



Education Property Tax Transitioning Municipalities *2013*

What changes are in place for the 2013 education property tax requisition?

Beginning in 2013, the amount of education tax that the government will requisition from municipalities will reflect about 32 per cent of the target operating costs for funding education.

The province is also discontinuing the averaging and capping formula used for calculating each municipality's share of the education property tax and phasing-up the tax rates for municipalities in National Parks to the uniform provincial rates.

This means that municipalities that have received a tax advantage because of the mitigation measures may see education requisition increases that exceed the increases of past years.

Which municipalities will be most affected by the changes?

Four municipalities - the Regional Municipality of Wood Buffalo, Improvement District No. 4 (Waterton), Improvement District No. 9 (Banff), and the Town of Chestermere have been identified as the most affected. The mitigation measures will be phased-out for these municipalities.

Eliminating the formula and phasing-up the tax rates in National Parks will mean that the education property taxes paid in these municipalities will increase so that they will become comparable with the education property taxes paid on similarly valued properties in municipalities across the province.

What is government doing to ease the transition to a non-mitigated requisition?

For the four specified municipalities a short-period transition will be implemented to spread increases out over two to three years. No transition is in place for any other municipality.

What is the rationale for discontinuing the mitigation formula?

The factors that existed when the mitigation formula was implemented no longer exist. The transition to the annual market value system, the primary reason for mitigation, was completed nearly a decade ago.

Removal of the mitigation formula helps achieve greater transparency and equity in the distribution of the provincial education property tax as similarly valued properties within the same assessment class will pay similar amounts of taxes, no matter where the properties are located in the province.

How much will education tax bills increase in the transitioning municipalities?

The average increase for homeowners in 2013 will be \$400 in these four municipalities. Individual homeowners will see increases of over or under \$400 depending on their property value.

Alberta