

PROPOSED WORDING FOR THE 2015 BUSINESS TAX BYLAW

Short Title

1. This Bylaw may be cited as the “2015 Business Tax Bylaw”.

Purposes

2. The purposes of this Bylaw are as follows:
 - (a) to authorize the assessment, supplementary assessment and taxation of Businesses operating in Premises within the city of Calgary; and
 - (b) to provide for the exemption from taxation of certain classes of Businesses operating within Premises in the city of Calgary.

Interpretation

3. (1) In this Bylaw:
 - (a) “Act” means the *Municipal Government Act*, R.S.A. 2000, c. M-26;
 - (b) “Assessor” has the meaning set out in section 284(1)(d) of the Act;
 - (c) “Business” has the meaning set out in section 1(1)(a) of the Act;
 - (d) “City” means The City of Calgary, a municipal corporation of the Province of Alberta and, where the context so requires, means the area contained within the municipal boundaries of the city of Calgary;
 - (e) “Commercial Purposes” means the use of the Premises for commerce or trade purposes or for the sale of assets or goods to the public for gain;
 - (f) “Net Annual Rental Value” means the typical market annual rental value of the Premises exclusive of operating costs;
 - (g) “Non-Profit” refers to an organization, association or union as defined in section 6 of the Regulation;
 - (h) “Person” includes a corporation and the heirs, executors, administrators or other legal representatives of a Person;
 - (i) “Premises” means any space occupied or used for the purpose of or in connection with a Business, and without limiting the generality of the foregoing includes:
 - (i) land and buildings or parts of buildings on such land; and
 - (ii) any store, office, warehouse, factory, facility, hotel, motel, enclosure, yard or other space;

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- (j) “Regulation” means the *Community Organization Property Tax Exemption Regulation* (Alberta Regulation 281/1998); and
 - (k) “Trade Union” refers to a Non-Profit trade union established and recognized under the *Alberta Labour Relations Code* (R.S.A. 2000 c. L-1) or the *Canada Labour Code* (R.S.C. 1985, c. L-2).
- (2) Each provision of this Bylaw is independent of all other provisions and if any provision is declared invalid for any reason by a Court of competent jurisdiction, all other provisions of this Bylaw remain valid and enforceable.

Business assessment

4. (1) Every Person who operates a Business in Premises within the City in 2015 shall be assessed a business assessment by the Assessor for the purposes of imposing a business tax.
- (2) Business assessments shall be prepared based on one hundred percent of the Net Annual Rental Value of the Premises occupied or used for the purpose of or in connection with a Business.
- (3) Any business assessment prepared in accordance with this bylaw must be an estimate of the Net Annual Rental Value of a Premises on July 1, 2014.
5. The Assessor shall:
- (a) prepare a business assessment roll for the purposes of generating a business tax roll for 2015; and
 - (b) enter on the business assessment roll the name of every Person operating a Business in Premises within the City and shall assess each Person by entering on that roll the name of the assessed Person and the assessed value of the Premises.
6. When the business assessment roll has been prepared, the Assessor shall mail to every Person whose name appears on the roll a notice of assessment containing the information shown on the roll which pertains to that Person.
7. If it is discovered that there is an error, omission or misdescription in any of the information shown on the business assessment roll for 2015:
- (a) the Assessor may correct the business assessment roll for 2015; and
 - (b) on correcting the business assessment roll for 2015, an amended assessment notice must be prepared and sent to the assessed Person.
8. If it is discovered that no business assessment has been prepared for a Business for 2015, an assessment for 2015 must be prepared and an assessment notice or an amended assessment notice must be prepared and sent to the assessed Person.

