

Calgary



2023 Assessment and Tax Circumstances Report 1

2023 June 1



Recommendation(s)

That the Executive Committee recommend that Council, under the authority of section 347 of the Municipal Government Act (MGA):

- Cancel property taxes and Business Improvement Area taxes (Attachment 2); and
- Cancel municipal property taxes for qualifying non-profit organizations (Attachment 3).

Previous Council Direction

At the 2022 November 1 Combined Meeting of Council the 2022 Assessment and Tax Circumstances Report 2 was carried.

Tax cancellations related to Prior Years' Assessment Rolls

Recommended cancellations to correct prior year errors are historically approved by Council, based on section 347 of the MGA which enables council to cancel or refund taxes.

Exempt Organizations and the Non-Profit Tax Mitigation Policy

At the 2014 December 15 Regular Meeting of Council, through C2014-0919, Council adopted the Non-Profit Tax Mitigation Policy to cancel the property taxes of non-profit organizations that paid tax during the construction period of their facility and whose subsequent use of the property met the criteria for property tax exemption.

Highlights

- **Reason for recommendations:** Twice a year, Council approval is requested to cancel prior year taxes incorrectly accrued on individual tax accounts and for eligible non-profit facilities under construction, in accordance with the *Non-Profit Tax Mitigation Policy*.
- **What does this mean for Calgarians?** It ensures that property owners do not incur property tax or penalties applied in error and supports non-profit organizations pursuant to Council direction.
- **Why does it matter?** This report recommends that Council cancels \$177,388.40 in property taxes overall to support accuracy, fairness, and transparency.



Assessment related tax cancellations

Occasionally errors happen that don't get identified or addressed until outside the current tax year. While Administration can correct the error and ensure taxes are collected correctly moving forward, we require Council to approve cancelled taxation for those errors.

To be eligible, the error must have been reported within two years, and one of:

- Assessment was notified within the year, but correction was not correctly processed
- Taxpayer was not aware of the change and couldn't bring it to The City in time
- Account was set up in error and assessment notice was sent to wrong party
- Other City department was notified but Assessment was not notified in time



Non-Profit Tax Mitigation Policy

This report includes municipal property tax cancellations for non-profit organizations that are exempt from taxation, while under construction.

To be eligible, an applicant must have all the following:

- Building permit issued
- Application for tax cancellation submitted
- Property tax exemption submission approved
- The property has begun to be used for the exempt purpose



2023 Tax Cancellation Summary

Description	2023 Report 1	2023 Report 2	2023 Total	2023 Budget
Attachment 2 – Prior Years’ Assessment Rolls	\$34,523.31	TBD	\$34,523.31	\$1,000,000
Attachment 3 – Non-Profit Tax Mitigation Policy	\$142,865,09	TBD	\$142,865,09	\$1,000,000



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