

2023 – 2026 Service Plans and Budgets

Tax Distribution Research, Benchmarking and Scenarios

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Preamble

The following information on tax distribution target and benchmarking consolidates material presented in the Financial Task Force – Property Tax Policy Framework report (EC2022-0649) at Executive Committee on 2022 September 29 and the 2022 October 4 Combined Meeting of Council. The tax distribution scenarios were first presented in the 2023 Preliminary Assessment Roll, Tax Share Scenarios and Related Estimates report (EC2022-1090) at Executive Committee on 2022 October 18 and at the 2022 November 1 Combined Meeting of Council. Key excerpts from those reports are contained in this attachment for ease of reference. Benchmarking information has also been updated to include 2022 information where available.

Council can adjust the distribution of property tax between assessment classes which provides the most effective and efficient means to create tax stability and does not require any legislative changes or costly resource investments.

On 2022 October 4 (EC2022-0649), Council directed that if Council wishes to change the distribution of tax responsibility between residential and non-residential for 2023-2026 Service Plans and Budget, the distribution must be revisited each year as part of the adjustments and mid-cycle adjustment process if conditions warrant.

- Setting a long-term direction allows taxpayers to understand how the tax share will change over time.
- Annual consideration of the appropriate tax share responds to stakeholder expectations that this decision is actively managed during periods of uncertainty and volatility.

The appropriate distribution of total taxes between residential and non-residential properties is a values-based Council decision. There is support from research on tax policy and from comparative analysis to lower the current share of taxes paid by non-residential taxpayers. Given that feedback on the appropriate tax distribution from residential and non-residential stakeholders is understandably mixed ([EC2022-0649 Attachment 5](#)) and all households and businesses are experiencing increased costs due to inflation, Administration is recommending a balanced approach to adjust the distribution over time if changes need to be made.

Tax Distribution Target

While the question of distributing the property tax among property classes is common, there has been no consensus among municipalities, or in the literature, about what the appropriate distribution is or what methodology should be used to determine the distribution.

In a report commissioned by the Government of Nova Scotia, the authors concluded without making a recommendation:

Unfortunately, there is no single means of determining the appropriate tax rate ratio for business relative to residential properties. Stakeholders offered some ideas of an appropriate ratio but provided no justification for their suggested ratio. Nor were we able to obtain any empirical evidence of business leaving the province solely because of property taxes. Hence, we are not able to make a recommendation on the appropriate ratio of commercial to residential tax rates, but we are suggesting that municipalities monitor the impact of commercial property taxes on their ability to attract and retain business.¹

¹ Kitchen and Slack, *Nova Scotia*, p. 69.

In the literature on property tax, there is a consistent theme that though it is common practice in Canada and internationally to tax non-residential properties at a higher rate, non-residential property taxpayers pay more than they should.² This is based on analyses using the principles of taxation.

The first principle that pertains to this issue is fairness based on benefits received. Studies conducted on the consumption of services by residents and businesses have consistently found that residents use more city services than businesses. These studies typically only consider direct consumption and do not consider the indirect benefits that arise from city services.

The second principle considered in this type of analysis is the principle of accountability. It has been argued that non-residential property taxpayers exert less influence on decision-makers because they do not vote, and thus it is easier to tax them. The experience in Calgary suggests that what the business community lacks in voting power is made up by organizational capacity, but that organizational capacity is only brought to bear when there are large tax changes.

The third principle discussed in the literature is neutrality. A higher non-residential property tax rate – especially in a regional context – can affect businesses' locational decisions, with some choosing to locate outside of the city if the tax rates are different enough. With that said there are still compelling reasons to locate within the boundaries of a city, most notably because doing so gives businesses access to a much broader pool of labour when compared to smaller cities, towns or rural locations.

The 2019 Tax Share Decision

In 2019, Council made the decision to alter the distribution of property taxes between residential and non-residential property taxpayers. The decision was based on the tax share approach and changed the tax shares from 48 percent residential / 52 percent non-residential to 52 percent residential / 48 per cent non-residential.

Business and Resident View of Tax Distribution Targets

In early 2022, Administration sought to better understand the opinions of residents and the business community on the issue of the appropriate distribution of tax responsibility between residential and non-residential properties. The full stakeholder engagement summary, detailing both the consultation with business representatives and the results of a survey of the Citizens View Panel were included in [EC2022-0649 Attachment 5 – “Stakeholder Engagement Summary”](#).

The business community was united in its view that, if the tax share approach were to be used, then their preferred target would be 40 per cent for the non-residential property class and 60 per cent for the residential property class. The business community emphasized that decisions on tax distribution should be considered annually so that when action is needed, Council will be ready to act.

Administration also surveyed the Citizen's View Panel, a panel of citizens that have signed up to express their views to The City. The survey was of limited statistical validity as it was not representative of The City as whole, skewing toward older Calgarians. When asked about the balance between residential and non-residential property taxes, 43 per cent of respondents agreed with the statement “Residential property taxes should decrease, even if that means non-residential property tax (businesses) in Calgary would go up.” In contrast, only 18 per cent agreed that “Residential property taxes should increase so that non-residential property tax (businesses) in Calgary can go down.”

² Kitchen, Slack and Hachard (2019) *Current Issues*, p.4-5. and Kitchen, McMillan and Shah, *Local Public Finance and Economics*, p. 306 – 308.

Vancouver’s Experience with Setting Tax Distribution Targets

The City of Vancouver formed a commission in 2007 to provide recommendations on the appropriate distribution of taxes using the tax share approach. The conclusion of the Vancouver Tax Commission, in their 2007 report, was:

We have not been able to identify a simple indicator of an appropriate tax share. Instead, the choice of tax share is a judgment call – one that needs to weigh the strength of concern with the current tax share against the likely consequences of change.³

The Vancouver Tax Commission, based on their judgement, ultimately recommended a tax share of 48 per cent for non-residential taxpayers from a starting point of 55 per cent.⁴ A subsequent report by the Commission in 2014, when the tax share was 43.2 per cent, concluded that given the set of circumstances in Vancouver at the time, there should be no additional changes to the tax share.⁵ The share of property taxes paid by non-residential taxpayers in Vancouver for 2021 was 42.9 per cent.

The Vancouver Commission’s approach was partially informed by work done to estimate the benefits that accrue to non-residential properties. This work estimated that businesses in Vancouver consumed 24 per cent of services but the Commission emphasized shortcomings in the methodology. Specifically, the Commission noted that the study relied on direct consumption of services but did not take the indirect benefits of City services to businesses into account.⁶ Indeed, a suite of high-quality City services is required to attract people to cities and form a high-quality labour market that businesses need to remain competitive.

Benchmarking Calgary’s Tax Responsibility Distribution

In the Tax Distribution Scoping Report delivered as part of EC2021-1597, Administration committed to gathering additional comparative data on property taxes for residential and non-residential properties for five national and five regional comparators.

Table 1 2022 assessment shares, tax shares and tax rate ratios for regional and national comparators.

Type	City	2022 Non-Residential Assessment Share	2022 Non-Residential Tax Share	Non-Residential to Residential Tax Rate Ratio
Regional	Okotoks	14%	19%	1.47
Regional	Cochrane	10%	15%	1.50
Regional	Chestermere	4%	6%	1.50
National	Ottawa	18%	25%	1.88
Regional	Airdrie	15%	27%	2.10
National	Winnipeg	20%	34%	2.14
National	Toronto	18%	33%	2.59
Regional	Rocky View	29%	55%	3.00
National	Edmonton	21%	45%	3.05
National	Vancouver	19%	43%	3.12
	Calgary	20%	48%	3.81

³ Hamilton, Adams and Slack. *Vancouver 2007*, p. 53.

⁴ The City of Vancouver, *Report by the Director of Finance to Vancouver City Council on the 2021 Property Taxation: Distribution of Property Tax Levy* (The City of Vancouver, 2021), p. 4. <https://council.vancouver.ca/20210427/documents/r4.pdf>.

⁵ City of Vancouver, *2014 Tax Commission*, p. 27.

⁶ Hamilton, Adams and Slack. *Vancouver 2007*, p. 31

Selecting comparison municipalities

Comparing and benchmarking municipal property taxes is sensitive to decisions about relevant comparators, appropriate measures, and available data. The City of Calgary surveys other Canadian municipalities annually for its *Residential Property Taxes and Utility Charges Survey*, uses standardized data collected in Alberta (e.g., Financial Information Returns, Municipal Measurement Index, etc.), and monitors other publicly available information⁷.

In comparing the relative tax responsibilities of residential and non-residential properties across different municipalities, 10 comparators were chosen. Five are within the Calgary region (Airdrie, Okotoks, Cochrane, Chestermere and Rocky View County), reflecting evidence in the literature that “property tax differentials are relatively unimportant in inter-municipal or inter-regional location decisions but do play a role in intra-municipal or intra-regional location decisions”.⁸ These municipalities also operate within the same provincial legislative framework, and compile and report relevant and standardized data. However, they also operate in a different context than a large city like Calgary. They offer fewer services overall and are not confronted with many of the social challenges that arise in a big city. Alberta’s Municipal Measurement Index (MMI) proposes a “municipality index” to determine which municipalities should be considered comparable, based on population, equalized assessment, and geographic area. None of the regional comparators are within the suggested +/-10 “municipality index” value of Calgary.

In addition, five national comparators were chosen (Edmonton, Winnipeg, Vancouver, Toronto and Ottawa), to reflect the dynamics in other large Canadian cities. Edmonton operates within the same provincial legislative framework, compiles and reports the same standardized data, and has a similar “municipality index” as Calgary. The other cities operate under different provincial legislation, and might offer different services and levels of service, with access to different revenue streams, but provide useful comparisons as large population centres.

