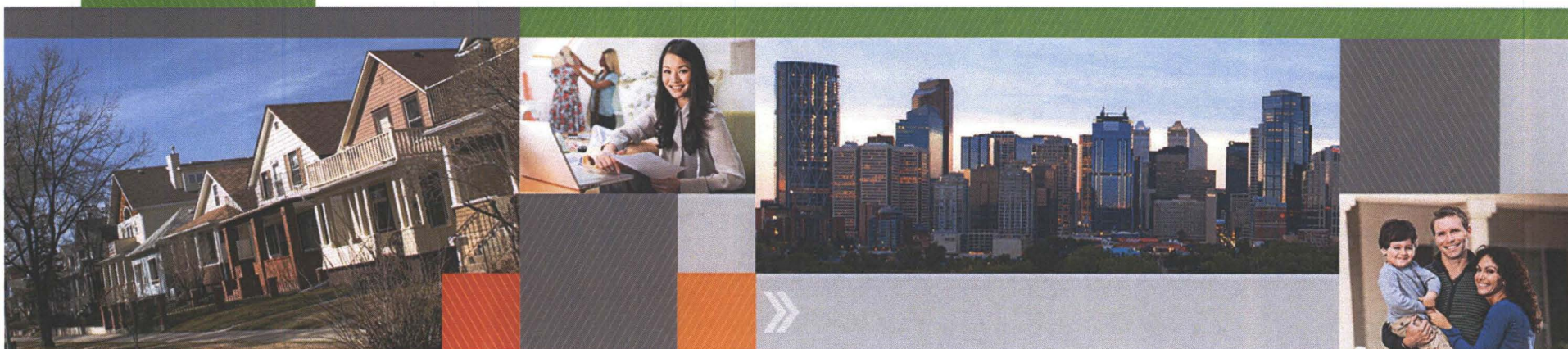
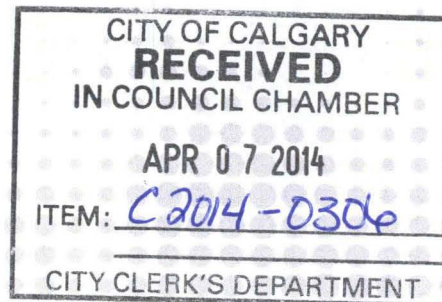


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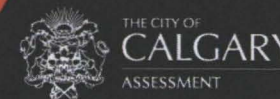
Revenue Neutral



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Onward! Assure The City of Calgary of stable tax revenue financing through effective property and business assessment processes.