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9. After giving reasonable notice to a Person operating a Business, the Assessor may at any reasonable time, for the purpose of preparing an assessment of the Business or determining if the Business is to be assessed:
 - (a) enter and inspect the Business Premises;
 - (b) request anything to be produced to assist the Assessor in preparing the assessment or determining if the Business is to be assessed; and
 - (c) make copies of anything necessary to the inspection.
10. (1) The provisions of section 295 of the Act apply such that a Person must provide, on request by the Assessor, any information necessary for the Assessor to prepare an assessment or determine if a Business is to be assessed, and no Person may make a complaint in the year following the assessment year under section 460 of the Act if the Person has failed to provide the information requested within 60 days from the date of the request.
 - (2) The provisions of section 296 of the Act apply to the Assessor's application for and acquisition of court authorized inspections and enforcement with all necessary modifications as if they had been set out in this Bylaw.

Supplementary Business Assessment

11. A supplementary business assessment for 2015 will be imposed:
 - (a) on each Person who operates a Business for a temporary period and whose name is not entered on the business tax roll;
 - (b) on each Person who moves into new Premises or opens new Premises or branches of an existing Business, even though the Person's name is already entered on the business tax roll for another Premises;
 - (c) on each Person who begins operating a Business and whose name is not entered on the business tax roll for the associated Premises; and
 - (d) on each Person who increases the space of the Premises occupied or used for the purpose of or in connection with a Business after the business tax roll has been prepared.
12. Supplementary assessments will be determined by prorating the Net Annual Rental Value of the Premises to reflect the number of months the Business is operated during 2015, with any portion of a month greater than fifteen (15) days being considered to be a full month.
13. Sections 4 through 7 and sections 9 and 10 of this Bylaw apply to the imposition of a supplementary assessment.

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Taxation

14. (1) The amount of business tax to be imposed under this Bylaw in respect of a Business is calculated by multiplying one hundred percent of the assessment or supplementary assessment for the Business by the business tax rate specified in the 2015 Business Tax Rate Bylaw.
- (2) A tax imposed under this Bylaw must be paid by the Person who operates the Business.
15. The City shall:
 - (a) produce a business tax roll containing the name of each Person liable for business taxes set opposite to the amount of business taxes payable by that Person; and
 - (b) mail or deliver a tax bill to each Person liable for business taxes, which shows both the assessed value of the Business Premises and the amount of the business tax payable.
16. When a lessee, who is liable to pay the tax imposed under this Bylaw in respect of any leased Premises, sublets the whole or part of the Premises, The City may require the lessee or the sub-lessee, but not both, to pay the tax in respect of the whole or part of the Premises.
17. Business taxes shall be due and payable on or before March 31, 2015.

Exemption from Taxation

18. (1) Notwithstanding section 23 of this Bylaw, but subject to the subsections below, the following classes of Businesses are exempt from the payment of business taxes imposed under this Bylaw:
 - (a) any Business exempt from business tax pursuant to sections 351, 375 or 376 of the Act;
 - (b) any Business operated on property which appears on The City's 2015 property assessment roll as one hundred percent belonging to the residential assessment class or any residential assessment subclass;
 - (c) on-street parking located on roads owned by The City;
 - (d) any Business whose occupancy and use of the property on which it is located would qualify that property to be eligible for a property tax exemption pursuant to the Act;

