

Background and Previous Council Direction

Background

Tax Relief Delegated to Administration (TRDA): Prior Year Errors

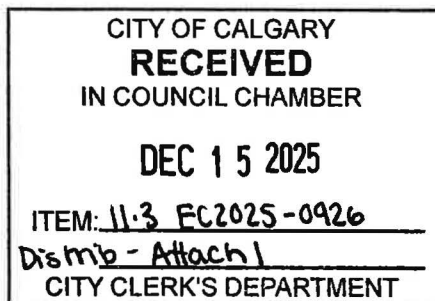
Property assessment and taxation are regulated in Alberta by the Municipal Government Act (MGA) and associated regulations. Under this framework, The City prepares annual property assessments and property tax bills for all assessable and taxable properties in Calgary. If an error occurs in an assessment (e.g., an improper value, inaccurate details about a property, etc.), The City may only correct an assessment within the current taxation year; the MGA does not permit corrections of prior years' assessments or tax bills.

The City prepares property assessments in accordance with the legislation, regulations, and leading practices, and errors are rare. Property owners are expected to review their annual property assessment notice when it is sent and are encouraged to contact The City during the Customer Review Period (the approximately 2 months following assessment notice mailing) to ask questions, clarify details, and gain an understanding of their assessment. Errors identified during the CRP may be corrected directly by an assessor through mutual agreement, or property owners also have the right to file a complaint about their assessment should they feel it is erroneous or unfair to the Assessment Review Board and a resolution cannot be found during CRP.

Where errors are identified from prior years, the roll cannot be corrected; however, the TRDA Policy provides for relief from taxes levied because of "Qualifying Prior Year Errors." This ensures fairness and equity by ensuring taxpayers are not unduly responsible for taxes resulting from an error, while maintaining taxpayer responsibility to review their assessments and discuss concerns or questions during The City's Customer Review Period or file an Assessment Review Board complaint to resolve concerns or identifiable errors. A qualifying error is one which was identified to The City in the applicable taxation year but was not or could not be corrected in that year, including due to human error or timing within the annual assessment cycle. The TRDA Policy provides a more specific definition, criteria, and conditions that must be met to qualify for tax relief.

For many years, Administration brought forward a twice-annual report to Council for approvals of tax relief for prior-year errors called the "Circumstances Report." This tax relief, enabled by section 347 of the MGA, acts as a cancellation, reduction or refund of property taxes equivalent to the amount levied in a prior year because of an error that meets established criteria. In 2024, the TRDA Council Policy and enabling bylaw amendments were passed by Council to establish clear criteria for tax relief eligibility in policy and enable Administration to process tax relief directly to eligible taxpayers without having to wait for a next scheduled Council report. This process means eligible taxpayers receive tax relief up to months sooner, while maintaining transparency and alignment with Council-approved criteria, and Council-approved budget allocations.

ISC: UNRESTRICTED



The City of Calgary Charter, 2018 Regulation (the Charter) only enables Council to delegate a maximum of \$500,000 of this tax relief authority to Administration per taxation year. While Council has approved a budget allocation of \$1 million for property tax relief (including for prior year errors, the Compassionate Property Tax Penalty Relief Program, and the Non-Profit Tax Mitigation Program or “NPTM”), Administration may only exercise half of this budget under its delegated authorities and must seek Council approval for any amount once the \$500,000 threshold is reached. While the recommended tax cancellations have been reviewed and align with criteria such that they would otherwise be processed directly by Administration, the existing regulatory framework requires Council’s approval.

Non-Profit Tax Mitigation (NPTM) Program

Under the MGA and associated regulations, certain properties qualify for a full or partial exemption from property taxation. Exemptions may be based on the ownership (e.g., by government) or use (e.g., a “charitable or benevolent purpose” by a non-profit organization). In cases of use-based exemptions, this means certain properties – particularly those used by non-profit organizations – are ineligible for property tax exemptions while their facilities are under construction or renovation and are not being used for their exempt purpose. The NPTM program provides tax relief equivalent to the municipal property taxes levied on such properties during the time the facilities are under construction or renovation, to a maximum of 4 years of taxes.

A property must meet criteria established in the NPTM Council Policy and may apply to the program once a building permit is issued. NPTM tax relief amounts are calculated at the time a property becomes exempt from taxation, and recommendations for the tax relief are presented by Administration to Council, usually once per year. This year, because of the need for a tax relief report to Council for prior-year error corrections, additional NPTM recommendations are being presented to expedite the process for property owners who have qualified for NPTM since the last NPTM report.

The NPTM program supports the development of the non-profit sector by mitigating costs to qualifying organizations, recognizing the public benefits of non-profit organizations to the city; and supports equity in the tax system by reducing disparities experienced by property owners who qualify for an ownership-based or use-based property tax exemption.

Previous Council Direction

DATE	REPORT NUMBER	DIRECTION
2025 September 16	EC2025-0735	<p>2025 Non-Profit Tax Mitigation Report</p> <p>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).</p>

DATE	REPORT NUMBER	DIRECTION
2025 March 11	EC2025-0193	<p>Annual Property Tax Exemptions and Relief Expenditures – 2024 (Briefing)</p> <p>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.</p>
2024 June 04	EC2024-0105	<p>Charter Bylaw and Council Policy for Tax Corrections and Compassionate Penalty Relief</p> <p>That Council:</p> <ol style="list-style-type: none"> a. Give three readings to Proposed Bylaw 3H2024 (Attachment 2) to amend Charter Bylaw 1H2018 to delegate authority to Administration to cancel, reduce, refund or defer taxes up to \$500,000 per taxation year in accordance with an approved Council Policy; and b. Adopt the proposed Council Policy on “Tax Relief Delegated to Administration” (Attachment 3), should the proposed Charter Bylaw be fully approved by Council.
2023 November 28	EC2023-1064	<p>2023 Assessment & Tax Circumstances Report 2</p> <p>That Council, under the authority of Section 347 of the Municipal Government Act (MGA) cancel property taxes and Business Improvement Area taxes (Attachment 2).</p>

Bylaws, Regulations, Council Policies

Below are links to the legislation, regulations, bylaws and Council policies relevant to this report.

Legislation and Regulations

- [Municipal Government Act \(“MGA”\), RSA 2000, c M-26](#)
- [City of Calgary Charter, 2018 Regulation, Alta Reg 40/2018](#)

Bylaws

- [Tax Relief Delegation Charter Bylaw 1H2018](#)

Council Policies

- [Non-Profit Tax Mitigation Council Policy](#)
- [Tax Relief Delegated to Administration Council Policy](#)