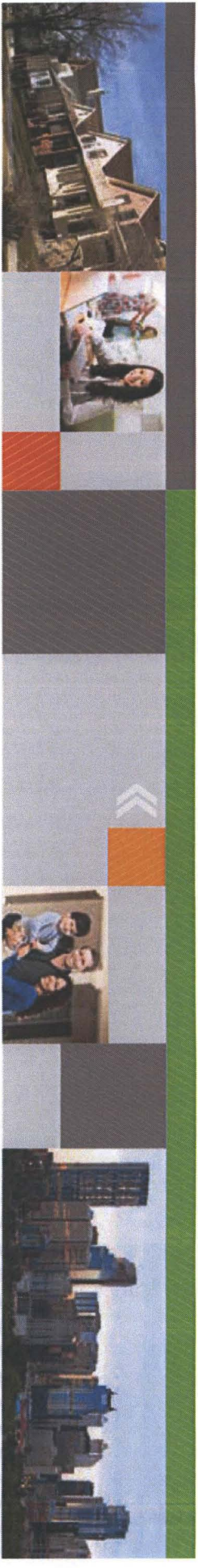




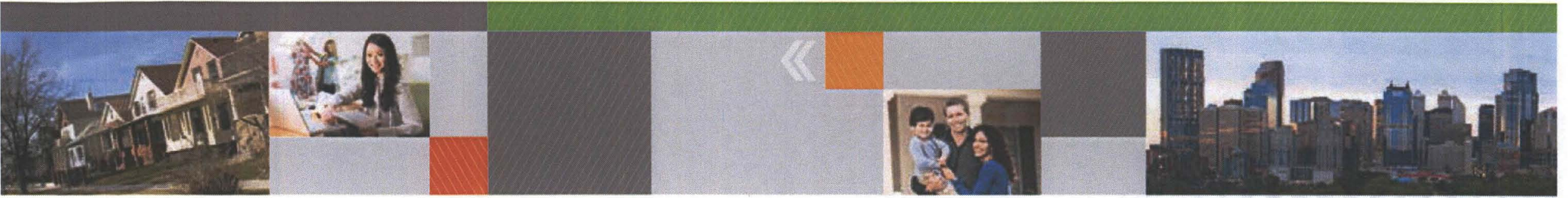
Agenda

Revenue Neutral

New Buildings

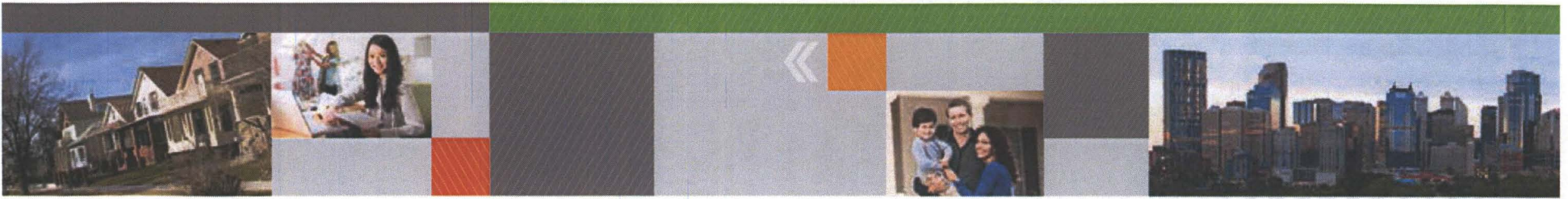


Why do my property taxes change?



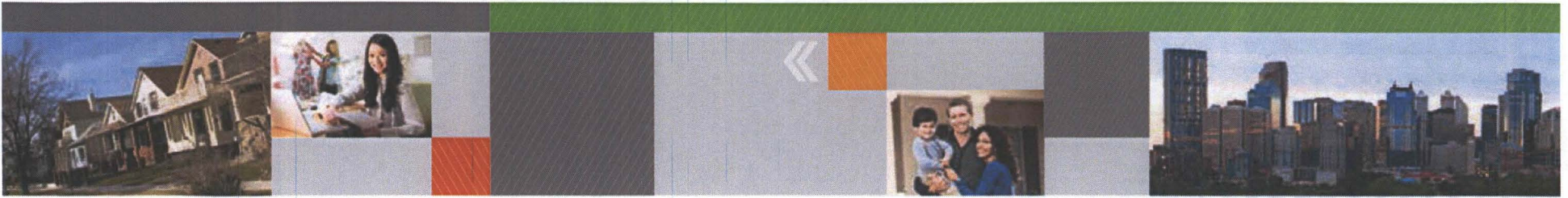
My property taxes change because:

- A. The market value of my property changes
- B. The City requires additional revenue to operate
- C. I have made changes to my property



Revenue Neutral

- Revenue neutral explains the change in my property taxes based solely on the change in my property's market value
- Revenue neutral is based on the assumption that the City does not need any additional revenue from existing properties to operate
- An increase in my market value does not directly generate higher taxes



Example 1

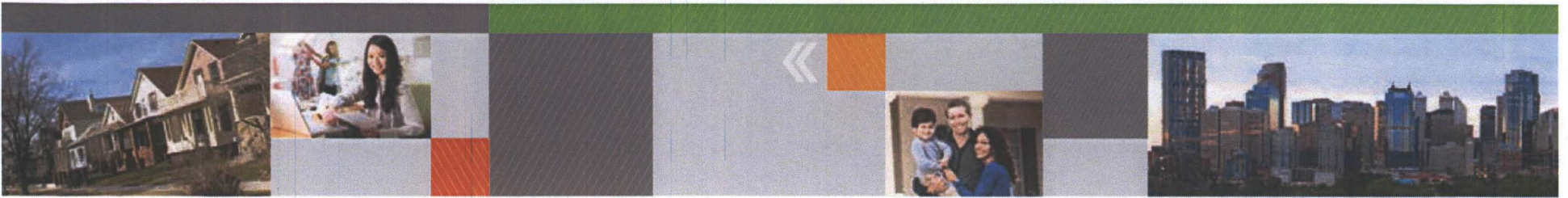
Assessment: **Year 1**
Taxes: \$100,000
 \$2,000



Year 2
\$110,000
\$2,000

- A) Tax change due to market value change = \$0
- B) Tax change due to additional revenue requirement = \$0

- The market value of the property increased exactly the same as the overall value of all similar properties

