

## PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 December 04 through PFC2018-1068 Council approved 1M2019, the 2019 *Business Improvement Area Tax Bylaw* which specified the business assessment method as the basis for the BIA tax.

On 2018 May 28 through PFC2018-0190 *Business Tax Consolidation – 2018 Annual Status Report*, Council received for information the 2018 annual update and Directed Administration to bring (a) a 2019 status update report to the Priorities and Finance Committee in May 2019 and (b) a final report on BTC to the Priorities and Finance Committee in July 2019.

On 2017 May 29 through PFC2017-0308 *Business Tax Consolidation – 2017 Annual Status Report*, Council received for information the 2017 annual update and directed Administration to bring the 2018 annual report on Business Tax Consolidation to the Priorities and Finance Committee in May 2018.

On 2016 June 13 through C2016-0455 *Business Tax Consolidation – 2016 Annual Status Report*, Council received for information the 2016 annual update and directed Administration to bring the 2017 annual report on Business Tax Consolidation to the Priorities and Finance Committee in May 2017.

On 2015 June 15 through PFC2015-0432 *Business Tax Consolidation – 2015 Annual Status Report*, Council received for information the 2015 annual update, approved 2014 and 2015 property tax refunds to eligible non-profit organizations under the Limited Benefit Non-Profit Tax Mitigation Program and directed Administration to bring the 2016 annual report on Business Tax Consolidation to the Priorities and Finance Committee in May 2016.

On 2014 April 26 through PFC2014-0217 *Business Tax Consolidation – 2014 Annual Status Report*, Council received for information the 2014 annual update and directed Administration to (1) bring a report in May 2014 recommending Council approval of tax refunds under the Limited Benefit Tax Mitigation Program; and, (2) for the following year, bring the annual report on Business Tax Consolidation in May 2015.

On 2012 April 09 through PFC2012-35 *Business Tax Consolidation Framework and Associated Plans*, Council approved the consolidation of business tax revenues into the non-residential property tax by adopting recommendation 4(b) of the report. All the recommendations adopted by Council in consideration of PFC2012-35 are presented below.

“That the Priorities and Finance Committee recommend that Council:

1. Consolidate business tax revenues into the non-residential property tax, based on the following schedule for the incremental transfer of budgeted 2013 business tax revenues, adjusted for physical growth and contingency amounts in future years, to the non-residential property tax:
  - (a) zero per cent in 2013,
  - (b) 10 per cent in each of the years 2014 - 2015, and
  - (c) 20 per cent in each of the years 2016 - 2019,with the business tax, for business tax revenue purposes, eliminated in 2019.
2. Approve the following supplementary directions and policies, applicable both during and after the consolidation process unless otherwise stated:
  - (a) the effect of Council's zero per cent business tax rate increase policy would continue to apply to the business tax amount transferred to the non-residential property tax;

- (b) a machinery and equipment property tax exemption bylaw will continue to be passed annually, applying to all Calgary machinery and equipment property, except for property subject to annexation agreements and Orders in Council;
  - (c) for the purposes of continuity in, and certainty to, Business Revitalization Zone financing:
    - i. in consultation with Business Revitalization Zone stakeholders, advocate to the provincial government for a suitable financing alternative other than the current business assessment and business revitalization zone levy process; and,
    - ii. the business assessment and business revitalization zone levy process continue until such time as a suitable business revitalization zone financing alternative is established.
  - (d) Council's decision regarding business tax consolidation be communicated, by way of letters from the Mayor to the provincial and federal governments and railway company that are subject to the payment of grants in lieu of the non-residential property tax in Calgary, with the letter including Council's expectation that grants in lieu of property tax be paid at 100 per cent of the property tax rate; and, for the provincial government, that the letter also express Council's intention to advocate for a suitable financing alternative to the business assessment and business revitalization zone levy process.
  - (e) for the properties, or portions thereof, occupied by non-profit organizations, and listed in Attachment 5, the effect of a zero per cent transfer of business tax to the non-residential property tax will be continued and applied for the 2014 and 2015 years; this to be implemented by way of a property tax refund, approved by Council through the annual status report referenced in recommendation #4.
3. Direct Administration to undertake the:
- (a) implementation plan in Attachment 2; and,
  - (b) communications plan in Attachment 3.
4. Direct Administration to provide the following consolidation reports to Council, through the Priorities and Finance Committee:
- (a) an implementation readiness report in 2012 September;
  - (b) annual status reports, including any business tax consolidation related budget implications, by no later than April in each of the 2013-2019 years; and,
  - (c) a final report by no later than 2019 July.