Again, the focus here is on how jurisdictions apportion tax responsibility to residential and non-residential properties, not overall levels of taxation, services received, or other policy decisions. The data are from 2022, unless otherwise noted.

Tax base structure: value and composition

Determining tax responsibility starts with understanding some elements of the assessment base: value and residential/non-residential composition. The overall value of a municipality’s assessment base is a key determinant of the property tax rates necessary to generate the municipality’s tax revenues. The composition of the assessment base – the types of properties that exist in a municipality and the relative values of those groups of properties – also plays an important role in how property tax revenues are generated.

Calgary’s property assessment base is similar to other comparators on a per capita basis, with Rocky View County and Vancouver’s per capita assessment bases much more valuable

In the following figure, we compare the total value of each municipality’s assessment base per person. As the amount of property assessment per person increases, so does the capacity to levy taxes at a low tax rate. While most comparator municipalities are within one standard deviation of Calgary’s \$215,000 of total assessed value per person, Vancouver and Rocky View County have significantly higher assessed values, meaning that they can levy taxes at a lower tax rate and still generate comparable tax revenue.

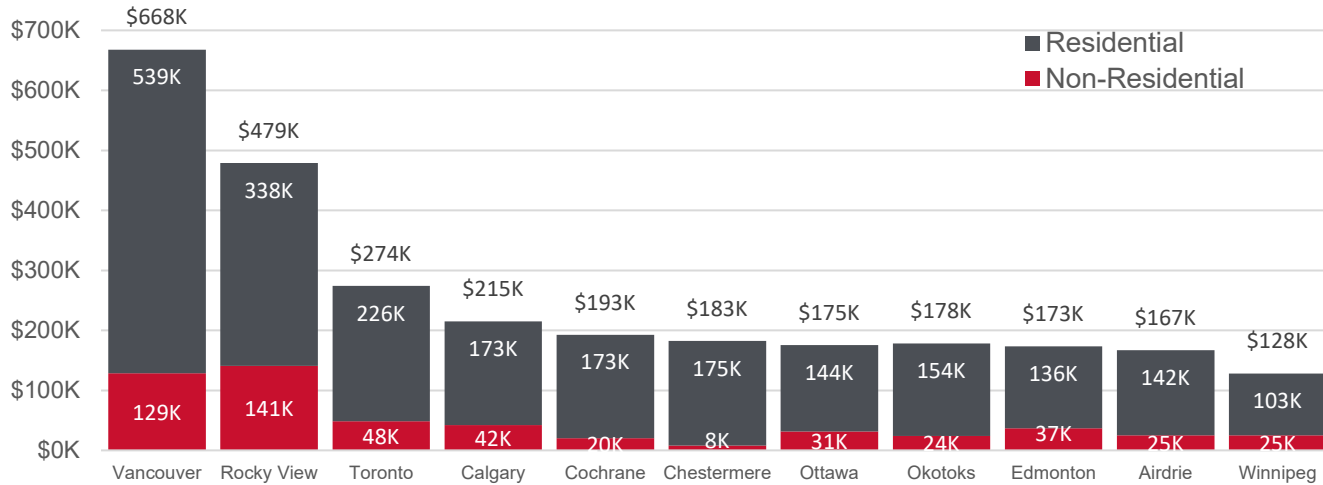
⁷ For example, the comparisons found at <https://www.calgary.ca/ca/city-manager/our-finances/financial-facts/compare-municipalities.html>

⁸ Kitchen and Slack (2012) “Property Taxes and Competitiveness in British Columbia. A report prepared for the BC Expert Panel on Business Tax Competitiveness”. https://munkschool.utoronto.ca/imfg/uploads/208/business_property_tax_competitiveness_report.pdf

Figure 1 Residential and non-residential assessment per capita (2022).

Vancouver and Rocky View County have much higher non-residential, residential and total assessed values per person, which means they would need to set lower property tax rates to generate the same amount of tax revenue per person as the other cities.

Per capita residential and non-residential assessment, 2022



The residential/non-residential composition of the assessment base can also be expressed as the assessment share, as in Figure 2.

Calgary’s property assessment share is similar to big city comparators, but regional comparators are much more residential, except Rocky View County

The share of non-residential assessment is shown in Figure 2, with municipalities near the top having the highest non-residential assessment shares (Rocky View County) and those near the bottom having the lowest non-residential assessment shares (Chestermere).

Many of the municipalities fall within one standard deviation of Calgary’s 20 per cent non-residential assessment share, but Rocky View County has a substantially higher proportion of non-residential value, and Okotoks, Cochrane and Chestermere have much lower proportions of non-residential value. A larger share of non-residential assessments means a municipality can collect less residential property tax, but still generate comparable total tax revenues.

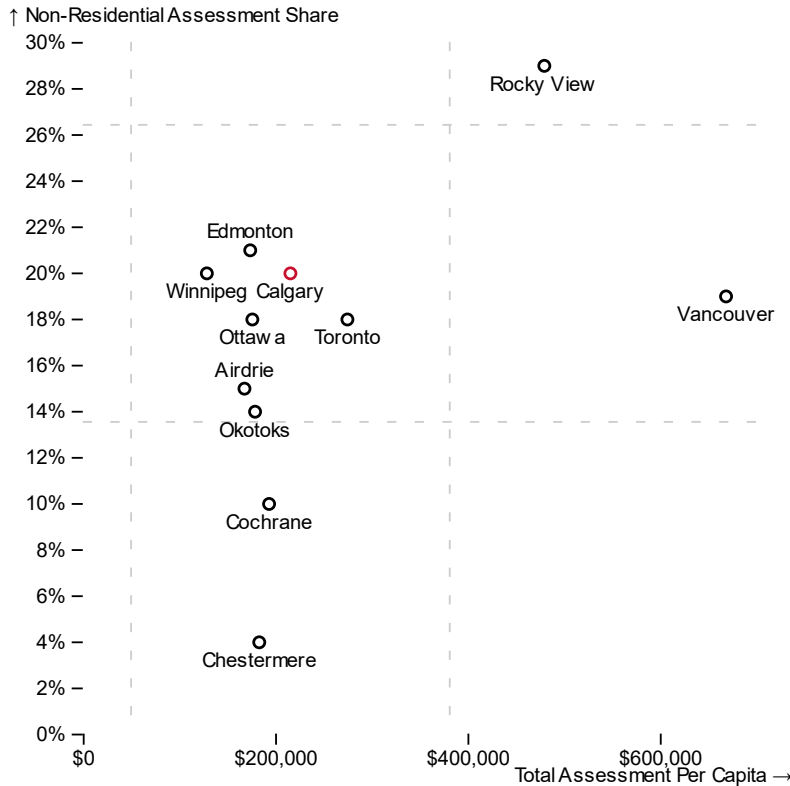


Figure 2 Structure of municipalities' tax bases (2022).
Larger total assessment values per capita allow municipalities to levy lower tax rates but still generate similar revenues per person. Higher non-residential assessment shares allow municipalities to charge lower residential rates and still generate similar revenues per person.
Calgary's non-residential assessment share is similar to other large Canadian municipalities. Rocky View County has a high share of non-residential assessment, while other smaller municipalities in the Calgary region have a lower share of non-residential assessment.
Dashed lines indicate values one standard deviation away from Calgary.

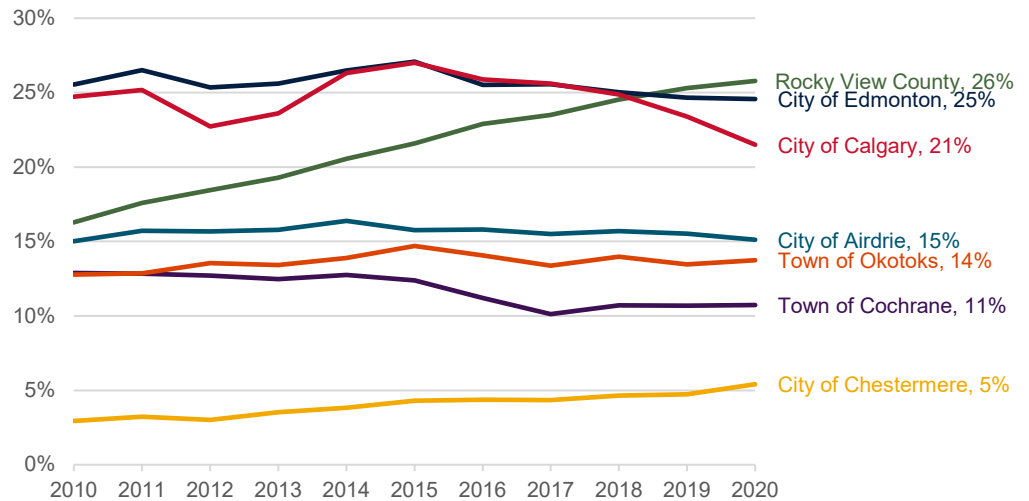
Property assessment share changes over time, sometimes dramatically

Figure 2 shows non-residential property assessment shares in these cities for a single year (2022), but assessment bases fluctuate over time and for different reasons. Figure 3 draws from Alberta Municipal Affairs' Municipal Profiles data for the regional comparators and Edmonton, from 2010 to 2020.

The non-residential share of property assessments in each municipality over time show a large increase in non-residential share in Rocky View County and Chestermere, relative stability in Airdrie and Okotoks, slight declines in Cochrane and Edmonton, and a marked decrease in Calgary since 2015. The non-residential share of property assessments in each municipality over time show a large increase in non-residential share in Rocky View County and Chestermere, relative stability in Airdrie and Okotoks, slight declines in Cochrane and Edmonton, and a marked decrease in Calgary since 2015.

Figure 3 Changes in non-residential assessment share over time, Alberta municipalities. The comparison municipalities in Alberta have seen their share of non-residential assessments change over time in different ways.

