

Analysis and Illustrative Examples

Municipal Tax

On 2022 November 8, Council approved the 2023-2026 Service Plans and Budgets. On 2023 February 14, Council approved 52 per cent and 48 per cent tax share between Residential and Non-Residential properties for The City.

The tax rates, tax ratio, tax levy and tax share are summarized in Table 1 below:

Table 1: 2023 Municipal Tax Rates, Tax Levy and Tax Ratio Changes			
	2022	2023	Year-over-Year Change
Residential Tax Rate	0.0046950	0.0043319	-7.73%
Non-Residential Tax Rate	0.0178843	0.0184334	3.07%
Tax Ratio (Non-res/Res)	3.81	4.26	0.12%
Tax Revenue raised through the bylaw (\$M) ¹	\$2,045.1	\$2,170.6	6.14%
Residential Tax Share	\$1,060.7	\$1,120.7	5.66%
Non-Residential Tax Share	\$983.0	\$1,048.5	6.66%
Farmland Tax Share	\$1.4	\$1.4	0.00%
Tax Share Ratio (Res:Non-res)	52:48	52:48	

Note 1. Amounts attributed to development & redevelopment and others

Tax Revenue Budget	2022	2023	Year-over-Year Change
Base	\$ 1,930.69	\$ 2,026.60	4.97%
Physical Growth (Development & Redevelopment)	\$ 29.00	\$ 46.04	58.76%
Rate increase/(decrease)	\$ 66.90	\$ 74.21	10.92%
By law Adjustment	\$ 18.51	\$ 23.75	28.31%
Tax Revenue raised through the bylaw (\$M)	\$ 2,045.10	\$ 2,170.60	6.14%

A summary of the required municipal tax levy is shown in Attachment 5.

Provincial Property Tax Requisition

On 2023 February 28, the province released *Budget 2023*. The provincial education property tax requisition is forecast at \$2.52 billion province-wide in 2023-24, the same as in 2022-23. The requisition has been frozen for the third time in four years.

Although the total provincial requisition was frozen, The City's requisition had a small increase due to growth in residential and farmland assessment. As a result, The City's share of the 2023 provincial property tax requisition increased by \$4.5 million (1.0 per cent) from the February 2022 provincial budget to \$786.2 million. Net impacts of prior year adjustments and amounts that are not required to be raised by the 2023 Property Tax Bylaw bring the total adjusted amount for Bylaw calculation up to \$782.4 million.

Table 2: 2023 Provincial Tax Rates & Tax Levy

	2022	2023	Year-over-Year Change
Residential Tax Rate	0.0024548	0.0022399	-8.75%
Non-Residential Tax Rate	0.0040503	0.0036414	-10.10%
Tax Revenue raised through the bylaw (\$M)	\$772.8	\$782.4	1.24%
Residential Tax Share	\$553.6	\$578.7	4.53%
Non-Residential Tax Share	\$219.0	\$203.5	-7.08%
Farmland Tax Share	\$0.2	\$0.2	0.00%

A summary of the requisitions and the resulting provincial tax levy to be raised from the 2023 Property Tax Bylaw is provided in Attachment 6.

Total Provincial & Municipal Combined Changes for Typical Properties

Individual tax bill changes from year to year due to factors such as changes in assessed value, changes in the municipal tax rates and changes in provincial tax rates. The following summarizes changes for all factors:

For the typical single residential homeowner with a 2023 median assessment of \$555,000 with a change greater than the typical residential assessment increase of 12%, the combination of the municipal and provincial changes results in a combined increase of \$179 per year (\$14.97 per month).

For the typical single residential condominium owner with a 2023 median assessment of \$255,000 which changed by less than the typical residential assessment change of 12%, the combination of the municipal and provincial changes results in a combined **decrease** of \$4 per year (\$0.37 per month).

The non-residential property owner of a hypothetical \$5 million property experiencing the typical non-residential assessment increase of 2% will see a combined increase of \$2,908 per year (\$242.37 per month).

