

# Education Property Tax

## Budget 2018 Fact Sheet

### Highlights of the 2018/19 provincial education property tax

In Budget 2018/19, the province is collecting about \$2.4 billion in education property taxes from municipalities, which is the same amount collected for Budget 2017-18. The amount of revenue collected is being frozen to continue to help make life more affordable for Albertans.

Education property taxes provide a stable source of revenue and equitable funding that supports education from kindergarten to Grade 12. This year, education property tax funds approximately 30.6 per cent of the consolidated education operating cost, including teachers' salaries, textbooks and classroom resources.

### How is education property tax calculated for municipalities?

All municipalities pay an equitable share of the provincial education property tax in proportion to their total taxable property assessments which are equalized across the province. The equalization process ensures that properties of similar value and type across the province pay similar amounts of education property taxes. For more details regarding equalized assessment, please refer to the Municipal Affairs website at <http://www.municipalaffairs.alberta.ca/1571>.

The provincial equalized assessment base used to determine education property taxes this year reflects 2016 property values, a year which saw overall property values decline. As a result, slightly higher mill rates will be required to generate the same amount of education property tax revenue as 2017-18.

In 2018, municipalities will be billed at a rate of \$2.56 per \$1,000 of their total residential/farmland equalized assessment value, an increase of 8 cents from 2017. The non-residential rate will increase

from \$3.64 to \$3.76 per \$1,000 of equalized assessment value.

Property owners may see a change to their education tax bill if their property assessments change in relation to the provincial average. Individual properties are taxed based on the local education property tax rate set by the municipality's 2018 tax bylaw applied to the taxable assessment value determined by the municipality.

### Why are property owners asked to declare their faith?

The Canadian Constitution guarantees Roman Catholic citizens' minority rights to a separate education system. In communities with separate school jurisdictions, property owners can declare they are of the Roman Catholic faith so their education property tax dollars can be directed to those separate school jurisdictions.

### How are education property taxes distributed to students?

Under the provincial funding model, all education property taxes are pooled by Alberta Education through the Alberta School Foundation Fund and distributed to public and separate school boards on an equal per-student basis.