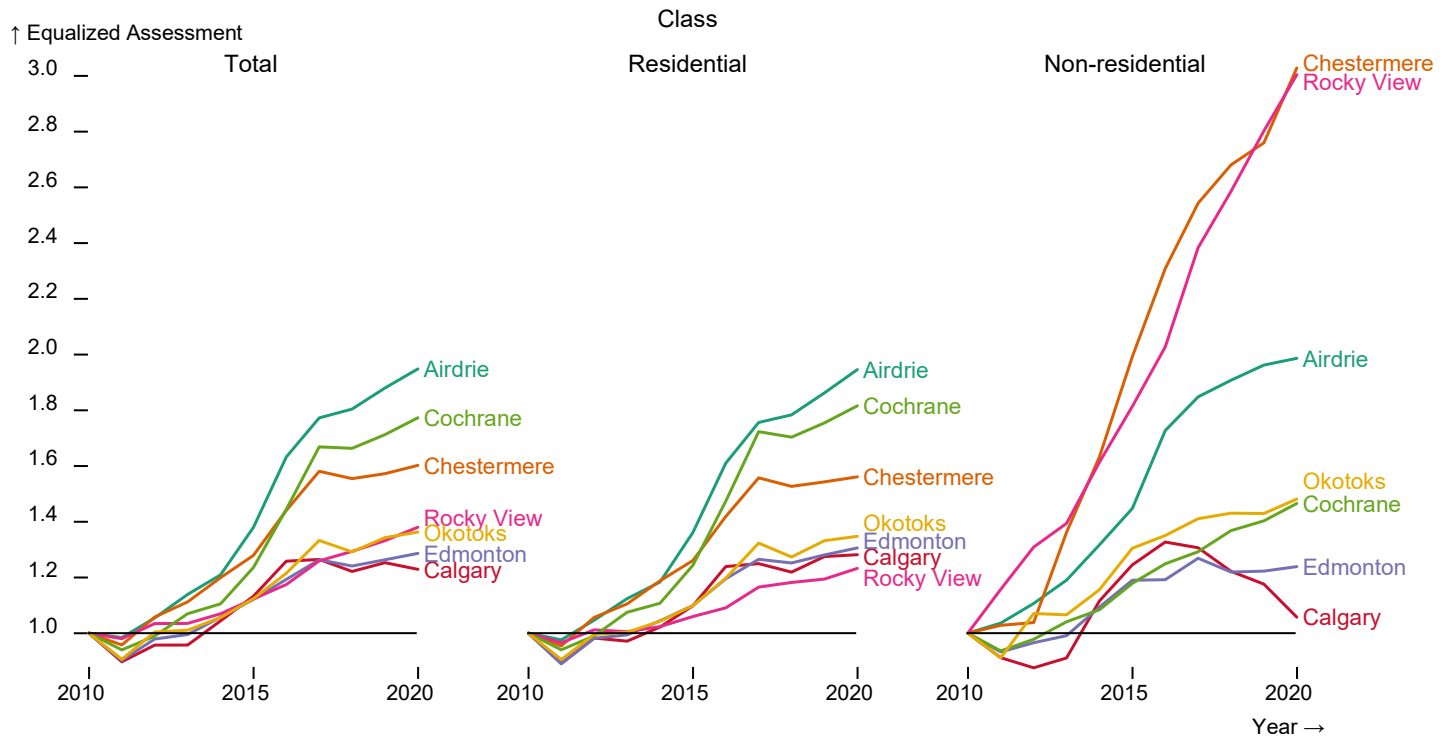
Changes in non-residential share of assessment base, 2010-2020



Rocky View County’s increase from 16 per cent to 26 per cent non-residential is a clear outlier in this comparison group and is due to choices made by the County to attract large scale development like Cross Iron Mills and several large distribution centers. Calgary’s volatility over the period – ranging from a high of 27 per cent to a low of 21 per cent non-residential share – also stands out from the comparators in this group. Rather than being driven by development choices, this was the result of market changes, most notably the decline in office values since 2015.

These changes in relative proportions in each municipality are driven by different growth in the residential and non-residential assessment bases, as shown in Figure 4. For example, Airdrie and Okotoks have seen stable growth in both classes, keeping their share of non-residential assessments stable. Chestermere and Rocky View County have seen explosive growth in the non-residential class, with Chestermere’s caused by high percentage growth over a very small initial base, and Rocky View’s related to the very large developments mentioned earlier. Rocky View County has seen the slowest residential growth and Chestermere has seen above average residential growth. Edmonton’s residential growth has outpaced its non-residential growth, while Calgary saw similar residential growth to Edmonton, but with volatile non-residential assessment growth over this period.

Figure 4 Growth in non-residential and residential assessment bases since 2010, Alberta municipalities.



In this chart, the equalized assessment values for each class in each municipality are indexed to their 2010 values. Changing shares of non-residential assessments are caused by differential growth in municipalities' residential and non-residential classes (excluding linear and linear railway property).

Tax policy choices

Moving from the features of the property assessment base and into tax policy choices, we start to look at the effect of tax policy decisions in different jurisdictions: the total amount of municipal property tax levied per capita, how much of that tax comes from non-residential properties, and differences in the distribution of property taxes between provincial and municipal governments.

Calgary property taxes are competitive with other big cities

Total municipal property taxes per capita are influenced by factors like the policy responsibilities of the municipality, the size of municipality and type of services residents expect, the other revenue sources available, and the political choices around appropriate levels of property taxation. Calgary falls in the middle of the comparison municipalities, with Ottawa, Rocky View County, Edmonton, Toronto and Vancouver levying more property tax per capita than Calgary (within one standard deviation of Calgary's \$1,564/capita). The remaining municipalities collect substantially less property tax per capita, likely due to different service offerings (e.g., no transit service) or different levels of service (e.g., less road maintenance).

Per capita residential and non-residential municipal taxes, 2022

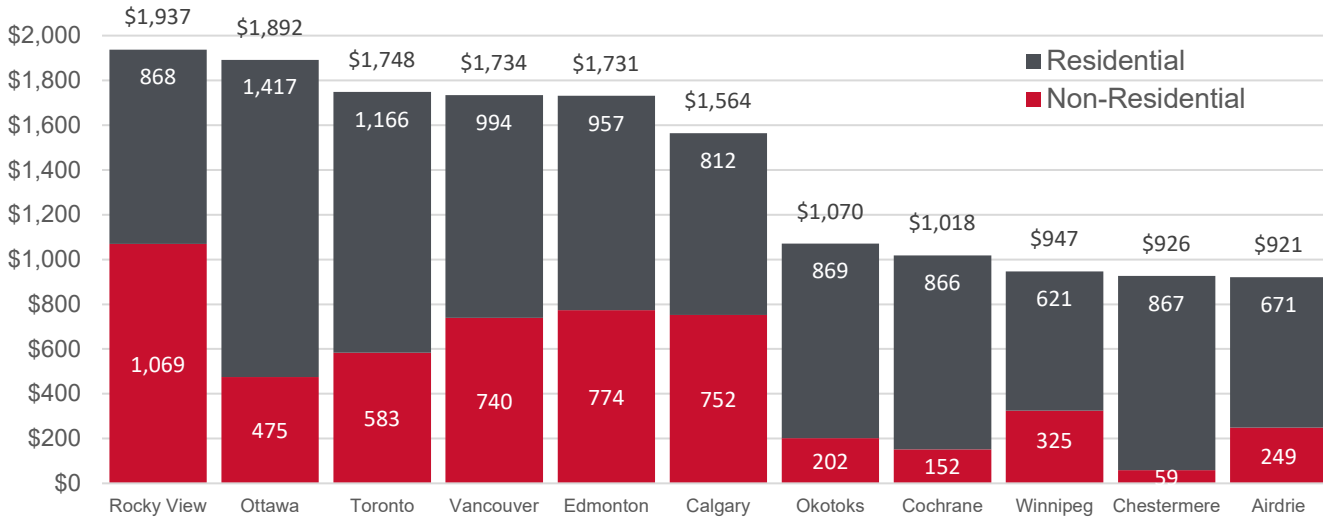


Figure 5 2022 residential and non-residential municipal taxes per capita

In the set of 10 comparison municipalities, five levy more total tax per capita than Calgary and five levy less. Calgary's non-residential tax per capita is similar to Edmonton and Vancouver, lower than Rocky View County, but higher than all other comparators

On a per capita basis, Calgary's total municipal taxes are lower than most other big cities, but Calgary's non-residential municipal taxes per capita are higher than all comparators except Edmonton and Rocky View County, who, like Calgary, have relatively high non-residential assessment shares. Calgary's residential taxes per capita are more in line with smaller regional comparators like Cochrane or Chestermere, who have much smaller non-residential assessment bases, and consequently much lower non-residential tax per capita.

Levels of property taxation also differ across jurisdictions due to municipalities sharing this revenue source with their provincial governments.

Calgary's municipal non-residential to residential property tax rate ratio is higher than comparison municipalities

These differing levels of total property taxation lead to differing levels of taxation for different types of properties. In Figure 6, below, the non-residential to residential rate ratio (shown vertically) represents how much tax non-residential properties pay for the same assessed value as residential properties. In 2021, per dollar of assessed value, non-residential properties in Calgary paid 3.4 times what residential properties paid. This is higher than all comparison municipalities, but in a similar range as Vancouver, Rocky View, Edmonton and Toronto. The remaining municipalities, including Ottawa and Winnipeg, have much lower differentials between their residential and non-residential rates.

Figure 6 2022 total municipal property tax per capita and non-residential to residential tax rate ratio
Most of the national comparators (and Rocky View County) collect more property tax per capita than Calgary, but in 2022, Calgary had the highest non-residential to residential rate ratio.

