

Calgary



2018 Tax Relief Option Report

PFC2018-0045
2018 March 06



2017 Background

- I. Overall decrease in the market value of non-residential office properties has created a tax shift
- II. To mitigate the tax shift in 2017, Council approved the 2017 Municipal Non-Residential Phased Tax Program (PTP)
 - I. Multiple tax relief programs were analyzed
 - II. Feasibility under the MGA
- III. On 2017 November 30, Council approved \$45 million from the Fiscal Stability Reserve for 2018 tax relief



2017 PTP Update

Date	Accounts	Credit Value
26-May-17	4,057	\$10,059,347
14-Aug-17	4,133	\$11,629,724
21-Sep-17	4,333	\$13,700,000
10-Nov-17	4,517	\$15,580,578
18-Dec-17	4,835	\$20,000,000
9-Jan-17	4,885	\$20,200,000
6-Feb-18	5,015	\$25,200,000
26-Feb-18	5,053	\$25,800,000



2017 Lessons Learned

- I. Impact of complaint process
 - I. Certainty for final 2016 and 2017 assessment values
- II. Program communication
 - I. Communication tools

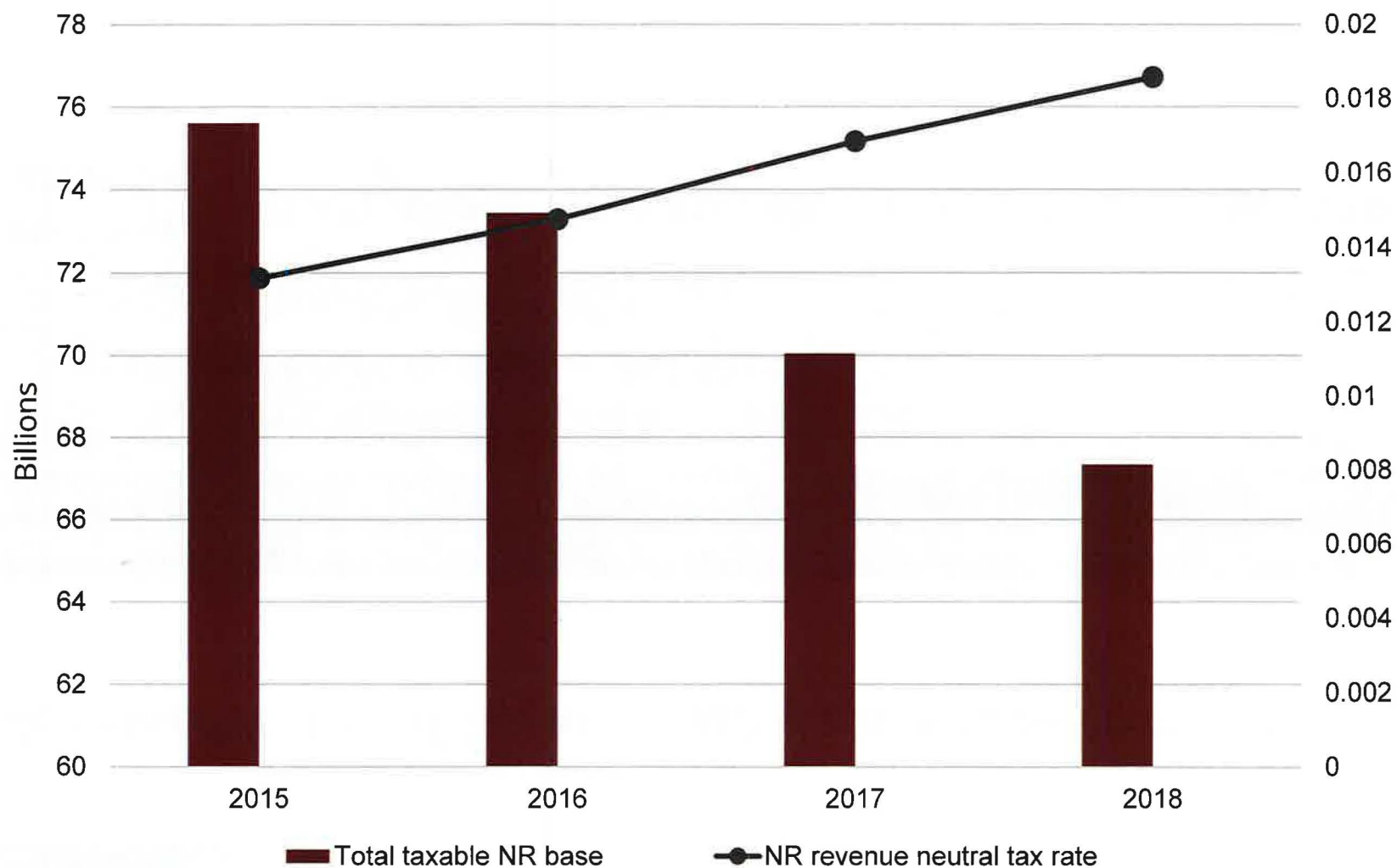


Assessed Value of Taxable Non-Residential Properties

Assessment class	Roll year 2015	Roll year 2016	Roll year 2017	Roll year 2018
Office	34,447,500,000	31,102,100,000	26,777,300,000	23,909,300,000
Retail	16,566,700,000	16,661,400,000	17,371,700,000	17,488,800,000
Industrial	14,568,100,000	15,439,700,000	15,702,700,000	16,491,000,000
Total non-residential	75,613,000,000	73,443,500,000	70,051,000,000	67,334,600,000



Impact to the Non-Residential Tax Rate





Municipal Non-Residential Phased Tax Program (PTP)

- I. Phase-in 2018 non-residential property tax increases (municipal portion only) by capping increases to 5% of the 2017 municipal taxes
 - I. Different starting points for PTP calculations
 - II. Assumes the same eligibility requirements utilized for the 2017 PTP and outlined in Attachment 2

2018 PTP

- I. Option 3A
- II. Starting point for calculation is the 2017 Municipal Non-Residential Property Tax Rate per the 2017 Property Tax Bylaw
- III. Calculation excludes the 2017 Council Approved Rebates as well as any PTP credits provided in 2017

Minimum credit	\$25
Maximum credit	\$692,985
Average credit	\$5,487



Administration Recommendation

Alternatives Explored:

- Adjust the 2018 municipal non-residential property tax rate
- Cancel 2018 business taxes
- PTP adjusted for the 2017 Council approved rebates
- PTP Extension
- Assessment Increase

Issues Considered:

- Financial impact to recipients
- Administrative concerns
- Legal concerns
- Program cost



Administration Recommendation

1. Direct Administration to implement option 3A; the 2018 Municipal Non-Residential Phased Tax Program (PTP).
2. That Report PFC2018-0045 be forwarded to the 2018 March 19 Regular Meeting of Council.
3. Direct that Attachment 3 remain confidential pursuant to sections 23(1)(b), 24(1)(a), 24(1)(b) and 27 (1)(a) of the Freedom of Information and Protection of Privacy Act.