



CITY OF CALGARY  
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*Distribution - Presentation*  
CITY CLERK'S DEPARTMENT

# 2023-2026 Service Plans and Budgets Tax Rate, Tax Distribution Scenarios and Related Estimates

2022 November 08

Regular Meeting of Council

ISC: Unrestricted



# Municipal Property Tax Calculation

Total 2023 Projected Expenditures  
\$4,684 M

-

Non-Tax Revenues (Utilities, user fees, etc.)  
\$2,560 M

=

Required Property Tax Revenues\*  
\$2,166 M

52%

Tax Share

48%

Residential Property Taxes  
\$1,126 M

Non-Residential Property Taxes  
\$1,040 M

$$\frac{\text{Residential Tax Revenue}}{\text{Taxable Assesed Value}} = \frac{1,126 M}{260,931 M} = 0.0043162$$

$$\frac{\text{Non-Res Tax Revenue}}{\text{Taxable Assesed Value}} = \frac{1,040 M}{58,364 M} = 0.0178122$$



Residential Example

$$\text{Assessed Value} \times \text{Tax Rate} = \text{Tax}$$

$$\$555,000 \times 0.0043162 = \$2,395$$

\* Includes additional \$42m in bylaw adjustments

$$\frac{\text{NR Rate}}{\text{Res Rate}} = 4.13$$



Non-Res Example

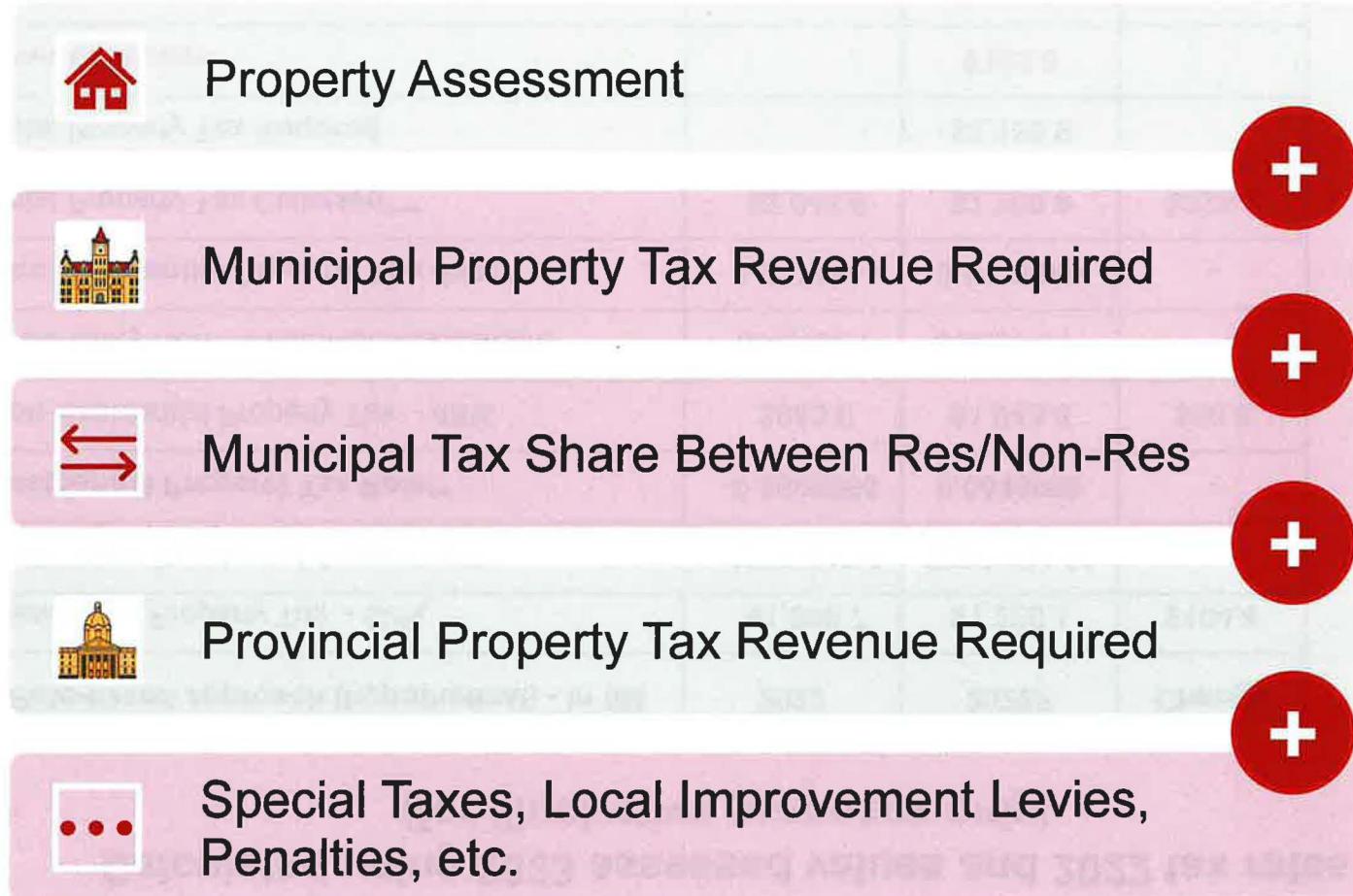
$$\text{Assessed Value} \times \text{Tax Rate} = \text{Tax}$$

