax increase is twice what it is.</p> <p>Rather than making our adjustments in June why do we not base January through December payments on the estimated tax rate from Council’s annual budget deliberation - and if necessary, make marginal adjustments in June - a practice that would reduce variance in monthly payments throughout the year, and allow Calgarians greater foresight in their personal budgeting?”</p>