

NON-RESIDENTIAL PROPERTY TAX IN CALGARY

The state of business in Calgary

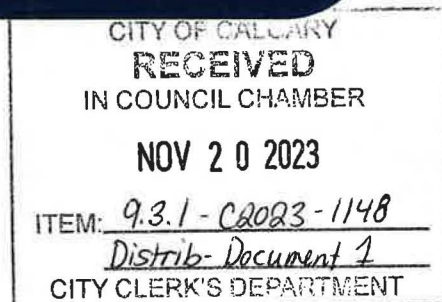
Businesses in Calgary are in a challenging era. Between costs of labour, high interest rates, debt repayment from the pandemic, supply chain issues, and property taxes, businesses are less optimistic than they have been in a long time. And the least optimistic are retail, restaurants, and construction – all of which are significantly impacted by property tax.

In fact, over 90 per cent of all respondents cited being negatively impacted by rising non-residential property taxes. 53 per cent of respondents have seen monthly property tax bills increase by more than \$1,000 over the last 5 years, with 44 per cent citing a monthly increase of over \$1,000 in just the last year alone.

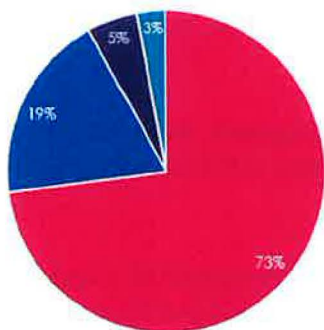
The Calgary Chamber recommends Council vote to implement a **two per cent tax shift** from non-residential to residential property owners to ensure Calgary remains a viable and competitive place to grow and operate a business. Subsequent, incremental shifts will be required over the following three years to appropriately rebalance the tax share, ultimately achieving a **60:40** residential to non-residential split, reinstating Calgary as a competitive place to grow and scale a business.

Top 5 impacts of non-residential property tax increases

- 74 per cent have experienced a loss in profit
- 60 per cent have needed to raise the price of goods and services
- 53 per cent have been unable to increase their wages for employees
- 30 per cent have been unable to hire new workers altogether
- 28 per cent have needed to take on more debt

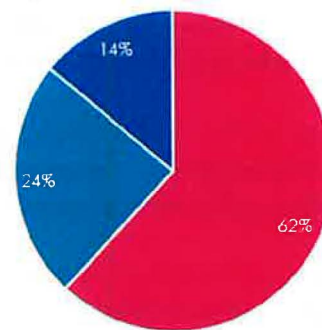


The current business property tax rate is:



■ Extremely high ■ Somewhat high ■ Fair and reasonable ■ Too low

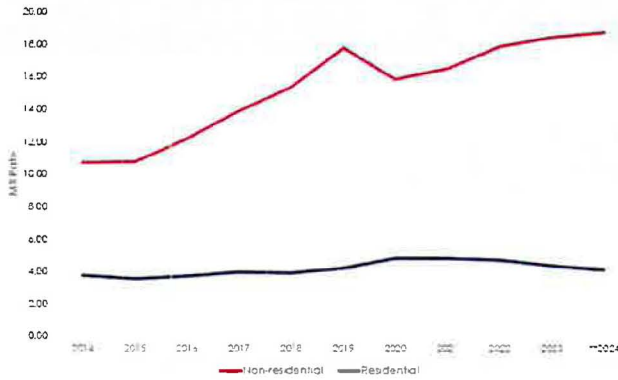
Have rising property taxes jeopardized the viability of your business?



■ Yes ■ No ■ Unsure

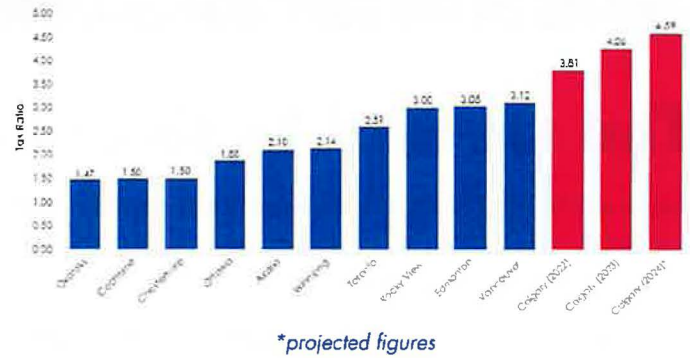
The state of property tax in Calgary

Non-residential vs. residential property tax distribution



Non-residential property taxes in Calgary have been growing astronomically – much more than businesses have been growing – and more than residential property tax.

Calgary relative to comparable and proximal communities



Calgary also has the highest non-residential property tax across comparable cities – including other large cities in Canada, and neighbouring centers.

The impact to residents

Property tax is not a zero-sum game. Despite leading to higher costs to residents – or requiring the City to decrease expenditure – lowering non-residential tax leads to a thriving business community makes Calgary a place we all want to live in.



Supporting small businesses: Small businesses are the backbone of our economy, providing essential goods and services, adding vibrancy and creating local jobs. When business taxes are reduced, small businesses are more likely to succeed.



Attracting investment: Lower business taxes makes Calgary more attractive to entrepreneurs and investors, and their investment drives economic growth, stimulates the local economy and spurs new businesses that generate employment.



Boosting Tax Revenue: Lower business taxes can lead to increased tax revenue long term. Reducing the cost helps businesses thrive, ultimately facilitating more businesses be successful, increasing the overall number of businesses, and therefore, the tax base.



Economic Stimulus: Lower taxes can stimulate economic activity and growth. As businesses expand and hire more employees, these employees have more disposable income, which boosts the local economy and creates a self-sustaining cycle of economic growth.



Community Development: Businesses often engage in corporate social responsibility, funding community projects and non-profits. Lower taxes mean businesses may have more resources for such initiatives, which contribute to community well being.