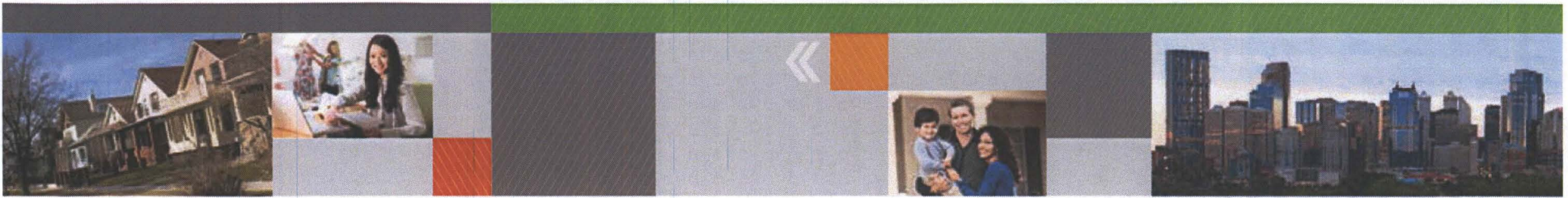


Example 2

	Year 1		Year 2
Assessment:	\$100,000		\$120,000
Taxes:	\$2,000		\$2,050

- A) Tax change due to market value change = \$50
- B) Tax change due to additional revenue requirement = \$0

- The market value of the property increased greater than the overall increase in market value of all similar properties



Example 3

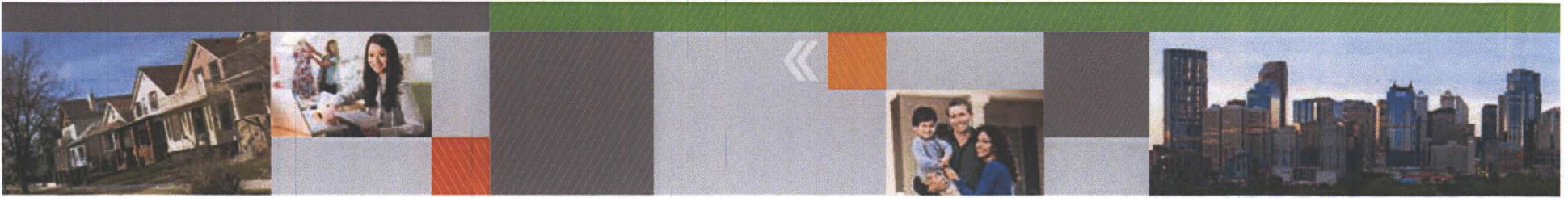
	Year 1
Assessment:	\$100,000
Taxes:	\$2,000



	Year 2
Assessment:	\$105,000
Taxes:	\$1,950

- A) Tax change due to market value change = - \$50
- B) Tax change due to additional revenue requirement = \$0

- The market value of the property increased by less than the overall increase in market value of all similar properties



Example 4

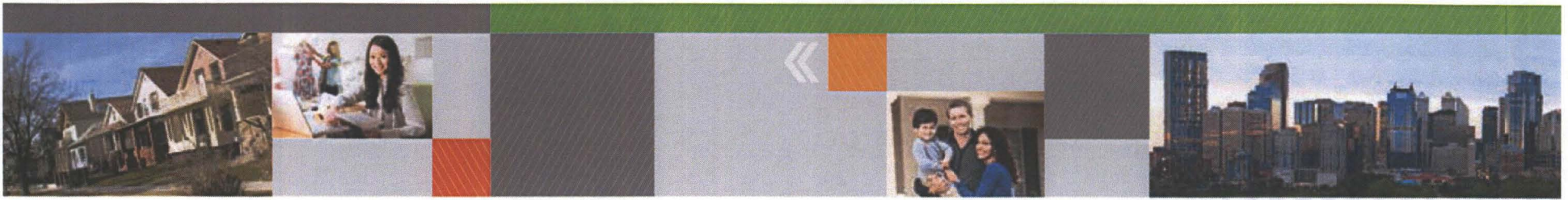
Assessment: **Year 1**
Taxes: \$100,000
 \$2,000



Year 2
\$112,000
\$2,100

- A) Tax change due to market value change = \$25
B) Tax change due to additional revenue requirement = \$75

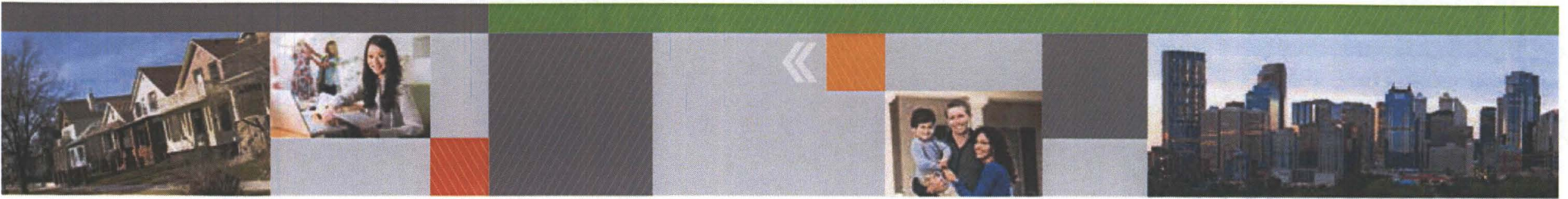
- The market value of the property increased by greater than the overall increase in market value of all similar properties
- The City required additional revenue to operate



What is Revenue Neutral?