Table 3: Total Estimated Municipal & Provincial Combined Changes from 2022 to 2023

Estimated Year-over-Year Change	Single Residential Home	Single Residential Condominium	Non-residential \$5M property
Assessment Change (A) ¹	\$51	(\$34)	\$1,062
Budget Change (B) ²	\$76	\$36	\$3,526
Municipal Change (C = A+B) ³	\$127	\$2	\$4,588
Provincial Change (D) ⁴	\$52	(\$6)	(\$1,680)
Total Annual Change (C+D) ⁵	\$179	(\$4)	\$2,908
Total Monthly Change	\$15	\$0	\$242

1. Relative assessment impact
2. Council approved budget changes
3. Estimated Municipal Taxes based on the summary table below
4. Based on the Provincial numbers in the summary table below
5. Totals may not add due to rounding

Additional examples of property types are provided in the summary tables below. The illustrative examples also include the monthly Tax Instalment Payment Plan (TIPP) payments for the first six months and last six months of the year. Council approved bylaw 50M2022 on report C2022-1120 which amended the Tax Instalment Payment Plan (TIPP) Bylaw 9M2002. This reduced the notice period from 30 to 10 days and enabled greater stability in TIPP payments by spreading them more evenly over the course of a year.

Typical Single Residential Home	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Budget Adjustments	Year-over-Year Change
Assessment	\$485,000	\$555,000	14.43%	\$555,000	14.43%
Municipal Tax Rate	0.0046950	0.0041939	-10.67%	0.0043319	-7.73%
Estimated Municipal Taxes	\$2,277	\$2,328	2.22%	\$2,404	5.58%
Provincial Tax Rate	0.0024548	0.0021893	-10.82%	0.0022399	-8.75%
Estimated Provincial Taxes	\$1,191	\$1,215	2.06%	\$1,243	4.41%
Monthly TIPP Payments Jan to Jun	\$275			\$303	
Monthly TIPP Payments Jul to Dec	\$303			\$305	
Total Taxes	\$3,468	\$3,543	2.16%	\$3,647	5.18%

Typical Single Residential Condo	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Budget Adjustments	Year-over-Year Change
Assessment	\$235,000	\$255,000	8.51%	\$255,000	8.51%
Municipal Tax Rate	0.0046950	0.0041939	-10.67%	0.0043319	-7.73%
Estimated Municipal Taxes	\$1,103	\$1,069	-3.07%	\$1,105	0.12%
Provincial Tax Rate	0.0024548	0.0021893	-10.82%	0.0022399	-8.75%
Estimated Provincial Taxes	\$577	\$558	-3.23%	\$571	-0.99%
Monthly TIPP Payments Jan to Jun	\$146			\$145	
Monthly TIPP Payments Jul to Dec	\$135			\$135	
Total Taxes	\$1,680	\$1,628	-3.12%	\$1,676	-0.26%

Multi-Residential - Low-Rise Apartment	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including 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	0.0041939	-10.67%	0.0043319	-7.73%
Estimated Municipal Taxes	\$17,418	\$17,531	0.64%	\$18,107	3.95%
Provincial Tax Rate	0.0024548	0.0021893	-10.82%	0.0022399	-8.75%
Estimated Provincial Taxes	\$9,107	\$9,151	0.48%	\$9,363	2.81%
Monthly TIPP Payments Jan to Jun	\$2,395			\$2,275	
Monthly TIPP Payments Jul to Dec	\$2,026			\$2,304	
Total Taxes	\$26,526	\$26,682	0.59%	\$27,470	3.56%

Multi-Residential - High-Rise Apartment	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Budget Adjustments	Year-over-Year Change
Assessment	\$13,930,000	\$15,370,000	10.34%	\$15,370,000	10.34%
Municipal Tax Rate	0.0046950	0.0041939	-10.67%	0.0043319	-7.73%
Estimated Municipal Taxes	\$65,401	\$64,460	-1.44%	\$66,581	1.80%
Provincial Tax Rate	0.0024548	0.0021893	-10.82%	0.0022399	-8.75%
Estimated Provincial Taxes	\$34,195	\$33,650	-1.60%	\$34,427	0.68%
Monthly TIPP Payments Jan to Jun	\$9,061			\$8,540	
Monthly TIPP Payments Jul to Dec	\$7,539			\$8,295	