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- (e) any Business that is a bingo operated under a bingo facility licence by a Non-Profit organization pursuant to the *Gaming and Liquor Act* (R.S.A. 2000 c. G-1);
 - (f) any Business established as a Non-Profit organization where the Business Premises is used to promote the interests of an industry, profession or trade including education or research;
 - (g) Premises occupied by a Trade Union where the activities of a Trade Union are conducted;
 - (h) any Business whose occupancy and use of the property on which it is located would qualify that property to be eligible for a property tax exemption under the Regulation but for sections 16(2) or (3) of the Regulation.
- (2) Premises licensed under the *Gaming and Liquor Act* are not exempt from business taxation with the exception of Premises in respect of which a bingo licence, casino licence, pull ticket licence, Class C liquor licence or a special event licence has been issued under the *Gaming and Liquor Regulation* (AR 143/96).
- (3) Notwithstanding subsection (1), any Business, including one operated by a Non-Profit organization or association, whose use and occupation of Premises:
- (a) is primarily for Commercial Purposes; and
 - (b) operates in competition with other Businesses in the city of Calgary
- is not exempt from business taxation.
- (4) Subject to the restrictions set out in this section, a Business may become exempt from the payment of business taxes imposed under this Bylaw for a portion of a Premises which becomes Unoccupied for a period of at least 30 days, regardless of whether there is a lease or license of occupation in place with respect to that Premises.
- (a) For greater certainty, the term “Unoccupied” in this section means space which forms part of a Business Premises but:
 - (i) is physically separated from other space by walls and locked doors or is separated by other means which makes it inaccessible and unable to be used for Business purposes; and
 - (ii) is entirely empty from wall to wall and floor to ceiling, and does not contain equipment, furnishings, cubicle walls or partitions; but
 - (iii) does not include portions of Business Premises which are temporarily unused such as hotel and motel rooms, individual offices, parking spaces, parking stalls, or space being renovated.

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- (b) In order to be eligible to benefit from an exemption for Unoccupied space pursuant to this subsection:
 - (i) a Person must notify the City's Assessor in writing of the Unoccupied space; and
 - (ii) the City's Assessor has confirmed such Unoccupied space status.
- (c) Any exemption granted for Unoccupied space pursuant to this subsection shall not take effect or have application prior to the date of notification, and shall have effect only as long as the space is Unoccupied.

Penalties For Unpaid Business Taxes

- 19. (1) (a) On the first day of April, 2015 a penalty of seven (7%) percent of the unpaid amount of the current year's tax levy shall be imposed; and
 - (b) on the first day of July, 2015 an additional penalty of seven (7%) percent of the unpaid amount of the current year's tax levy shall be imposed.
- (2) All taxes levied by The City remaining unpaid after the year in which they are levied shall have added thereto, on the first day of every month of every year, a penalty equivalent to one (1%) percent of the then unpaid taxes, so long as the taxes or any portion of them remain unpaid.
- (3) A penalty imposed under subsections (1) and (2) forms part of the tax in respect of which it is imposed.

Supplementary Business Tax

- 20. A supplementary business tax shall be levied upon any Person who is subject to a supplementary business assessment in accordance with sections 11 and 12 of this Bylaw.
- 21. A supplementary business tax is due thirty (30) days after the date on which the supplementary tax notice is mailed to the Person being taxed.
- 22. Sections 14, 15, 16 and 19 of this Bylaw apply to the imposition of a supplementary business tax.

Liability for Business Taxes

- 23. Subject to sections 18 and 24 of this Bylaw, when a Person operates a Business in a Premises within the City, the Person is liable for payment of the business tax imposed in respect of that Business, whether based on an annual or supplementary assessment.

Pro-rating and Rebating Business Taxes

- 24. When The City is notified that a Business has ceased to occupy a Premises within the City, the tax account shall be adjusted in proportion to the number of months of operation in the calendar year, with any portion of the month greater than fifteen (15)

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- days being considered to be a full month. If there is a credit balance after the account has been adjusted, that amount will be refunded to the owner of Business or applied to any other outstanding business tax accounts of that owner.
25. If the Business receives a reduction in its business assessment, resulting in a credit balance on its business tax account, that amount will be rebated to the owner of the Business or applied to any other outstanding business tax accounts of that owner.