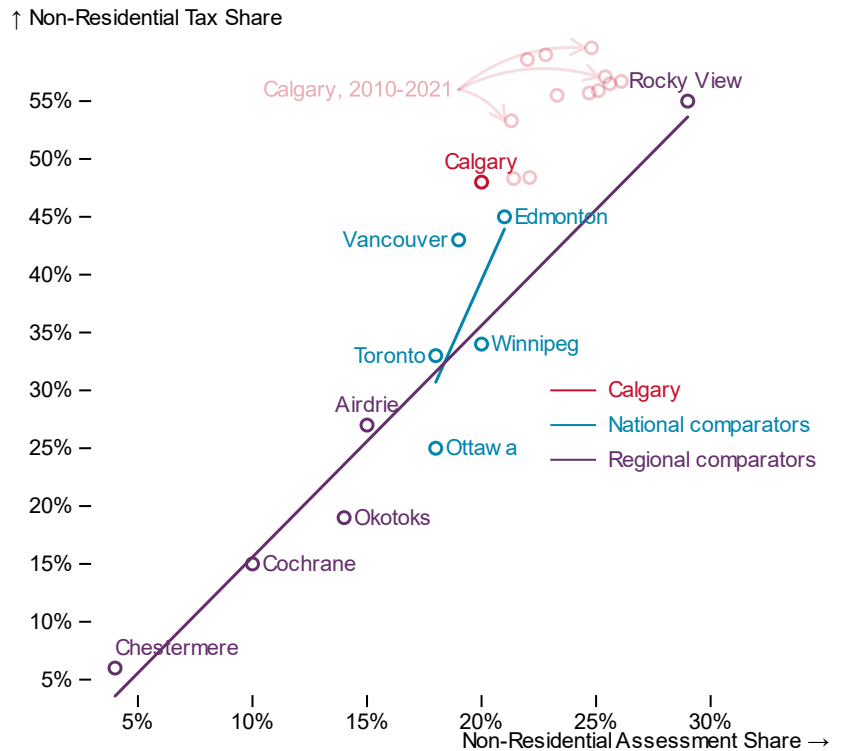


The differences in municipal rate ratios from Figure 6 can also be seen by comparing municipalities' non-residential assessment share with their non-residential tax share. In Figure 7, Ottawa is a national outlier on the low end, with an above-average non-residential assessment share (18 per cent) and a below average non-residential tax share (26 per cent). For comparison, Toronto has an identical non-residential assessment share (18 per cent), but collects 34 per cent of its municipal property taxes from non-residential properties. The chart also includes historical values for Calgary back to 2010, showing that 2022 represents the lowest share of non-residential assessments and taxes in Calgary in more than a decade.

Figure 7 National and regional averages, 2022

Two trend lines show the estimated relationship between non-residential tax share and non-residential assessment share across different groups of municipalities. The blue line estimates the relationship among the 5 national comparators. The lower line (purple) estimates the relationship among the 5 regional comparators. In 2022, Calgary's non-residential tax share is higher than would be expected for its assessment share, relative to either group of comparators. The red circles show values for Calgary from 2010 to 2021, illustrating the historically low current non-residential assessment share, and the impact of the 2020 Council-directed change in non-residential tax responsibility to 48%.

A lower non-residential tax share would bring Calgary closer to the average for a given non-residential assessment share.



The lines in Figure 7, represent the average non-residential tax share for a given non-residential assessment share among the national and regional comparators. The blue trend line represents the average among the national comparators, and indicates that in 2022 Calgary collected an above-average share of tax from non-residential properties, given the non-residential share of the assessment base.

Because most jurisdictions have both municipal and provincial property taxes, the property tax decisions made by provincial governments should also be considered in comparing across jurisdictions. In Ontario and Vancouver, provincial property taxes account for a higher share of non-residential property tax bills, so the combined municipal and provincial non-residential tax share moves higher, while including provincial property taxes in Alberta moves the combined shares lower.

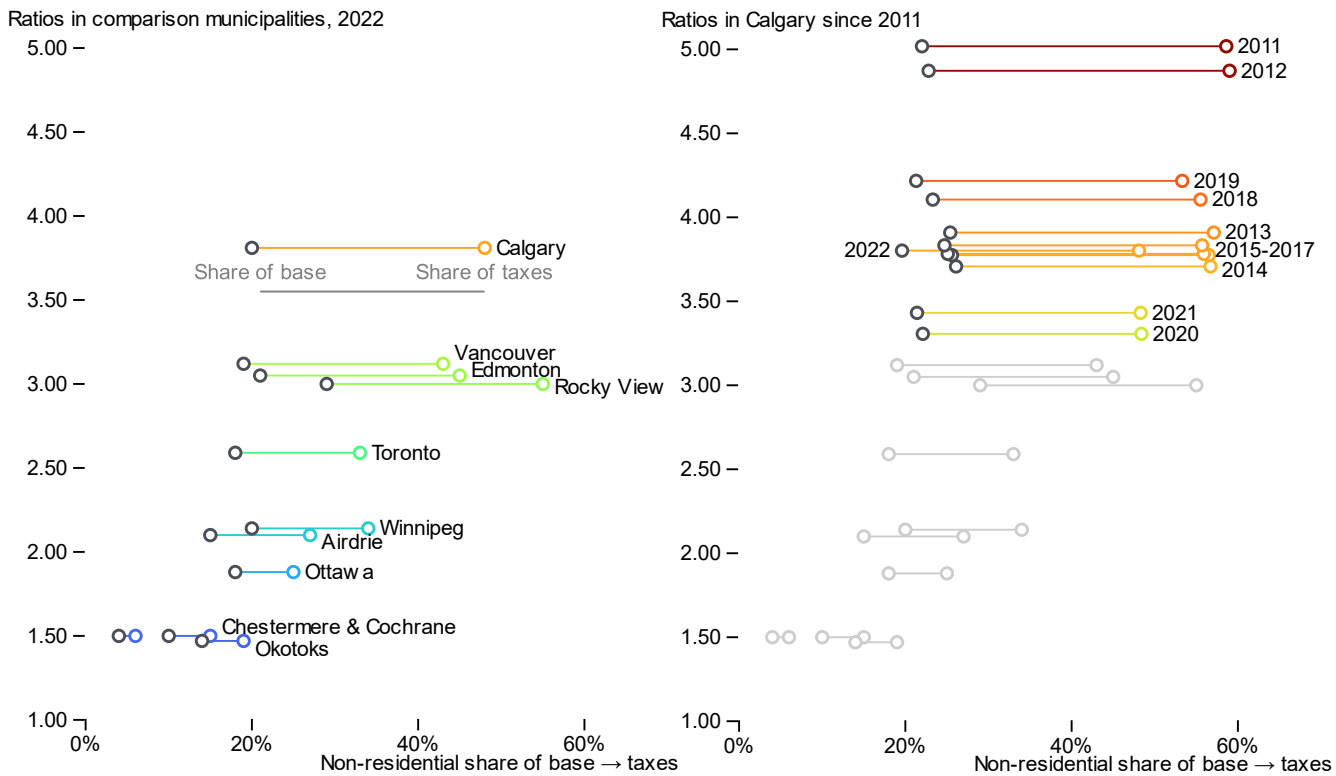
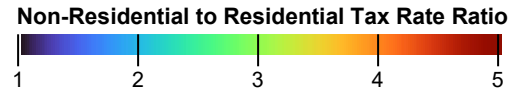
Table 2 Non-Residential Tax Shares including Provincial Property Taxes

Municipality	2022 Non-Residential Tax Share		
	Municipal	Combined	Provincial Impact
Rocky View	55%	47%	-8.4
Calgary	48%	43%	-5.4
Edmonton	45%	42%	-3.0
Airdrie	27%	25%	-1.8
Chestermere	6%	6%	-0.1
Okotoks	19%	19%	-0.0
Cochrane	15%	15%	+0.3
Winnipeg	34%	35%	+0.3
Vancouver	43%	45%	+2.6
Ottawa	25%	31%	+6.4
Toronto	33%	40%	+6.7

The larger the gap between non-residential properties' share of the base and their share of the taxes, the larger the tax rate ratio. As shown in Figure 8, in 2022, Calgary had the highest ratio among the comparison municipalities (left), but that ratio is much lower than it has been in the past decade (right), owing largely to the adjustment in tax responsibility from non-residential to residential in 2020. Changes in Calgary's tax rate ratio over the past decade are largely the product of relative changes in market assessments, offset by adjustments to tax responsibility through business tax consolidation and specific Council-direction.

Figure 8 Non-residential assessment shares, tax shares and rate ratios.

The left side plots the non-residential assessment share and tax share on the horizontal axis, and the tax rate ratio on the vertical axis. Larger gaps between non-residential share of base and share of taxes result in higher rate ratios. On the right side, the same data is plotted for Calgary since 2011.



In 2022, Calgary had a relatively high share of non-residential taxes given its non-residential assessment base, leading to a higher tax rate ratio. Adjusting the non-residential tax share down towards Edmonton's 46 per cent or Vancouver's 43 per cent would lower this ratio and bring Calgary more in line with some of its national comparators. However, Calgary currently has a lower share (and ratio, and base) than it has seen in more than decade. In 2020, Council directed an adjustment of tax responsibility away from non-residential properties, bringing the share down to 48 per cent and the ratio below 3.5. In 2022, the continued decline in non-residential assessment share has increased the ratio back in line with the 2013-2017 period.

Property Tax Rate

While it may be simple to compare municipal property tax rates across jurisdictions to determine level of taxation between municipalities, there are important factors that impact the reliability of this comparison such as services included in property taxes, property values, and assessment and tax framework. These factors must be taken into consideration when comparing property tax rates.

