

2014 Business Tax Consolidation Insert

Business tax consolidation – Tax change effects*

Year	Business tax change	Non-residential property tax change
2013	0%	0%
2014	-10%	2.7%
2015	-10%	2.7%
2016	-20%	5.4%
2017	-20%	5.4%
2018	-20%	5.4%
2019	-20%	5.4%
Total	-100%	27%


The business tax, for business tax revenue purposes, will be eliminated in 2019.

*This is an estimate of the tax implications, reflecting 2013 tax rates. The annual tax implications will vary based on changes to property/premises details, annual re-assessment shifts and/or annual Council or provincial tax rate adjustments.

Where can I find more information?

A variety of tools and resources are available at **calgary.ca/btc**, including an online calculator that allows you to view estimated tax implications to your business premises or non-residential property throughout the consolidation time frame.

 **calgary.ca/btc**

 **403-268-2888**



BUSINESS TAX CONSOLIDATION



Attention non-residential property and business owners

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2013-2008

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THE CITY OF
CALGARY
ASSESSMENT

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About business tax consolidation

The business tax consolidation process is underway. The consolidation process works by transferring business tax revenues into the non-residential property tax through incremental transfers that will occur annually during the consolidation time frame. In 2014, 10 per cent of business tax revenues will be transferred to and collected through the non-residential property tax. The last transfer will occur in 2019, culminating with the elimination of the business tax.

Will business tax consolidation affect my property/business assessment?

No. Business tax consolidation will not impact your assessment, nor will it be reflected on your Assessment Notice.

What are the 2014 tax impacts from business tax consolidation?

I am a business owner

You will see a 10 per cent decrease in the 2014 business tax rate due to the consolidation process. The City will mail 2014 Business Tax Bills in February. The tax change effects from business tax consolidation will be reflected in your taxes owing.

I am a non-residential property owner

You will see an estimated 2.7 per cent increase in the 2014 non-residential property tax rate due to the consolidation process. The City will mail 2014 Property Tax Bills in May. The tax change effects from the business tax consolidation process, and any other 2014 tax rate adjustments made by Council or the Province of Alberta, will be reflected in your taxes owing. If you have tenants operating a business on your property, the business tax rate applied to their premises will decrease by 10 per cent.

How will the revenue transfers work?

1. Council annually determines its revenue requirements from each revenue source.

$$\frac{\text{business tax revenue required}}{\text{taxable business assessment base}} = \text{business tax rate}$$
$$\frac{\text{non-residential tax revenue required}}{\text{taxable non-residential assessment base}} = \text{non-residential property tax rate}$$

2. In 2014, 10 per cent of business tax revenues will be transferred to and collected through the non-residential property tax, resulting in a **10 per cent decrease to the business tax rate**.

$$\frac{\text{business tax required} - 10\%}{\text{taxable business assessment base}} = \text{business tax rate} \nabla \text{ by } 10\%$$

3. In 2014, the non-residential property tax rate will see an **estimated 2.7 per cent increase to account for the reduction in business tax revenues**.

$$\frac{\text{non-residential property tax revenue} + 10\% \text{ of business tax revenue requirement}}{\text{taxable non-residential property base}} = \text{non-residential property tax rate} \blacktriangle \text{ by an estimated } 2.7\%$$

Your share of tax is calculated by multiplying your 2014 property or business assessment by the approved property or business tax rate.

$$\text{tax rate} \times \text{assessment value} = \text{individual share of tax}$$

Note: Business tax consolidation is a revenue neutral process, meaning it will not increase the amount of revenues collected by The City.