

Financial Task Force

Executive Summary of Recommendations

Recommendations 01-11

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Choose tax stability over volatility



Recommendation #20: Calgary residential and non-residential taxpayers need to rely on stable property tax payments with low and predictable changes over time.

- Change the approach from determining the level of services before finding the tax dollars because it runs the risk of creating volatility.
- Reduce the risk of volatility by determining maximum revenue growth and then finetuning the level of service to meet the restricted revenue growth.
- Recognize that some thin-tail risk events, such as the COVID-19 pandemic, that would be challenging to accommodate.

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Explore tax reform rather than using one-time measures repetitively



Recommendation #34: Make property taxation policy more predictable by limiting one-time mitigation tools, such as phased tax programs and rebates, to address imbalances across taxpayer groups.

- *Build Credibility* – Support municipal property taxation policy credibility by limiting the use of one-time mitigation tools to exceptional circumstances. The pressure to re-use a one-time mitigation tool in consecutive years should be resisted and interpreted as the need for immediate implementation of tax policy reform.
- *Improve Targeting* – Avoid using one-time mitigation tools that are determined to be blunt tools during the investigation and analysis process. Seek legislative change, as required, for long-term tools that would improve targeting in Calgary’s ever-evolving economy.
- *Educational Support* – Provide information directly to residents and businesses. Disclose taxation policy in plain language. Explain the long-lasting effects of one-time mitigation programs ahead of time, so taxpayers can better understand and anticipate changes to their tax bills.
- *Make exceptions for low probability, but high-impact (thin-tailed) events* – The emergence of the COVID-19 pandemic in 2020 confirms that thin-tailed risks attributable to once-in-a-lifetime events could arise. Incorporate flexibility to accommodate such thin-tailed risks. Such thin-tailed risk events could require continuous use of one-time mitigation.