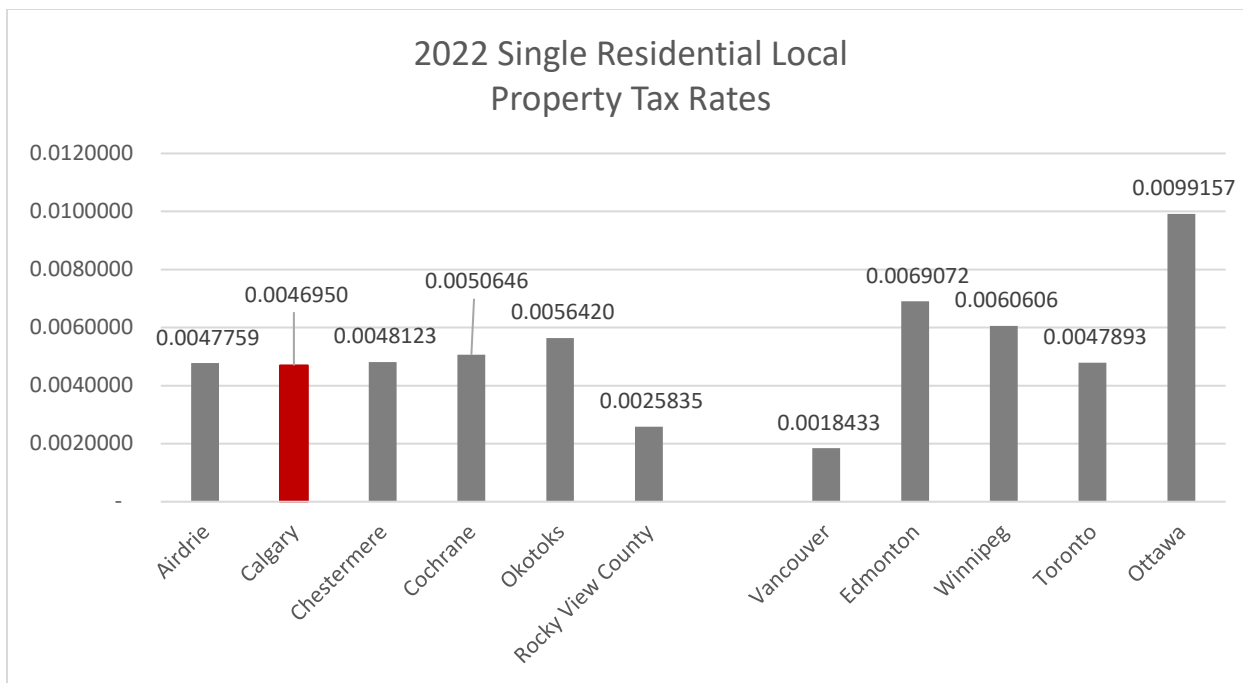
Services that are included in property taxes in addition to service levels vary widely by municipality. For instance, while property taxes fund transit in part in Calgary, this service is not offered by Rocky View County. In Ontario, social services are funded in part by property taxes whereas others are not.

As property assessments are a key input into tax rates, property values have a significant impact on tax rates. In municipalities with high property values like Vancouver, a lower tax rate is required to generate the same tax revenues as a municipality with lower property values. This again highlights the limitations of comparing property tax rates to indicate level of taxation in each municipality.

Different jurisdictions have different assessment and tax frameworks. While some jurisdictions assess properties annually like Alberta and British Columbia, Ontario's current assessments are based on values from 2016. Further, different jurisdictions may have many different tax rates. While Calgary only has three assessment classes and associated tax rates (residential, non-residential and farm land), Ottawa has over 15 assessment classes and subclasses. Additionally, Winnipeg has a business tax while all other jurisdictions do not. Many jurisdictions may also have various assessment and tax schemes such as averaging, capping, vacant homes taxes, grants, and so on.

Figure 9 2022 single residential local property tax rates

In the set of 10 comparison municipalities, two have lower single residential tax rates than Calgary and eight have higher rates. Calgary's residential tax rate is similar to Airdrie, Cheternere, Cocharane and Toronto, but higher than Rocky View and Vancouver. Note that Winnipeg's rate has been adjusted for portioned assessments.



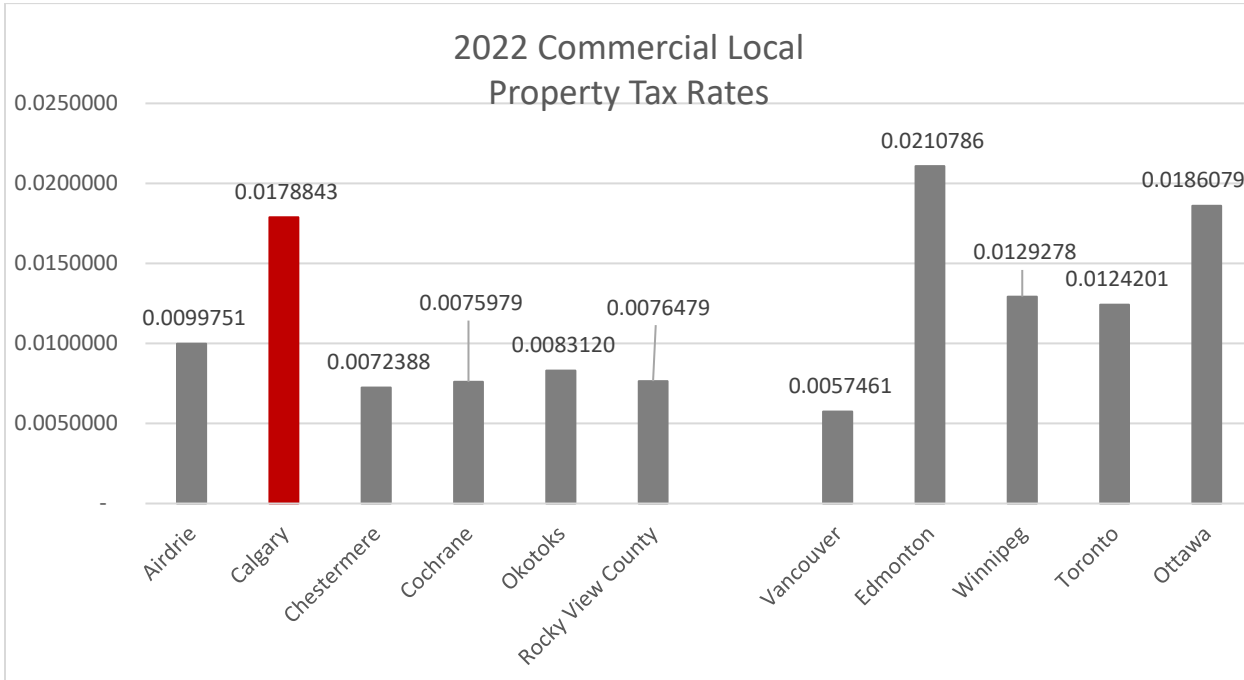


Figure 10 2022 commercial local property tax rates

In the set of 10 comparison municipalities, Edmonton and Ottawa are the only municipalities to have a higher commercial tax rate. All others are lower. Note that Winnipeg's rate has been adjusted for portioned assessments and business tax.


Rocky View County in Focus

In recent years, Rocky View County has seen an explosive increase in non-residential development around Balzac, directly north of Calgary. Though this has led to some concern about tax competition for new development between the two jurisdictions, it is important to note that The City competes with Rocky View County on the tax/service mix and not taxes alone.

On taxes, Rocky View County has structural advantages that arise from its: (1) proximity to The City’s labour and consumer markets that allow for extensive commercial development; (2) low population; (3) acceptance of lower service levels by residents, who are typically wealthier and willing to pay for the private delivery of some services and can use nearby City services.

Table 3 Comparison of Calgary and Rocky View County

Comparing to Rocky View County



	Calgary	Rocky View County
Population	1,306,784	41,028
Median family income	\$105,060	\$136,250
Non-residential assessment per capita	\$42,060	\$140,772
Non-residential property tax per capita	\$752	\$1,069
Residential property tax per capita	\$812	\$868
Total property tax per capita	\$1,564	\$1,937
Non-residential property tax rate	.017884	.007597
Ratio	3.81	3.00
Non-residential share	48.1%	55.2%

*2022 data for all comparisons except for population (2021) and median family income (2019).

Table highlighting how the adjacent county, with 30% higher median incomes and 227% higher non-residential assessment per capita, can collect 24% more property tax per capita while charging lower property tax rates than Calgary.

Proximity to Calgary’s labour and consumer market has enabled Rocky View to attract large scale commercial development that far outweighs the population of the County. Rocky View’s non-residential assessment per capita is nearly three times higher than Calgary’s. This is important because it allows Rocky View to charge a much lower tax rate to generate a higher amount of tax per person. Given these structural advantages in Rocky View, Calgary is not able to compete on taxes alone. If Council is interested in lowering non-residential taxes to better position Calgary relative to the County, the best path to do so would be to change the distribution of taxes between residential and non-residential taxpayers.

With respect to municipal services, The City provides a much wider service offering than the County. The City offers a robust transportation network, a sophisticated transit system, affordable housing, many maintained parks and a diversified set of recreational opportunities. The County either does not offer those services (e.g., transit) or offers a lower level of service than The City. On a per capita basis, The City collects less tax than Rocky View County even

with a much more extensive service offering. Furthermore, when compared to other large cities where similar services are offered, Calgary is very competitive overall on taxes per person.

Benchmarking Tax Responsibility Summary

As we have seen throughout this report, no two municipalities are the same, all benchmarking data has strengths and weaknesses, and these factors should be considered when situating Calgary's property tax system in the broader context.

Based on the analysis above, Calgary offers lower levels of total per capita taxation compared to its national peers, and offers especially low levels of residential taxation per capita, at a level similar to its smaller regional comparators (Figure 5). This is achieved by relying more heavily on non-residential properties than any comparator (Figure 7, Figure 8), other than Rocky View County (Figure 5, Table 3).

