

CALGARY CHAMBER REVIEW OF THE CITY'S PROPERTY TAX STRATEGIES

Business Community Objectives:

1. Short-term – Cap 2019 non-residential property tax increases at 5%
2. Long-term – Reduce the non-residential to residential ratio to 3:1 by 2021 (the end of the current council's term) with further reductions by 2023 to a long-term locked in ratio of 2.8:1.

<u>City Administration Strategies</u>	Chamber's Position
Shift – Non-residential to residential	A tax shift from the non-residential to residential taxpayers should occur as required to achieve the overall objective of a locked in 2.8:1 ratio by 2023. This needs to be done in conjunction with other measures listed below to build trust that the City is operating efficiently.
Reduce the cost and increase the effectiveness of local government	The City needs to take significant action to reduce operations spending and use savings that are found to offset property tax increases.
Buffer tax increases for non-residential property owners (PTP)	This option needs to be used in 2019 to cap non-residential property tax increases at no more than 5%. <ul style="list-style-type: none"> • Explore applying the PTP program to the residential tax base in conjunction with a more significant tax shift from the non-residential side. • Use the \$100 million OCIF fund to help offset tax increases. • Consider establishing a small business tax deferral program
Sale of city-owned land	The Chamber supports this as it will increase the tax base for the City and would also allow revenues to be applied to tax relief.
Explore small business subclasses	The City should not explore developing a small business subclass until after 2021 and/or after the long-term objective is achieved. <ul style="list-style-type: none"> • This could create an incentive for future City Councils to increase taxes on the non-residential (larger) subclass when looking for revenue as it is more political palatable than residential or SMEs. • Does not provide resolution for larger businesses. • Difficult to determine what a small business is • A sub class creates greater complexity.
Explore tax decrease 'floor'	The Chamber would be open to exploring the option of a tax decrease floor.
Invest in the downtown	The Chamber supports investments in the downtown core to increase land value.