

**Corporate Planning and Financial Services Briefing to
Executive Committee
2024 March 12**

**ISC: UNRESTRICTED
EC2024-0218**

Annual Property Tax Exemptions and Tax Relief Expenditures - 2023

PURPOSE OF BRIEFING

In accordance with Council direction arising from [EC2022-0649](#), Administration has prepared an annual briefing for Council on the context of property tax exemptions and tax relief expenditures in Calgary. This information supports accountability and transparency in Calgary’s property tax system.

SUPPORTING INFORMATION

Property tax exemptions are applied pursuant to the *Municipal Government Act* (MGA) and *Community Organization Property Tax Exemption Regulation* (COPTER) based on use or the entity that owns or holds the property. Generally, taxable status is determined by the province; however, the MGA provides Council with some limited discretionary tools related to subsidies, incentives or relief including the power to:

- Make some particular types of properties taxable by bylaw;
- Exempt some particular types of properties by bylaw; and
- Cancel, reduce, refund, or defer all or part of a tax, including penalties and arrears, when Council considers it equitable to do .

When properties are exempt from property tax, the tax responsibility is redistributed to the remainder of the tax base. As the taxable assessment base decreases, the tax rate increases to meet the municipal property tax revenue requirement set out in the annual budget. Tax cancellations, refunds, rebates, and deferrals are considered expenditures because property tax and penalty revenue is included in the annual budget.

Table 1 below details the assessment and estimated municipal property tax value for exemptions and other tax relief provided in 2023 using 2023 residential and non-residential municipal property tax rates. Given that exemptions redistribute property tax responsibility within the residential and non-residential classes. the actual value would likely be different if some or all of these properties had been reflected in the taxable assessment roll. This briefing provides information on the 2023 assessment roll because the 2024 assessment roll will not be finalized until 2024 December 31.

Tax agreements, including those pursuant to MGA sections 333.1 and s. 360, are also a potential tax subsidy but are excluded from the scope of this briefing due to their unique nature and complexity. Municipalities may enter into tax agreements in specific circumstances where instead of paying taxes, parties agree to pay an annual amount calculated under the agreement.

Additional background information on property tax exemptions and Council’s discretionary tax relief powers was detailed in [PFC2019-0491](#).

Updated and corrected 2022 property tax exemptions and tax relief expenditure informaton is provided on page 3, including Property Tax Assistance Program values and correcting a data mistake in the 2022 information previously provided in EC2023-1040.

Table 1: 2023 Roll Year Property Tax Exemptions and Expenditures

CATEGORY	2023 ASSESSED VALUE	ESTIMATED MUNICIPAL TAX VALUE
EXEMPTIONS		
Crown Property – Federal (MGA s. 362(1)(a) and Constitution Act s. 125) ¹	30,836,000	563,787
Crown Property – Provincial (MGA s. 362(1)(a) and Constitution Act s. 125) ²	2,459,154,550	28,612,383
Hospitals and Health Region (MGA s. 362(1)(e) and (g.1))	5,293,765,000	96,655,316
Nursing and Seniors Homes and Lodges (MGA s. 362(1)(h), (m) and (n)(iv))	947,370,000	8,217,745
Post-Secondary Education Purposes (MGA s. 362(1)(d))	3,413,556,250	62,280,003
Public and Charter School Purposes (MGA s. 362(1)(c)(i-i.2))	3,374,029,500	62,140,446
Private School Purposes (MGA s. 362(1)(c)(ii))	502,120,500	9,238,055
Environmental, Municipal, School, and Utility Reserve (MGA s. 361(c))	2,455,042,830	45,173,086
Municipal Property (MGA s. 362(1)(b))	9,216,830,090	159,417,476
Library Purposes (MGA s. 362(1)(j))	109,481,500	2,018,116
Cemeteries (MGA s. 362(1)(l))	64,215,820	1,183,716
Religious Activities (MGA s. 362(1)(k))	1,515,851,926	27,704,795
*Properties Exempt by Private Bill or Local Authorities Board (MGA s. 351(b)) ³	564,216,160	9,426,495
*Hostels (MGA s. 363(1)(b))	2,930,000	54,010
*Royal Canadian Legions and Veterans Associations (MGA s. 363(1)(c))	58,683,000	1,081,727
**Non-Profit/Charitable Uses (MGA s. 362(1)(n)(i-iii),(v) and COPTER s. 15)	2,614,822,370	39,315,544
*Other Residence Associations (Bylaw 5M2013 pursuant to MGA s. 364(1))	15,830,000	291,801
*Machinery and Equipment (Bylaw 15M2023 pursuant to MGA s. 364(1.1))	\$382,190,000	7,045,061 ⁴
SUBTOTAL	33,020,925,496	560,419,562
DISCRETIONARY RELIEF		
Calgary Housing Company (MGA s. 347 and EC2023-0609)	368,080,500	1,594,523
Silvera for Seniors (MGA s. 347 and EC2023-0612)	2,710,000	11,739
Non-Profit Tax Mitigation Policy (MGA s. 347, EC2023-1064)	N/A	142,865
2007 Annexation Tax Relief (MGA s. 347 and C2023-0483)	N/A	0 ⁵
Compassionate Penalty Relief (Bylaw 1H2018)	N/A	7,790
Property Tax Assistance Program (Fair Entry)	N/A	607,662
SUBTOTAL	370,790,500	2,364,579
TOTAL 2023 VALUE	33,391,715,996	562,784,141

* Indicates Council discretion to make taxable.