A point-in-time snapshot of 2022 is instructive, but Calgary's property tax base continues to change, and so do the tax bases of the comparison municipalities. We know that these measures have not been static in Calgary over the past decade (Figure 3, Figure 4, Figure 7), and we can assume that is not the case anywhere else (Figure 4). But, compared to its peers (Figure 7) and compared to itself (Figure 8), Calgary levies a larger share of non-residential taxes than its share of non-residential assessment values would predict.

The Impact of Tax Distribution Decisions

The tax share in Calgary remains unchanged from the decision taken in 2019, meaning that the current distribution is 52 per cent residential / 48 per cent non-residential. Based on the recommended 2023 property tax budget and 2023 preliminary assessments, each one per cent change in the non-residential share (i.e., moving from 48 per cent to 47 per cent) would result in the following estimated impacts, in addition to any overall year-over-year budget change decisions made by Council:

- \$21.6 million redistributed from the non-residential property tax levy to the residential property tax levy
- \$46 increase per year for a \$555,000 residential property or \$3.84 per month (1.9% increase)
- \$1,956 decrease per year for a \$5.25M non-residential property (2.1% decrease)
- 2023 tax rate ratio of 3.96

Appendix A provides details and illustrative examples on the revenue neutral tax impacts of reassessment and the projected budget changes.

Appendix B provides further details and illustrative examples on moving one per cent and two per cent share from non-residential to residential (i.e. 53/47 and 54/46 residential/non-residential share).

Appendix C provides details and illustrative examples on moving one per cent and two per cent share from residential to non-residential (i.e. 51/49 and 50/50 residential/non-residential share).

Summary and Conclusion

The appropriate distribution of taxes between residential and non-residential taxpayers is a decision that Council must make by weighing the available evidence, including:

- the research on property tax policy, which suggests that, in general, non-residential property taxpayers pay more than they should

- the comparative data, which suggests that Calgary's non-residential tax share could move lower,
- the concerns of non-residential property taxpayers, in favour of decreasing non-residential tax responsibility
- the concerns of residential property taxpayers, against increasing residential tax responsibility.

Even a 1 per cent increase in the residential tax share would result in a 2 per cent increase in residential property taxes, in addition to the changes that arise from changes in relative market values and Council's budget decisions. It is important to remember that taxpayers will generally look at their overall tax change rather than the reasons for that change. If Council were to set a non-residential share target that is lower than the current tax share, then the direction to Administration should:

- ensure effective communication of the reasons for the change
- phase the change over a period of years to ensure that the transition does not unduly affect residential property taxpayers.

Appendix A: 2023 Illustrative Examples

Examples maintain Council direction that tax responsibility is shared 48% non-residential and 52% residential
 *2023 Municipal Tax Rate is the revenue neutral estimated rate with and without estimated budget adjustments
 **2023 Provincial Tax Rate estimated using 2022 requisition and is subject to change
 2023 assessment values are preliminary and subject to change

Property Tax Raised From Each Class	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Estimated Budget Adjustments	Year-over-Year Change ⁹
Residential	\$1,060,700,000	\$1,060,700,000	0.00%	\$1,126,300,000	6.18%
Non-Residential	\$983,000,000	\$983,000,000	0.00%	\$1,039,600,000	5.76%

Tax Rate Ratio	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Estimated Budget Adjustments	Year-over-Year Change
Municipal	3.81	4.12	8.13%	4.13	8.34%
Municipal and Provincial Combined	3.07	3.31	7.87%	3.33	8.50%

Typical Single Residential Home	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Estimated Budget Adjustments	Year-over-Year Change
Assessment	\$485,000	\$555,000	14.43%	\$555,000	14.43%
Municipal Tax Rate*	0.0046950	0.0041399	-11.82%	0.0043162	-8.07%
Estimated Municipal Taxes	\$2,277	\$2,298	0.90%	\$2,395	5.20%
Provincial Tax Rate**	0.0024548	0.0021608	-11.98%	0.0021932	-10.66%
Estimated Provincial Taxes	\$1,191	\$1,199	0.73%	\$1,217	2.24%
Total Taxes	\$3,468	\$3,497	0.84%	\$3,613	4.18%

Typical Single Residential Condo	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Estimated Budget Adjustments	Year-over-Year Change
Assessment	\$235,000	\$253,000	7.66%	\$253,000	7.66%
Municipal Tax Rate*	0.0046950	0.0041399	-11.82%	0.0043162	-8.07%
Estimated Municipal Taxes	\$1,103	\$1,047	-5.07%	\$1,092	-1.03%
Provincial Tax Rate**	0.0024548	0.0021608	-11.98%	0.0021932	-10.66%
Estimated Provincial Taxes	\$577	\$547	-5.23%	\$555	-3.81%
Total Taxes	\$1,680	\$1,594	-5.13%	\$1,647	-1.98%

Multi-Residential - Low-Rise Apartment	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Estimated Budget Adjustments	Year-over-Year Change
Assessment	\$3,710,000	\$4,180,000	12.67%	\$4,180,000	12.67%
Municipal Tax Rate*	0.0046950	0.0041399	-11.82%	0.0043162	-8.07%
Estimated Municipal Taxes	\$17,418	\$17,305	-0.65%	\$18,042	3.58%
Provincial Tax Rate**	0.0024548	0.0021608	-11.98%	0.0021932	-10.66%
Estimated Provincial Taxes	\$9,107	\$9,032	-0.83%	\$9,168	0.66%
Total Taxes	\$26,526	\$26,337	-0.71%	\$27,209	2.58%

Multi-Residential - High-Rise Apartment	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Estimated Budget Adjustments	Year-over-Year Change
Assessment	\$13,930,000	\$15,540,000	11.56%	\$15,540,000	11.56%
Municipal Tax Rate*	0.0046950	0.0041399	-11.82%	0.0043162	-8.07%
Estimated Municipal Taxes	\$65,401	\$64,334	-1.63%	\$67,074	2.56%
Provincial Tax Rate**	0.0024548	0.0021608	-11.98%	0.0021932	-10.66%
Estimated Provincial Taxes	\$34,195	\$33,579	-1.80%	\$34,082	-0.33%
Total Taxes	\$99,597	\$97,913	-1.69%	\$101,156	1.57%

Non-Residential \$5M Property	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Estimated Budget Adjustments	Year-over-Year Change
Assessment	\$5,000,000	\$5,250,000	5.00%	\$5,250,000	5.00%
Municipal Tax Rate*	0.0178843	0.0170513	-4.66%	0.0178122	-0.40%
Estimated Municipal Taxes	\$89,422	\$89,519	0.11%	\$93,514	4.58%
Provincial Tax Rate**	0.0040503	0.0037991	-6.20%	0.0038561	-4.79%
Estimated Provincial Taxes	\$20,252	\$19,945	-1.51%	\$20,245	-0.03%
Total Taxes	\$109,673	\$109,465	-0.19%	\$113,759	3.73%

⁹ Year-over-year growth is inclusive of increased revenue as a result of physical growth and market changes

Retail - Strip Mall	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Estimated Budget Adjustments	Year-over-Year Change
Assessment	\$4,790,000	\$5,260,000	9.81%	\$5,260,000	9.81%
Municipal Tax Rate*	0.0178843	0.0170513	-4.66%	0.0178122	-0.40%
Estimated Municipal Taxes	\$85,666	\$89,690	4.70%	\$93,692	9.37%
Provincial Tax Rate**	0.0040503	0.0037991	-6.20%	0.0038561	-4.79%
Estimated Provincial Taxes	\$19,401	\$19,983	3.00%	\$20,283	4.55%
Total Taxes	\$105,067	\$109,673	4.38%	\$113,975	8.48%

Retail - 17th Avenue SW	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Estimated Budget Adjustments	Year-over-Year Change
Assessment	\$2,130,000	\$2,250,000	5.63%	\$2,250,000	5.63%
Municipal Tax Rate*	0.0178843	0.0170513	-4.66%	0.0178122	-0.40%
Estimated Municipal Taxes	\$38,094	\$38,365	0.71%	\$40,077	5.21%
Provincial Tax Rate**	0.0040503	0.0037991	-6.20%	0.0038561	-4.79%
Estimated Provincial Taxes	\$8,627	\$8,548	-0.92%	\$8,676	0.57%
Total Taxes	\$46,721	\$46,913	0.41%	\$48,754	4.35%

Retail - Neighbourhood Shopping Centre	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Estimated Budget Adjustments	Year-over-Year Change
Assessment	\$17,990,000	\$20,650,000	14.79%	\$20,650,000	14.79%
Municipal Tax Rate*	0.0178843	0.0170513	-4.66%	0.0178122	-0.40%
Estimated Municipal Taxes	\$321,739	\$352,109	9.44%	\$367,822	14.32%
Provincial Tax Rate**	0.0040503	0.0037991	-6.20%	0.0038561	-4.79%
Estimated Provincial Taxes	\$72,865	\$78,451	7.67%	\$79,628	9.28%
Total Taxes	\$394,603	\$430,561	9.11%	\$447,450	13.39%

Typical Industrial - Warehouse	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Estimated Budget Adjustments	Year-over-Year Change
Assessment	\$2,770,000	\$2,840,000	2.53%	\$2,840,000	2.53%
Municipal Tax Rate*	0.0178843	0.0170513	-4.66%	0.0178122	-0.40%
Estimated Municipal Taxes	\$49,540	\$48,426	-2.25%	\$50,587	2.11%
Provincial Tax Rate**	0.0040503	0.0037991	-6.20%	0.0038561	-4.79%
Estimated Provincial Taxes	\$11,219	\$10,789	-3.83%	\$10,951	-2.39%
Total Taxes	\$60,759	\$59,215	-2.54%	\$61,538	1.28%

