

Calgary



2023 Residential and Non-Residential Tax Share Options

February 14, 2023

Recommendations

That Council:

1. Provide Administration with direction regarding the residential/non-residential property tax shares by selecting one of the property tax options as outlined in Attachment 2:
 - A. Option A — Maintain Status Quo tax share of 52 residential : 48 non-residential.
 - B. Option B — Change tax responsibility from non-residential to residential taxpayers to achieve a 53 residential : 47 non-residential tax share.
 - C. Option C — Change tax responsibility from non-residential to residential taxpayers to achieve a 54 residential : 46 non-residential tax share.

2. If Option B or C is selected, and the 2023 provincial requisition is less than \$782 million from 2022, the difference up to the amount required to provide a one-time inflationary relief rebate to residential property owners to off set the impacts of the change in tax responsibility, will be added to the municipal tax amount. The additional municipal tax amount will not be considered in the calculation of tax share.

3. Direct Administration to continue federal and provincial advocacy for long-term, sustainable, operational funding and/or funding tools and return to Council with recommended Budget Adjustments if a new or greatly expanded revenue streams to support operational expenses for The City is advanced in the next federal or provincial budgets.

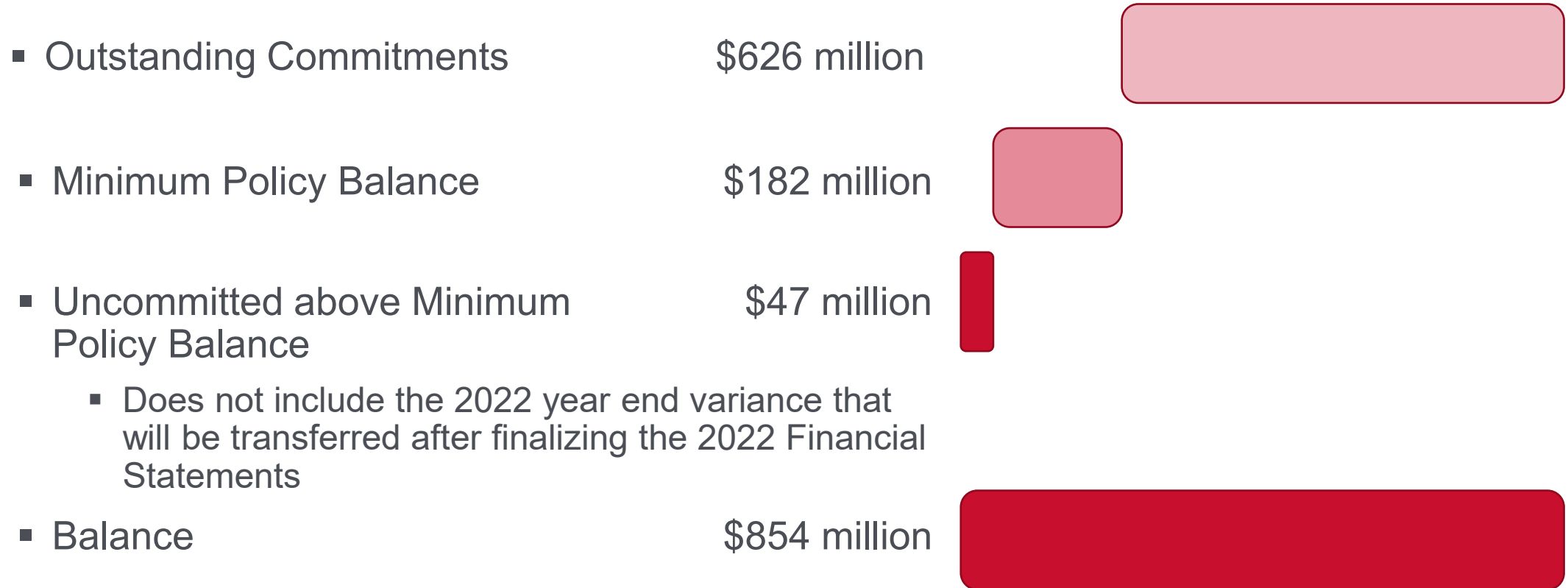
Federal and Provincial Update

Potential for ongoing Operating Support

- Long-standing ask, repeated to Provincial Government in 2023 Pre-Budget submission
- Premier has suggested exploring reducing or ending the provincial portion of the property tax—also repeated in the Premier’s Mandate Letter to the Minister of Municipal Affairs
- Unlikely to take shape in the next months




Fiscal Stability Reserve (FSR) and Budget Savings Account (BSA) Merged Reserve Capacity (December 31, 2022)





Tax Share –Recommended Options

	Option A Recommended	Option B Recommended	Option C Recommended
	Status Quo	Cut Non-Residential tax by ~\$21.7 million by transferring 1% of tax share responsibility from Non-Residential to Residential, raising Residential tax by ~\$21.7 million	Cut Non-Residential tax by ~\$43.4 million by transferring 2% of tax share responsibility from Non-Residential to Residential, raising Residential tax by ~\$43.4 million
Tax Share	52 : 48	53 : 47	54 : 46
Tax Ratio	4.26	4.09	3.93
Municipal Tax for Typical Single Residential home (\$555,000) yearly / monthly	\$2,404 / \$200	\$2,450 / \$204	\$2,497 / \$208
% Change from 2022	5.5%	7.6%	9.6%
Residential Tax Rate	0.0043319	0.0044152	0.0044985
% Change from 2022	-7.7%	-6.0%	-4.2%
Municipal Tax for Non-Residential Property with Typical Assessment Change (\$5.1 million)	\$94,010	\$92,051	\$90,093
% Change from 2022	5.1%	3.0%	0.8%
Non-Residential Tax Rate	0.0184334	0.0180493	0.0176653
% Change from 2022	3.1%	0.9%	-1.2%
2023 Residential tax increase		●	●
2023 Non-Residential tax decrease		●	●
Requires one-time funding			
Paying for recurring expenses from our savings account			
	← RISK →		

* Forecasts based on 2023 assessment, budgetary changes, and provisions. Final rates subject to change until approved by Council in the Property Tax bylaw.

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