** Council has discretion to make properties exempt under MGA s. 362(1)(n)(iii) and (v) taxable by bylaw. Additional analysis would be required to identify what subset of properties fall in these categories.

¹ Federal Crown agencies make [payments in lieu of taxes](#) for federal properties to pay its share of costs for municipal services despite the constitutional exemption from property taxes .

² The province has a discretionary grant program to provide a [grant in place of taxes](#) (GIPOT) for eligible Government of Alberta properties. GIPOT payments for most eligible properties are currently paid at 50% of the municipal property tax.

³ Although Council has discretion to make properties historically exempt by Private Members Bill or Local Authorities Board decision taxable, many may now be exempt under other provisions of the MGA and COPTER.

⁴ If Council did not exempt machinery and equipment there would be a separate tax rate for this category of property pursuant to MGA s. 297 and 354. This estimate of municipal property tax value uses the 2023 non-residential tax rate.

⁵ Property tax cancellations may only be approved by Council in the year they apply. In 2022, Council directed that this be brought forward for consideration in 2023 and 2024.

Table 2: Updated 2022 Roll Year Property Tax Exemptions and Expenditures

CATEGORY	2022 ASSESSED VALUE	ESTIMATED MUNICIPAL TAX VALUE
EXEMPTIONS		
Crown Property – Federal (MGA s. 362(1)(a) and Constitution Act s. 125) ⁶	29,865,000	530,237
Crown Property – Provincial (MGA s. 362(1)(a) and Constitution Act s. 125) ⁷	2,335,492,300	29,169,296
Hospitals and Health Region (MGA s. 362(1)(e) and (g.1))	4,032,493,000	71,325,005
Nursing and Seniors Homes and Lodges (MGA s. 362(1)(h), (m) and (n)(iv))	743,950,000	7,236,496
Post-Secondary Education Purposes (MGA s. 362(1)(d))	3,075,390,250	55,001,202
Public and Charter School Purposes (MGA s. 362(1)(c)(i-i.2))	3,108,025,500	55,536,363
Private School Purposes (MGA s. 362(1)(c)(ii))	447,213,500	7,958,974
Environmental, Municipal, School, and Utility Reserve (MGA s. 361(c))	2,154,151,320	38,450,428
Municipal Property (MGA s. 362(1)(b))	8,565,673,710	145,093,655
Library Purposes (MGA s. 362(1)(j))	116,088,000	2,076,153
Cemeteries (MGA s. 362(1)(l))	62,901,820	1,124,955
Religious Activities (MGA s. 362(1)(k))	1,343,265,660	23,905,276
*Properties Exempt by Private Bill or Local Authorities Board (MGA s. 351(b)) ⁸	362,589,160	5,710,962
*Hostels (MGA s. 363(1)(b))	2,640,000	47,215
*Royal Canadian Legions and Veterans Associations (MGA s. 363(1)(c))	55,318,500	989,333
**Non-Profit/Charitable Uses (MGA s. 362(1)(n)(i-iii),(v) and COPTER s. 15)	2,698,089,890	42,057,893
*Other Residence Associations (Bylaw 5M2013 pursuant to MGA s. 364(1))	12,790,000	228,740
*Machinery and Equipment (Bylaw 15M2023 pursuant to MGA s. 364(1.1))	374,700,000	6,701,247 ⁹
SUBTOTAL	29,520,637,610	493,143,429
DISCRETIONARY RELIEF		
Calgary Housing Company (MGA s. 347 and EC2022-0627)	293,339,585	1,377,229
Silvera for Seniors (MGA s. 347 and EC2022-0667)	2,520,000	11,831
Non-Profit Tax Mitigation Policy (MGA s. 347, EC2022-0425 and EC2022-1106)	N/A	16,382
2007 Annexation Tax Relief (MGA s. 347 and EC2022-0504)	N/A	274,495
Compassionate Penalty Relief (Bylaw 1H2018)	N/A	6,109
Property Tax Assistance Program (Fair Entry)	N/A	551,824
SUBTOTAL	295,859,585	2,237,870
TOTAL 2022 VALUE	29,816,497,195	495,381,299

Author: Assessment & Tax

* Indicates Council discretion to make taxable.

** Council has discretion to make properties exempt under MGA s. 362(1)(n)(iii) and (v) taxable by bylaw. Additional analysis would be required to identify what subset of properties fall in these categories.

⁶ Federal Crown agencies make [payments in lieu of taxes](#) for federal properties to pay its share of costs for municipal services despite the constitutional exemption from property taxes .

⁷ The province has a discretionary grant program to provide a [grant in place of taxes](#) (GIPOT) for eligible Government of Alberta properties. GIPOT payments for most eligible properties are currently paid at 50% of the municipal property tax.

⁸ Although Council has discretion to make properties historically exempt by Private Members Bill or Local Authorities Board decision taxable, many may now be exempt under other provisions of the MGA and COPTER.

⁹ If Council did not exempt machinery and equipment there would be a separate tax rate for this category of property pursuant to MGA s. 297 and 354. This estimate of municipal property tax value uses the 2022 non-residential tax rate.