Large Format Industrial - Warehouse	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Estimated Budget Adjustments	Year-over-Year Change
Assessment	\$54,100,000	\$58,650,000	8.41%	\$58,650,000	8.41%
Municipal Tax Rate*	0.0178843	0.0170513	-4.66%	0.0178122	-0.40%
Estimated Municipal Taxes	\$967,541	\$1,000,059	3.36%	\$1,044,686	7.97%
Provincial Tax Rate**	0.0040503	0.0037991	-6.20%	0.0038561	-4.79%
Estimated Provincial Taxes	\$219,121	\$222,817	1.69%	\$226,160	3.21%
Total Taxes	\$1,186,662	\$1,222,876	3.05%	\$1,270,846	7.09%

Suburban Office	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Estimated Budget Adjustments	Year-over-Year Change
Assessment	\$8,460,000	\$7,970,000	-5.79%	\$7,970,000	-5.79%
Municipal Tax Rate*	0.0178843	0.0170513	-4.66%	0.0178122	-0.40%
Estimated Municipal Taxes	\$151,301	\$135,899	-10.18%	\$141,963	-6.17%
Provincial Tax Rate**	0.0040503	0.0037991	-6.20%	0.0038561	-4.79%
Estimated Provincial Taxes	\$34,266	\$30,279	-11.63%	\$30,733	-10.31%
Total Taxes	\$185,567	\$166,178	-10.45%	\$172,696	-6.94%

Office - Downtown AA Class	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Estimated Budget Adjustments	Year-over-Year Change
Assessment	\$256,450,000	\$287,700,000	12.19%	\$287,700,000	12.19%
Municipal Tax Rate*	0.0178843	0.0170513	-4.66%	0.0178122	-0.40%
Estimated Municipal Taxes	\$4,586,429	\$4,905,659	6.96%	\$5,124,570	11.73%
Provincial Tax Rate**	0.0040503	0.0037991	-6.20%	0.0038561	-4.79%
Estimated Provincial Taxes	\$1,038,699	\$1,093,001	5.23%	\$1,109,400	6.81%
Total Taxes	\$5,625,128	\$5,998,660	6.64%	\$6,233,970	10.82%

<i>Hotel/Accommodation</i>	<i>2022</i>	<i>2023 Prior to Budget Adjustments</i>	<i>Year-over-Year Change</i>	<i>2023 Including Estimated Budget Adjustments</i>	<i>Year-over-Year Change</i>
Assessment	\$64,710,000	\$65,030,000	0.49%	\$65,030,000	0.49%
Municipal Tax Rate*	0.0178843	0.0170513	-4.66%	0.0178122	-0.40%
Estimated Municipal Taxes	\$1,157,293	\$1,108,846	-4.19%	\$1,158,327	0.09%
Provincial Tax Rate**	0.0040503	0.0037991	-6.20%	0.0038561	-4.79%
Estimated Provincial Taxes	\$262,095	\$247,055	-5.74%	\$250,762	-4.32%
Total Taxes	\$1,419,388	\$1,355,902	-4.47%	\$1,409,090	-0.73%

Appendix B: 2023 Illustrative Examples Tax Distribution Scenarios – Non-Residential to Residential

*2023 Municipal Tax Rate is the Revenue Neutral Estimated Rate is the preliminary revenue neutral

**2023 Provincial Tax Rate estimated using 2022 requisition and is subject to change

2023 assessment values are preliminary and subject to change

Property Tax Raised From Each Class	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year-over-Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 53% Res / 47% NR	Year-over-Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 54% Res / 46% NR	Year-over-Year Change ¹⁰
Residential	\$1,060,700,000	\$1,126,300,000	6.18%	\$1,147,900,000	8.22%	\$1,169,600,000	10.27%
Non-Residential	\$983,000,000	\$1,039,600,000	5.76%	\$1,018,000,000	3.56%	\$996,300,000	1.35%

Tax Rate Ratio	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year-over-Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 53% Res / 47% NR	Year-over-Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 54% Res / 46% NR	Year-over-Year Change
Municipal	3.81	4.13	8.34%	3.96	4.07%	3.79	-0.50%
Municipal and Provincial Combined	3.07	3.33	8.50%	3.23	5.30%	3.12	1.81%

Typical Single Residential Home	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year-over-Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 53% Res / 47% NR	Year-over-Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 54% Res / 46% NR	Year-over-Year Change
Assessment	\$485,000	\$555,000	14.43%	\$555,000	14.43%	\$555,000	14.43%
Municipal Tax Rate*	0.0046950	0.0043162	-8.07%	0.0043992	-6.30%	0.0044918	-4.33%
Estimated Municipal Taxes	\$2,277	\$2,395	5.20%	\$2,442	7.22%	\$2,493	9.48%
Provincial Tax Rate**	0.0024548	0.0021932	-10.66%	0.0021932	-10.66%	0.0021932	-10.66%
Estimated Provincial Taxes	\$1,191	\$1,217	2.24%	\$1,217	2.24%	\$1,217	2.24%
Total Taxes	\$3,468	\$3,613	4.18%	\$3,659	5.51%	\$3,710	6.99%

Typical Single Residential Condo	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year-over-Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 53% Res / 47% NR	Year-over-Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 54% Res / 46% NR	Year-over-Year Change
Assessment	\$235,000	\$253,000	7.66%	\$253,000	7.66%	\$253,000	7.66%
Municipal Tax Rate*	0.0046950	0.0043162	-8.07%	0.0043992	-6.30%	0.0044918	-4.33%
Estimated Municipal Taxes	\$1,103	\$1,092	-1.03%	\$1,113	0.88%	\$1,136	3.00%
Provincial Tax Rate**	0.0024548	0.0021932	-10.66%	0.0021932	-10.66%	0.0021932	-10.66%
Estimated Provincial Taxes	\$577	\$555	-3.81%	\$555	-3.81%	\$555	-3.81%
Total Taxes	\$1,680	\$1,647	-1.98%	\$1,668	-0.73%	\$1,691	0.66%

¹⁰ Year-over-year growth is inclusive of increased revenue as a result of physical growth and market changes

Multi-Residential - Low-Rise Apartment	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year- over- Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 53% Res / 47% NR	Year- over- Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 54% Res / 46% NR	Year- over- Year Change
Assessment	\$3,710,000	\$4,180,000	12.67%	\$4,180,000	12.67%	\$4,180,000	12.67%
Municipal Tax Rate*	0.0046950	0.0043162	-8.07%	0.0043992	-6.30%	0.0044918	-4.33%
Estimated Municipal Taxes	\$17,418	\$18,042	3.58%	\$18,389	5.57%	\$18,776	7.79%
Provincial Tax Rate**	0.0024548	0.0021932	-10.66%	0.0021932	-10.66%	0.0021932	-10.66%
Estimated Provincial Taxes	\$9,107	\$9,168	0.66%	\$9,168	0.66%	\$9,168	0.66%
Total Taxes	\$26,526	\$27,209	2.58%	\$27,556	3.88%	\$27,943	5.34%

Multi-Residential - High-Rise Apartment	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year- over- Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 53% Res / 47% NR	Year- over- Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 54% Res / 46% NR	Year- over- Year Change
Assessment	\$13,930,000	\$15,540,000	11.56%	\$15,540,000	11.56%	\$15,540,000	11.56%
Municipal Tax Rate*	0.0046950	0.0043162	-8.07%	0.0043992	-6.30%	0.0044918	-4.33%
Estimated Municipal Taxes	\$65,401	\$67,074	2.56%	\$68,364	4.53%	\$69,803	6.73%
Provincial Tax Rate**	0.0024548	0.0021932	-10.66%	0.0021932	-10.66%	0.0021932	-10.66%
Estimated Provincial Taxes	\$34,195	\$34,082	-0.33%	\$34,082	-0.33%	\$34,082	-0.33%
Total Taxes	\$99,597	\$101,156	1.57%	\$102,446	2.86%	\$103,885	4.31%

Non-Residential \$5M Property	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year- over- Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 53% Res / 47% NR	Year- over- Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 54% Res / 46% NR	Year- over- Year Change
Assessment	\$5,000,000	\$5,250,000	5.00%	\$5,250,000	5.00%	\$5,250,000	5.00%
Municipal Tax Rate*	0.0178843	0.0178122	-0.40%	0.0174396	-2.49%	0.0170241	-4.81%
Estimated Municipal Taxes	\$89,422	\$93,514	4.58%	\$91,558	2.39%	\$89,377	-0.05%
Provincial Tax Rate**	0.0040503	0.0038561	-4.79%	0.0038561	-4.79%	0.0038561	-4.79%
Estimated Provincial Taxes	\$20,252	\$20,245	-0.03%	\$20,245	-0.03%	\$20,245	-0.03%
Total Taxes	\$109,673	\$113,759	3.73%	\$111,802	1.94%	\$109,621	-0.05%

Retail - Strip Mall	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year- over- Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 53% Res / 47% NR	Year- over- Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 54% Res / 46% NR	Year- over- Year Change
Assessment	\$4,790,000	\$5,260,000	9.81%	\$5,260,000	9.81%	\$5,260,000	9.81%
Municipal Tax Rate*	0.0178843	0.0178122	-0.40%	0.0174396	-2.49%	0.0170241	-4.81%
Estimated Municipal Taxes	\$85,666	\$93,692	9.37%	\$91,732	7.08%	\$89,547	4.53%
Provincial Tax Rate**	0.0040503	0.0038561	-4.79%	0.0038561	-4.79%	0.0038561	-4.79%
Estimated Provincial Taxes	\$19,401	\$20,283	4.55%	\$20,283	4.55%	\$20,283	4.55%
Total Taxes	\$105,067	\$113,975	8.48%	\$112,015	6.61%	\$109,830	4.53%