Business Tax Instalment Payment Plan

26. (1) In this section:
- (a) “Business Tax Instalment Payment Plan” also referred to as “BTIPP” means the plan authorized by this Bylaw permitting taxpayers to pay taxes by way of monthly instalments;
 - (b) “Tax” includes all business taxes lawfully imposed against a Business by The City pursuant to the Act, any bylaw enacted pursuant to such authority, or any other statute of the Province of Alberta, but does not include supplementary taxes;
 - (c) “Taxpayer” means the operator of a Business liable for the payment of Business Taxes; and
 - (d) “Tax Collector” means the City Treasurer or his or her designate.
- (2) Any Taxpayer in the City may apply to be included in BTIPP as described in this section to provide for the payment of Taxes by instalments.
- (3) (a) Taxpayers who wish to apply for inclusion in BTIPP must apply to the Tax Collector on or before December 31st of each year and shall not be included within BTIPP until approved by the Tax Collector;
- (b) A Taxpayer who applies for inclusion in BTIPP after December 31st and who is approved by the Tax Collector for inclusion in BTIPP shall pay all the monthly instalments which should have been paid as at the time of application had the Taxpayer been included in BTIPP as at January 1st plus a late enrolment fee of two percent (2%) thereof;
- (c) The Tax Collector may refuse a Taxpayer’s request to be included in BTIPP for reasons as set out in this Bylaw;
- (d) A Taxpayer may not apply for inclusion in BTIPP more than once in the same calendar year with respect to the same Business.
- (4) A Taxpayer who is included and has not been removed from BTIPP, shall not be subject to the provisions of section 17 as to the due date for the payment of Taxes, nor to the provisions of section 19 as to penalties on unpaid Taxes.
- (5) A Taxpayer who is included in BTIPP shall pay Taxes on a monthly basis for the current year subject to the following conditions:

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- (a) any time up to and including December 31 of the previous year, the Taxpayer shall notify the Tax collector that his business tax roll account will have no balance outstanding at December 31 and that he desires to pay his Taxes on a monthly basis in the next succeeding taxation year;
 - (b) that as of December 31 of the previous year, the Taxpayer has no balance outstanding on his tax roll account;
 - (c) a Taxpayer, having been included in BTIPP, shall make twelve monthly payments, to be paid by automatic bank withdrawal on the first day of each month of the calendar year in an amount equal to one-twelfth of the previous year's Tax levy or, in the event a previous year's Tax levy is not available, in an amount to be determined by the Tax Collector; and
 - (d) upon determination of the current year's Tax levy, the Taxpayer's payments shall be adjusted to provide for the full payment of the current year's Tax levy over the remaining months of the year.
- (6) In the event a Business, the previous Taxpayer of which was included in BTIPP, is sold, the BTIPP agreement is immediately cancelled as at the sale date.
- (7) The Tax Collector may remove a Taxpayer from BTIPP in the event the Taxpayer defaults in making payment of any Tax instalment on the due date as required for each instalment under subsection (5)(c).
- (8) Notice of a removal pursuant to subsection (7) shall be sent to the Taxpayer by ordinary mail to the Taxpayer's last known address as listed on the tax roll.
- (9) When a Taxpayer is removed from BTIPP subsequent to the due date for the payment of Taxes as specified in the appropriate municipal bylaws, other than this Bylaw, all unpaid Taxes become immediately due and payable and the penalty provisions of all appropriate municipal bylaws apply to the unpaid Taxes.
- (10) When a Taxpayer is removed from BTIPP prior to the due date for the payment of Taxes as specified in the appropriate municipal bylaw, or when a Taxpayer requests removal from BTIPP prior to the due date for the payment of Taxes, all payments shall be retained by the Tax Collector for credit to the Taxpayer's account and such payments will receive the benefit of any available Tax discounts as provided by bylaw and will be credited to the Taxpayer's Tax account.
- (11) In the event a Taxpayer requests removal from BTIPP pursuant to subsection (10), all Taxes due and owing shall then become due and owing on the due date for the payment of Taxes as specified in the Business Tax Bylaw and the provisions of all appropriate municipal bylaws relating to penalties for unpaid Taxes shall apply to all unpaid Taxes due and owing to The City after the due date.

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Coming Into Force

27. This Bylaw comes into force on the date it is passed.