

Corporate Planning & Financial Services Report to
Executive Committee
2025 September 08

ISC: UNRESTRICTED
EC2025-0735

2025 Non-Profit Tax Mitigation Report

PURPOSE

The purpose of this report is to recommend the cancellation of applicable city property taxes from previous assessment years for eligible non-profit organizations, in accordance with the *Non-Profit Tax Mitigation Policy*.

PREVIOUS COUNCIL DIRECTION

This annual report was last presented and approved on consent agenda at the 2024 September 17 Regular Meeting of Council.

RECOMMENDATION(S):

That the Executive Committee recommend that Council, under the authority of section 347 of the Municipal Government Act (MGA), cancel city property taxes for qualifying non-profit organizations (Attachment 2).

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

Les Tochor, Chief Financial Officer and General Manager of Corporate Planning & Financial Services concurs with this report.

HIGHLIGHTS

- **Reason for recommendations:** Once a year, Council approval is requested to cancel prior year taxes for eligible non-profit facilities under construction or renovation, in accordance with the *Non-Profit Tax Mitigation Policy*.
- **What does this mean for Calgarians?** The tax cancellation provides financial support to eligible exempt non-profit organizations pursuant to Council direction.
- **Why does it matter?** This report recommends that Council cancels \$230,198.42 in property taxes overall to support accuracy, fairness, and transparency.
- The \$230,198.42 detailed in Attachment 2 is for the applicable 2022–2024 taxes accrued on non-profit organizations identified as qualifying for city property tax cancellation under the *Non-Profit Tax Mitigation Policy (NPTM)*.
- Background and Previous Council Direction is included in Attachment 1.

DISCUSSION

Exempt Organizations and the Non-Profit Tax Mitigation Policy (Attachment 2)

Non-profit organizations that provide public facilities are generally exempt from property tax through the MGA and the Community Organization Property Tax Exemption Regulation (COPTER). Some property tax exemptions require the property and/or facility be used for an exempt purpose. Exemptions based on use do not apply to properties and/or facilities while under construction. To address this issue Council adopted the Non-Profit Tax Mitigation Policy to cancel the city property taxes of non-profit organizations that paid tax during the construction period of their facility and whose subsequent use of the property met the criteria for property tax

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exemption. If Council chooses not to support the recommendation, the tax liabilities and amounts paid will remain as originally billed.

IMPLICATIONS

Social

Eligible non-profit organizations can receive financial support through tax cancellations for properties under construction.

Environmental

Not Applicable

Economic

Non-profit organizations listed in this report will receive tax cancellations.

Service and Financial Implications

Existing operating funding - one-time

Description	2025 Report	2025 Budget
Non-Profit Tax Mitigation Policy	\$230,198.42	\$500,000.00

RISK

Non-Profit organizations face a financial risk if applicable tax cancellations are not approved according to policy. This would also result in a reputational risk to The City.

ATTACHMENT(S)

1. Previous Council Direction, Background
2. List of Tax Cancellations related to the *Non-Profit Tax Mitigation Policy*
3. Presentation
4. Non-Profit Tax Mitigation Policy

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Les Tochor, CFO & GM CPFS	Corporate Planning and Financial Services	Approve
Eddie Lee, Director	Corporate Planning and Financial Services	Approve