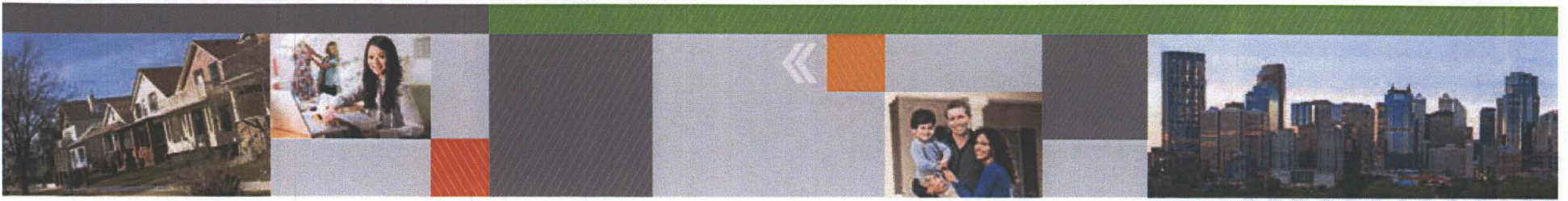
Revenue neutral tax rate =

$$\frac{\text{Prior year's tax requirement}}{\text{Current year's assessment base (excluding new properties)}}$$

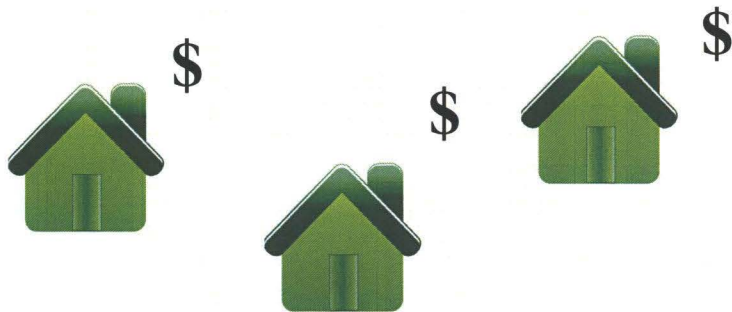


Revenue Neutral

- Explains the change in my property tax due solely from the change in my property's market value
- Taxpayers are provided with a transparent and accountable assessment and taxation system



Existing Buildings



Included in revenue neutral

New Buildings



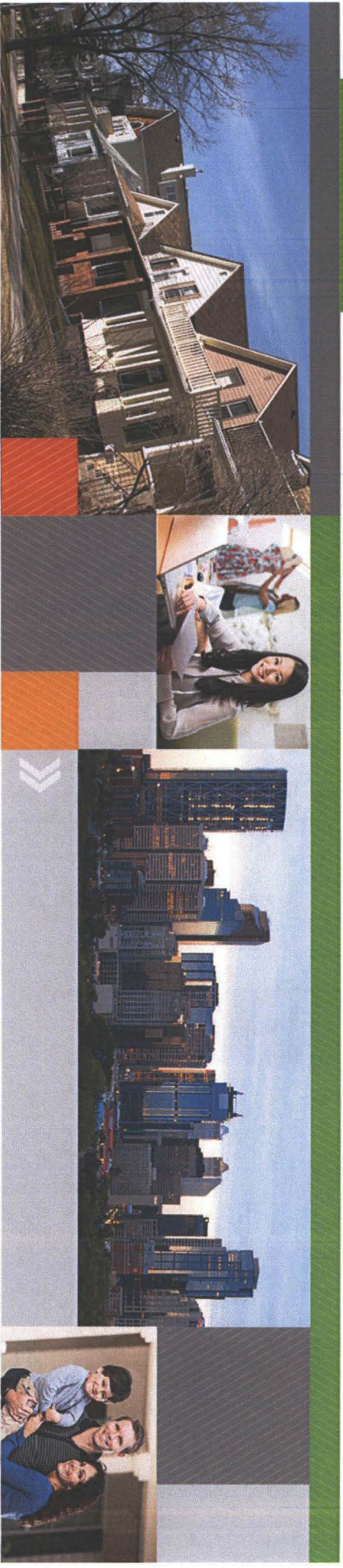
Not included in revenue neutral

- The revenue neutral tax rate is developed from the market value changes of the properties that were previously in the assessment base.

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Revenue Neutral



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