



Response to Financial Task Force Recommendations 20 and 34

EC2025-0587

2025 June 17

Recommendations

That the Executive Committee recommend that Council:

1. Approve the proposed Property Tax Principles and Indicators Council Policy in Attachment 2; and
2. Receive this report and attachments for the Corporate Record as resources to support future decision making on property tax matters.

Previous Council direction

Financial Task Force: Property Tax Policy Framework EC2022-0649

That Council:

[...]

8. Direct Administration to develop additional tools and resources that reflect best practice, current Council direction, and provide further recommendations on how Council may exercise tax policy options in the future, in fulfillment of Financial Task Force Recommendations 20 and 34 and to report back to Council by Q2 2025.*

**Report back was deferred from Q2 2024 to Q2 2025.*

Financial Task Force: Property Tax Policy Framework

20

Prioritize
stability &
predictability

- Continue to use the **budget-based approach** to setting budgets and property tax rates.
- Continue to use the **tax share approach** in making tax distribution decisions.

34

Limit the use
of one-time
mitigation
tools

- Revisit the **distribution of tax responsibility** between residential and non-residential each year.
- Prepare an **annual briefing** on property tax **exemptions and tax relief** expenditures in Calgary.

Property tax policy principles

Fairness

Ability to Pay

Benefits

Neutrality

Stability & Predictability

Accountability, Simplicity &
Transparency

Efficiency & Ease of
Administration

Property tax policy approaches: Setting tax rates

Part One:

Budget-Based Approach

Overall Tax Rate Formula

$$\text{Tax Rate} = \frac{\text{Tax Revenue Requirement (\$)}}{\text{Taxable Assessment Base (\$)}}$$

Property tax policy approaches: Setting tax rates

Part Two:

Tax Share Approach

Residential & Non-Residential

$$\text{Class Tax Rate} = \frac{\text{Tax Revenue Requirement (\$)} \times \text{Class Tax Share (\%)}}{\text{Class Taxable Assessment Base (\$)}}$$

Property tax policy indicators

Risk	Related Key Principle
Affordability Risk	Fairness - Ability to Pay
Business Climate Concern	Neutrality
Governance Risk	Efficiency & Ease of Administration
Inequity Perception	Fairness - Ability to Pay & Benefits
Market Concern	Neutrality
Over/Under Taxation	Accountability, Simplicity & Transparency
Public Confidence	Accountability, Simplicity & Transparency
Tax Revenue Instability	Stability & Predictability

Two new resources

Property Tax Policy Handbook

Tax Rate Scenario Tool

One-time relief program evaluations

2017-2021 Phased Tax Programs

5
Years

\$212 million
in relief

~12,900 unique
accounts supported

2021-2022 Hotel/Motel Tax Deferrals

2
Years

\$19.8
million in
deferrals

\$1.6 million in
waived tax penalties

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