Total Taxes	\$99,597	\$98,110	-1.49%	\$101,009	1.42%
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Non-Residential \$5M Property	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Budget Adjustments	Year-over-Year Change
Assessment	\$5,000,000	\$5,100,000	2.00%	\$5,100,000	2.00%
Municipal Tax Rate	0.0178843	0.0177419	-0.80%	0.0184334	3.07%
Estimated Municipal Taxes	\$89,422	\$90,484	1.19%	\$94,010	5.13%
Provincial Tax Rate	0.0040503	0.0039735	-1.90%	0.0036414	-10.10%
Estimated Provincial Taxes	\$20,252	\$20,265	0.07%	\$18,571	-8.30%
Monthly TIPP Payments Jan to Jun	\$9,033			\$9,468	
Monthly TIPP Payments Jul to Dec	\$9,246			\$9,296	
Total Taxes	\$109,673	\$110,749	0.98%	\$112,581	2.65%

Retail - Strip Mall	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Budget Adjustments	Year-over-Year Change
Assessment	\$4,790,000	\$5,120,000	6.89%	\$5,120,000	6.89%
Municipal Tax Rate	0.0178843	0.0177419	-0.80%	0.0184334	3.07%
Estimated Municipal Taxes	\$85,666	\$90,839	6.04%	\$94,379	10.17%
Provincial Tax Rate	0.0040503	0.0039735	-1.90%	0.0036414	-10.10%
Estimated Provincial Taxes	\$19,401	\$20,344	4.86%	\$18,644	-3.90%
Monthly TIPP Payments Jan to Jun	\$8,020			\$9,070	
Monthly TIPP Payments Jul to Dec	\$9,492			\$9,768	
Total Taxes	\$105,067	\$111,183	5.82%	\$113,023	7.57%

Retail - 17th Avenue SW	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including 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	0.0177419	-0.80%	0.0184334	3.07%
Estimated Municipal Taxes	\$38,094	\$39,919	4.79%	\$41,475	8.88%
Provincial Tax Rate	0.0040503	0.0039735	-1.90%	0.0036414	-10.10%
Estimated Provincial Taxes	\$8,627	\$8,940	3.63%	\$8,193	-5.03%
Monthly TIPP Payments Jan to Jun	\$4,448			\$4,034	
Monthly TIPP Payments Jul to Dec	\$3,339			\$4,245	
Total Taxes	\$46,721	\$48,860	4.58%	\$49,668	6.31%

Retail - Neighbourhood Shopping Centre	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Budget Adjustments	Year-over-Year Change
Assessment	\$17,990,000	\$19,650,000	9.23%	\$19,650,000	9.23%
Municipal Tax Rate	0.0178843	0.0177419	-0.80%	0.0184334	3.07%
Estimated Municipal Taxes	\$321,739	\$348,628	8.36%	\$362,216	12.58%
Provincial Tax Rate	0.0040503	0.0039735	-1.90%	0.0036414	-10.10%
Estimated Provincial Taxes	\$72,865	\$78,079	7.16%	\$71,554	-1.80%
Monthly TIPP Payments Jan to Jun	\$32,200			\$34,064	
Monthly TIPP Payments Jul to Dec	\$33,568			\$38,231	
Total Taxes	\$394,603	\$426,708	8.14%	\$433,770	9.93%

Typical Industrial - Warehouse	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including 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	0.0177419	-0.80%	0.0184334	3.07%