$$\$5,250,000 \times 0.0178122 = \$93,514$$

**Estimates provided are subject to change**



# Elements Impacting Property Tax Bill



 Council Directed

 Provided Inputs

# Rate Based Approach: Hypothetical Illustration

Calculated using 2023 assessed values and 2022 tax rates  
(for illustrative purposes only)

| Rate-based approach (hypothetical) - In \$M    | 2022             | 2023F            | Change  |
|--|------------------|------------------|---------|
| Residential Property Tax - 52%                 | \$1,060.7        | \$1,225.1        | \$164.4 |
| Preliminary Residential Assessment             | \$225,913.6      | \$260,931.3*     | -       |
| <b>Residential Property Tax Rate**</b>         | <b>0.0046950</b> | <b>0.0046950</b> | -       |
| Non-Residential Property Tax - 48%             | \$983.0          | \$1,043.8        | \$60.8  |
| Preliminary Non-Residential Assessment         | \$54,962.7       | \$58,364.1*      | -       |
| <b>Non-Residential Property Tax Rate**</b>     | <b>0.0178843</b> | <b>0.0178843</b> | -       |
| Total Property Tax Collected***                | \$2,043.6        | \$2,268.9        | \$225.2 |
| Total Property Tax Required                    |                  | \$2,165.9        |         |
| <b>Over collection</b>                         |                  | <b>\$103.0</b>   |         |
| Municipal Tax Ratio (NR Tax Rate/Res Tax Rate) | 3.81 : 1         | 3.81 : 1         |         |

\*2023 forecasted residential and non-residential assessments include forecasted market value change and physical growth.

\*\* Final tax rates will depend on the tax revenue budget approved by Council and the finalized assessments.

\*\*\*Does not include revenue from Farm Land also included in the Property Tax Bylaw.



## Illustration of 2023 tax rates using preliminary taxable assessment base

| Budget-based approach (current)- In \$M        | 2022             | 2023F            | Change       |
|--|------------------|------------------|--------------|
| Residential Property Tax – 52%                 | \$1,060.7        | \$1,126.2        | -            |
| Preliminary Residential Assessment             | \$225,913.6      | \$260,931.3*     | -            |
| <b>Residential Property Tax Rate**</b>         | <b>0.0046950</b> | <b>0.0043162</b> | <b>-8.1%</b> |
| Non-Residential Property Tax – 48%             | \$983.0          | \$1,039.6        | -            |
| Preliminary Non-Residential Assessment         | \$54,962.7       | \$58,364.1*      | -            |
| <b>Non-Residential Property Tax Rate**</b>     | <b>0.0178843</b> | <b>0.0178122</b> | <b>-0.4%</b> |
| Total Property Tax Collected***                | \$2,043.6        | \$2,165.8        |              |
| Total Property Tax Required                    |                  | \$2,165.8        |              |
| Difference                                     |                  | -                |              |
| Municipal Tax Ratio (NR Tax Rate/Res Tax Rate) | 3.81 : 1         | 4.13 : 1         |              |

*\*2023 forecasted residential and non-residential assessments include forecasted market value change and physical growth.*

*\*\* Final tax rates will depend on the tax revenue budget approved by Council and the finalized assessments.*

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# 2023 Tax Changes

|   |                 | 2022<br>Municipal Tax<br>Rate | 2023F<br>Municipal Tax<br>Rate | Tax Rate<br>Change | 2023 Prelim<br>Assessment<br>Change |
|---|-----------------|-------------------------------|--------------------------------|--------------------|-------------------------------------|
|  | Residential     | 0.0041399                     | 0.0043162                      | -8.1%              | +13%                                |
|  | Non-Residential | 0.0178843                     | 0.0178122                      | -0.4%              | +5%                                 |

 Tax Share  
52 Res / 48 Non-Res

 Tax Rate Ratio  
4.13 : 1

*Final tax rates will depend on the tax revenue budget approved by Council and the finalized assessments.*



# 2023 Tax Changes



## Single Residential



## Retail – Strip Mall

## Office - Downtown AA

## Industrial - Warehouse

### Illustrative Examples

|   | 2022      | 2023      | Year-over-Year Change | Year-over-Year Change | Year-over-Year Change | Year-over-Year Change |
|---|-----------|-----------|-----------------------|-----------------------|-----------------------|-----------------------|
| Assessment  | \$485,000 | \$555,000 | 14.43%                | 9.81%                 | 12.19%                | 2.53%                 |
| Estimated Municipal Taxes Prior to Budget Adjustments (revenue neutral) | \$2,277   | \$2,298   | 0.90%                 | 4.70%                 | 6.96%                 | -2.25%                |
| Estimated Municipal Taxes   | \$2,277   | \$2,395   | <b>5.20%</b>          | 9.37%                 | 11.73%                | 2..11%                |

