



# Municipal Property Tax Rebalance

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# What do we mean by tax rebalancing?

- Current tax share:  
48% of property tax revenues are from Non-residential properties  
52% from Residential.
- A rebalance of the tax burden would see an annual % 'shift' from Non-residential to Residential. [**Propose: 2%/yr for 4yrs**]
- The annual % 'shift' is a Council decision

# What do escalating Non-residential property taxes mean to Calgarians?

- Quickly increasing non-residential property taxes has caused and will continue to cause businesses to fail/close (e.g: 17th Av & 4th St)
- Makes it difficult to attract new businesses
- Loss of jobs (Rocky View & other cities)
- Less competitive with the surrounding jurisdictions (Rocky View)
- Inability to provide higher wages to employees
- To date: City uses fiscal reserves to mitigate the tax increases. This is unsustainable. Over \$260M to date from reserves.

# Why would Residential property owners help with rebalancing the property tax?

- A healthy economy requires a balance between Non-residential and Residential tax payers.
- A municipalities opportunities, finances and services are interconnected.
- There are 14,750 non-residential properties housing many businesses. These businesses provide employment for Calgarians
- Small to medium businesses account for 90+% of businesses employing 70% of the workforce. This isn't just a downtown big business issue.

# How would rebalancing be implemented?

- Create a plan/framework for tax rebalancing
- Implement over the next few years
- One budget or two?
- Set an annual % for the tax reallocation.
- Council to evaluate the rebalancing impact each year and adjust
- Utilize current relief programs to help residential taxpayers who cannot afford

# What else can be done to reduce or avoid a tax shift?

- Reduce the City budget. This requires cuts to some services
- Attract more businesses to increase the non-residential tax base
- Look for other revenue generators (increase the % from Other Revenues)
- Outsource more City services
- Renegotiate City contracts
- Dip further into reserves

Description	2015 Asmt	2015 Taxes	2023 Asmt *	2023 Taxes (F)*	Tax Difference	% Δ (23/ 15)	% Δ/YR
DT A Class Office	\$ 899,930,000	\$ 12,773,786	\$ 247,040,000	\$ 5,352,937	\$ (7,420,850)	-58.1%	-7.3%
SE A Class Office	\$ 173,120,000	\$ 2,457,300	\$ 71,090,000	\$ 1,540,399	\$ (916,900)	-37.3%	-4.7%
North manchester, 1960 s mid-size industrial (local business)	\$ 7,340,000	\$ 104,185	\$ 11,630,000	\$ 252,002	\$ 147,817	141.9%	17.7%
NE Small Industrail manufacturing (Local)	\$ 1,270,000	\$ 18,027	\$ 3,420,000	\$ 74,106	\$ 56,079	311.1%	38.9%
Large NE Industrial distribution centre	\$ 65,110,000	\$ 924,184	\$ 89,450,000	\$ 1,938,229	\$ 1,014,045	109.7%	13.7%
Suburban strip mall	\$ 1,590,000	\$ 22,569	\$ 1,960,000	\$ 42,470	\$ 19,901	88.2%	11.0%
Neighborhood Shopping centre (non-grocery)	\$ 24,710,000	\$ 350,739	\$ 35,190,000	\$ 762,507	\$ 411,769	117.4%	14.7%
17th ave restaurant	\$ 3,840,000	\$ 54,506	\$ 4,490,000	\$ 97,291	\$ 42,785	78.5%	9.8%
Inglewood Restaurant	\$ 2,920,000	\$ 41,447	\$ 4,320,000	\$ 93,607	\$ 52,160	125.8%	15.7%
Kensington Retail	\$ 3,150,000	\$ 44,712	\$ 4,350,000	\$ 94,257	\$ 49,545	110.8%	13.9%
Local Ice Cream Store	\$ 1,000,000	\$ 14,194	\$ 1,250,000	\$ 27,085	\$ 12,891	90.8%	11.4%
					\$ (6,530,758)		
Residential Median Asmt Single fam	\$ 475,000	\$ 2,733	\$ 555,000	\$ 3,616	\$ 883	32.3%	4.0%
Residential Median Asmt Condo	\$ 290,000	\$ 1,669	\$ 253,001	\$ 1,648	\$ (20)	-1.2%	-0.2%
<i>* Preliminary 2023 Asmt and published Tax rate forecast as at Nov. 17 2022 (<a href="https://www.calgary.ca/property-owners/taxes/pre-roll-calculator.html">https://www.calgary.ca/property-owners/taxes/pre-roll-calculator.html</a>)</i>							