Estimated Municipal Taxes	\$49,540	\$50,387	1.71%	\$52,351	5.67%
Provincial Tax Rate	0.0040503	0.0039735	-1.90%	0.0036414	-10.10%
Estimated Provincial Taxes	\$11,219	\$11,285	0.58%	\$10,342	-7.82%
Monthly TIPP Payments Jan to Jun	\$4,860			\$5,267	
Monthly TIPP Payments Jul to Dec	\$5,267			\$5,182	
Total Taxes	\$60,759	\$61,672	1.50%	\$62,692	3.18%

Large Format Industrial - Warehouse	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Budget Adjustments	Year-over-Year Change
Assessment	\$54,100,000	\$55,360,000	2.33%	\$55,360,000	2.33%
Municipal Tax Rate	0.0178843	0.0177419	-0.80%	0.0184334	3.07%
Estimated Municipal Taxes	\$967,541	\$982,192	1.51%	\$1,020,473	5.47%
Provincial Tax Rate	0.0040503	0.0039735	-1.90%	0.0036414	-10.10%
Estimated Provincial Taxes	\$219,121	\$219,973	0.39%	\$201,588	-8.00%
Monthly TIPP Payments Jan to Jun	\$92,906			\$102,437	
Monthly TIPP Payments Jul to Dec	\$104,871			\$101,240	
Total Taxes	\$1,186,662	\$1,202,165	1.31%	\$1,222,061	2.98%

Suburban Office	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Budget Adjustments	Year-over-Year Change
Assessment	\$8,460,000	\$6,740,000	-20.33%	\$6,740,000	-20.33%
Municipal Tax Rate	0.0178843	0.0177419	-0.80%	0.0184334	3.07%
Estimated Municipal Taxes	\$151,301	\$119,580	-20.97%	\$124,241	-17.88%
Provincial Tax Rate	0.0040503	0.0039735	-1.90%	0.0036414	-10.10%
Estimated Provincial Taxes	\$34,266	\$26,781	-21.84%	\$24,543	-28.37%
Monthly TIPP Payments Jan to Jun	\$18,942			\$16,019	
Monthly TIPP Payments Jul to Dec	\$11,986			\$8,779	
Total Taxes	\$185,567	\$146,362	-21.13%	\$148,784	-19.82%

Office - Downtown AA Class	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Budget Adjustments	Year-over-Year Change
Assessment	\$256,450,000	\$259,900,000	1.35%	\$259,900,000	1.35%
Municipal Tax Rate	0.0178843	0.0177419	-0.80%	0.0184334	3.07%
Estimated Municipal Taxes	\$4,586,429	\$4,611,120	0.54%	\$4,790,841	4.46%
Provincial Tax Rate	0.0040503	0.0039735	-1.90%	0.0036414	-10.10%
Estimated Provincial Taxes	\$1,038,699	\$1,032,713	-0.58%	\$946,400	-8.89%
Monthly TIPP Payments Jan to Jun	\$474,817			\$485,578	
Monthly TIPP Payments Jul to Dec	\$462,705			\$470,629	
Total Taxes	\$5,625,128	\$5,643,832	0.33%	\$5,737,241	1.99%

Hotel/Accommodation	2022	2023 Prior to Budget Adjustments	Year-over-Year Change	2023 Including Budget Adjustments	Year-over-Year Change
Assessment	\$64,710,000	\$64,710,000	0.00%	\$64,710,000	0.00%
Municipal Tax Rate	0.0178843	0.0177419	-0.80%	0.0184334	3.07%
Estimated Municipal Taxes	\$1,157,293	\$1,148,078	-0.80%	\$1,192,825	3.07%
Provincial Tax Rate	0.0040503	0.0039735	-1.90%	0.0036414	-10.10%
Estimated Provincial Taxes	\$262,095	\$257,125	-1.90%	\$235,635	-10.10%
Monthly TIPP Payments Jan to Jun	\$135,873			\$122,526	
Monthly TIPP Payments Jul to Dec	\$100,692			\$115,551	
Total Taxes	\$1,419,388	\$1,405,204	-1.00%	\$1,428,460	0.64%