<i>Retail - 17th Avenue SW</i>	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year- over- Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 53% Res / 47% NR	Year- over- Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 54% Res / 46% NR	Year- over- Year Change
Assessment	\$2,130,000	\$2,250,000	5.63%	\$2,250,000	5.63%	\$2,250,000	5.63%
Municipal Tax Rate*	0.0178843	0.0178122	-0.40%	0.0174396	-2.49%	0.0170241	-4.81%
Estimated Municipal Taxes	\$38,094	\$40,077	5.21%	\$39,239	3.01%	\$38,304	0.55%
Provincial Tax Rate**	0.0040503	0.0038561	-4.79%	0.0038561	-4.79%	0.0038561	-4.79%
Estimated Provincial Taxes	\$8,627	\$8,676	0.57%	\$8,676	0.57%	\$8,676	0.57%
Total Taxes	\$46,721	\$48,754	4.35%	\$47,915	2.56%	\$46,980	0.56%

<i>Retail - Neighbourhood Shopping Centre</i>	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year- over- Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 53% Res / 47% NR	Year- over- Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 54% Res / 46% NR	Year- over- Year Change
Assessment	\$17,990,000	\$20,650,000	14.79%	\$20,650,000	14.79%	\$20,650,000	14.79%
Municipal Tax Rate*	0.0178843	0.0178122	-0.40%	0.0174396	-2.49%	0.0170241	-4.81%
Estimated Municipal Taxes	\$321,739	\$367,822	14.32%	\$360,128	11.93%	\$351,548	9.27%
Provincial Tax Rate**	0.0040503	0.0038561	-4.79%	0.0038561	-4.79%	0.0038561	-4.79%
Estimated Provincial Taxes	\$72,865	\$79,628	9.28%	\$79,628	9.28%	\$79,628	9.28%
Total Taxes	\$394,603	\$447,450	13.39%	\$439,756	11.44%	\$431,176	9.27%

<i>Typical Industrial - Warehouse</i>	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year- over- Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 53% Res / 47% NR	Year- over- Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 54% Res / 46% NR	Year- over- Year Change
Assessment	\$2,770,000	\$2,840,000	2.53%	\$2,840,000	2.53%	\$2,840,000	2.53%
Municipal Tax Rate*	0.0178843	0.0178122	-0.40%	0.0174396	-2.49%	0.0170241	-4.81%
Estimated Municipal Taxes	\$49,540	\$50,587	2.11%	\$49,528	-0.02%	\$48,348	-2.40%
Provincial Tax Rate**	0.0040503	0.0038561	-4.79%	0.0038561	-4.79%	0.0038561	-4.79%
Estimated Provincial Taxes	\$11,219	\$10,951	-2.39%	\$10,951	-2.39%	\$10,951	-2.39%
Total Taxes	\$60,759	\$61,538	1.28%	\$60,480	-0.46%	\$59,300	-2.40%

<i>Large Format Industrial - Warehouse</i>	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year- over- Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 53% Res / 47% NR	Year- over- Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 54% Res / 46% NR	Year- over- Year Change
Assessment	\$54,100,000	\$58,650,000	8.41%	\$58,650,000	8.41%	\$58,650,000	8.41%
Municipal Tax Rate*	0.0178843	0.0178122	-0.40%	0.0174396	-2.49%	0.0170241	-4.81%
Estimated Municipal Taxes	\$967,541	\$1,044,686	7.97%	\$1,022,833	5.71%	\$998,463	3.20%
Provincial Tax Rate**	0.0040503	0.0038561	-4.79%	0.0038561	-4.79%	0.0038561	-4.79%
Estimated Provincial Taxes	\$219,121	\$226,160	3.21%	\$226,160	3.21%	\$226,160	3.21%
Total Taxes	\$1,186,662	\$1,270,846	7.09%	\$1,248,993	5.25%	\$1,224,624	3.20%

Suburban Office	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year- over- Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 53% Res / 47% NR	Year- over- Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 54% Res / 46% NR	Year- over- Year Change
Assessment	\$8,460,000	\$7,970,000	-5.79%	\$7,970,000	-5.79%	\$7,970,000	-5.79%
Municipal Tax Rate*	0.0178843	0.0178122	-0.40%	0.0174396	-2.49%	0.0170241	-4.81%
Estimated Municipal Taxes	\$151,301	\$141,963	-6.17%	\$138,994	-8.13%	\$135,682	-10.32%
Provincial Tax Rate**	0.0040503	0.0038561	-4.79%	0.0038561	-4.79%	0.0038561	-4.79%
Estimated Provincial Taxes	\$34,266	\$30,733	-10.31%	\$30,733	-10.31%	\$30,733	-10.31%
Total Taxes	\$185,567	\$172,696	-6.94%	\$169,727	-8.54%	\$166,415	-10.32%

Office - Downtown AA Class	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year- over- Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 53% Res / 47% NR	Year- over- Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 54% Res / 46% NR	Year- over- Year Change
Assessment	\$256,450,000	\$287,700,000	12.19%	\$287,700,000	12.19%	\$287,700,000	12.19%
Municipal Tax Rate*	0.0178843	0.0178122	-0.40%	0.0174396	-2.49%	0.0170241	-4.81%
Estimated Municipal Taxes	\$4,586,429	\$5,124,570	11.73%	\$5,017,373	9.40%	\$4,897,834	6.79%
Provincial Tax Rate**	0.0040503	0.0038561	-4.79%	0.0038561	-4.79%	0.0038561	-4.79%
Estimated Provincial Taxes	\$1,038,699	\$1,109,400	6.81%	\$1,109,400	6.81%	\$1,109,400	6.81%
Total Taxes	\$5,625,128	\$6,233,970	10.82%	\$6,126,773	8.92%	\$6,007,234	6.79%

Hotel/Accommodation	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year- over- Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 53% Res / 47% NR	Year- over- Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 54% Res / 46% NR	Year- over- Year Change
Assessment	\$64,710,000	\$65,030,000	0.49%	\$65,030,000	0.49%	\$65,030,000	0.49%
Municipal Tax Rate*	0.0178843	0.0178122	-0.40%	0.0174396	-2.49%	0.0170241	-4.81%
Estimated Municipal Taxes	\$1,157,293	\$1,158,327	0.09%	\$1,134,097	-2.00%	\$1,107,077	-4.34%
Provincial Tax Rate**	0.0040503	0.0038561	-4.79%	0.0038561	-4.79%	0.0038561	-4.79%
Estimated Provincial Taxes	\$262,095	\$250,762	-4.32%	\$250,762	-4.32%	\$250,762	-4.32%
Total Taxes	\$1,419,388	\$1,409,090	-0.73%	\$1,384,859	-2.43%	\$1,357,839	-4.34%



Appendix C: 2023 Illustrative Examples Tax Distribution Scenarios – Residential to Non-Residential

*2023 Municipal Tax Rate is the Revenue Neutral Estimated Rate is the preliminary revenue neutral

**2023 Provincial Tax Rate estimated using 2022 requisition and is subject to change

2023 assessment values are preliminary and subject to change

Property Tax Raised From Each Class	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year-over-Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 51% Res / 49% NR	Year-over-Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 50% Res / 50% NR	Year-over-Year Change ¹¹
Residential	\$1,060,700,000	\$1,126,300,000	6.18%	\$1,104,600,000	4.14%	\$1,083,000,000	2.10%
Non-Residential	\$983,000,000	\$1,039,600,000	5.76%	\$1,061,300,000	7.97%	\$1,083,000,000	10.17%

Tax Rate Ratio	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year-over-Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 51% Res / 49% NR	Year-over-Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 50% Res / 50% NR	Year-over-Year Change
Municipal	3.81	4.13	8.34%	4.34	13.82%	4.53	19.02%
Municipal and Provincial Combined	3.07	3.33	8.50%	3.45	12.57%	3.57	16.36%

Typical Single Residential Home	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year-over-Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 51% Res / 49% NR	Year-over-Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 50% Res / 50% NR	Year-over-Year Change
Assessment	\$485,000	\$555,000	14.43%	\$555,000	14.43%	\$555,000	14.43%
Municipal Tax Rate*	0.0046950	0.0043162	-8.07%	0.0042141	-10.24%	0.0041215	-12.22%
Estimated Municipal Taxes	\$2,277	\$2,395	5.20%	\$2,339	2.71%	\$2,287	0.45%
Provincial Tax Rate**	0.0024548	0.0021932	-10.66%	0.0021932	-10.66%	0.0021932	-10.66%
Estimated Provincial Taxes	\$1,191	\$1,217	2.24%	\$1,217	2.24%	\$1,217	2.24%
Total Taxes	\$3,468	\$3,613	4.18%	\$3,556	2.55%	\$3,505	1.07%

Typical Single Residential Condo	2022	No Redistribution 2023 Including Estimated Budget Adjustments 52% Res / 48% NR	Year-over-Year Change	1% Redistribution 2023 Including Estimated Budget Adjustments 51% Res / 49% NR	Year-over-Year Change	2% Redistribution 2023 Including Estimated Budget Adjustments 50% Res / 50% NR	Year-over-Year Change
Assessment	\$235,000	\$253,000	7.66%	\$253,000	7.66%	\$253,000	7.66%
Municipal Tax Rate*	0.0046950	0.0043162	-8.07%	0.0042141	-10.24%	0.0041215	-12.22%
Estimated Municipal Taxes	\$1,103	\$1,092	-1.03%	\$1,066	-3.37%	\$1,043	-5.49%
Provincial Tax Rate**	0.0024548	0.0021932	-10.66%	0.0021932	-10.66%	0.0021932	-10.66%
Estimated Provincial Taxes	\$577	\$555	-3.81%	\$555	-3.81%	\$555	-3.81%
Total Taxes	\$1,680	\$1,647	-1.98%	\$1,621	-3.52%	\$1,598	-4.92%

¹¹ Year-over-year growth is inclusive of increased revenue as a result of physical growth and market changes