*Note that these illustrative examples show preliminary values and are subject to change and will vary by individual property*



# Scenarios Based on Share

| Budget Based (In \$M)<br>Scenario Based on Share | 2022             | 2023 Forecast    | 2023 Scenario    | Change from 2022 |
|--|------------------|------------------|------------------|------------------|
| Residential Property Tax Share                   | 52%              | 52%              | <b>52%</b>       |                  |
| Residential Property Tax                         | \$ 1,060.7       | \$ 1,126.2       | \$ 1,126.2       |                  |
| Preliminary Residential Assessment*              | \$ 225,913.6     | \$ 260,931.3     | \$ 260,931.3     |                  |
| <b>Residential Property Tax Rate**</b>           | <b>0.0046950</b> | <b>0.0043162</b> | <b>0.0043162</b> | <b>-8.1%</b>     |
| Non-Residential Property Tax Share               | 48%              | 48%              | 48%              |                  |
| Non-Residential Property Tax                     | \$ 983.0         | \$ 1,039.6       | \$ 1,039.6       |                  |
| Preliminary Non-Residential Assessment*          | \$ 54,962.7      | \$ 58,364.1      | \$ 58,364.1      |                  |
| <b>Non-Residential Property Tax Rate**</b>       | <b>0.0178843</b> | <b>0.0178122</b> | <b>0.0178122</b> | <b>-0.4%</b>     |
| Total Property Tax Required***                   | \$ 2,043.6       | \$ 2,165.8       | \$ 2,165.8       |                  |
| Municipal Tax Ratio                              | 3.81             | 4.13             | 4.13             | 8.3%             |

Red = Input    Blue = Calculated from Input    Black = Set or Assumed Value



## Illustrative Examples

(Values are preliminary and subject to change)

|  | Single Residential |           |                          | Retail –<br>Strip Mall   | Office -<br>Downtown AA  | Industrial -<br>Warehouse |
|--|--------------------|-----------|--------------------------|--------------------------|--------------------------|---------------------------|
|  | 2022               | 2023      | Year-over-Year<br>Change | Year-over-Year<br>Change | Year-over-Year<br>Change | Year-over-Year<br>Change  |
| Assessment   | \$485,000          | \$555,000 | 14.43%                   | 9.81%                    | 12.19%                   | 2.53%                     |
| Estimated Municipal Taxes Prior to<br>Budget Adjustments (revenue neutral) | \$2,277            | \$2,298   | 0.90%                    | 4.70%                    | 6.96%                    | -2.25%                    |
| Estimated Municipal Taxes  | \$2,277            | \$2,395   | 5.20%                    | 9.37%                    | 11.73%                   | 2.11%                     |

\*2023 preliminary residential and non-residential assessments include preliminary market value change and physical growth.

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# Scenarios Based on Tax Rate

| Budget Based (In \$M)<br>Scenario Based on Tax Rate | 2022             | 2023 Forecast    | 2023 Scenario    | Change from 2022 |
|---|------------------|------------------|------------------|------------------|
| Residential Property Tax Share                      | 52%              | 52%              | 52%              |                  |
| Residential Property Tax                            | \$ 1,060.7       | \$ 1,126.2       | \$ 1,126.2       |                  |
| Preliminary Residential Assessment*                 | \$ 225,913.6     | \$ 260,931.3     | \$ 260,931.3     |                  |
| <b>Residential Property Tax Rate**</b>              | <b>0.0046950</b> | <b>0.0043162</b> | <b>0.0043162</b> | <b>-8.1%</b>     |
| Non-Residential Property Tax Share                  | 48%              | 48%              | 48%              |                  |
| Non-Residential Property Tax                        | \$ 983.0         | \$ 1,039.6       | \$ 1,039.6       |                  |
| Preliminary Non-Residential Assessment*             | \$ 54,962.7      | \$ 58,364.1      | \$ 58,364.1      |                  |
| <b>Non-Residential Property Tax Rate**</b>          | <b>0.0178843</b> | <b>0.0178122</b> | <b>0.0178122</b> | <b>-0.4%</b>     |
| Total Property Tax Required***                      | \$ 2,043.6       | \$ 2,165.8       | \$ 2,165.8       |                  |
| Municipal Tax Ratio                                 | 3.81             | 4.13             | 4.13             | 8.3%             |

Red = Input    Blue = Calculated from Input    Black = Set or Assumed Value



| Illustrative Examples<br>(Values are preliminary and subject to change) | Single Residential |           |                       | Retail – Strip Mall   | Office - Downtown AA  | Industrial - Warehouse |
|---|--------------------|-----------|-----------------------|-----------------------|-----------------------|------------------------|
|   | 2022               | 2023      | Year-over-Year Change | Year-over-Year Change | Year-over-Year Change | Year-over-Year Change  |
| Assessment  | \$485,000          | \$555,000 | 14.43%                | 9.81%                 | 12.19%                | 2.53%                  |
| Estimated Municipal Taxes Prior to Budget Adjustments (revenue neutral) | \$2,277            | \$2,298   | 0.90%                 | 4.70%                 | 6.96%                 | -2.25%                 |
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