

## Backgrounder: Cities

### Cities, property tax gaps and municipal property taxes per \$100,000 of assessed value, 2009

Municipality	2009 Property Tax Gap	Municipal Commercial Taxes	Municipal Residential Taxes	2009 Provincial Rank
CALGARY	4.57	\$1,205	\$264	5
EDMONTON	3.12	\$1,236	\$396	17
WETASKIWIN	3.05	\$1,673	\$548	19
LETHBRIDGE	2.98	\$1,620	\$543	23
MEDICINE HAT	2.93	\$1,298	\$443	24
RED DEER	2.40	\$1,227	\$511	36
LLOYDMINSTER	2.00	\$676	\$338	42
CAMROSE	1.94	\$1,263	\$652	46
AIRDRIE	1.90	\$674	\$355	48
FORT SASKATCHEWAN	1.89	\$692	\$366	49
GRANDE PRAIRIE	1.87	\$1,464	\$781	50
LEDUC	1.77	\$1,039	\$588	56
COLD LAKE	1.76	\$1,216	\$690	57
SPRUCE GROVE	1.62	\$803	\$495	64
ST. ALBERT	1.61	\$1,096	\$679	65
BROOKS	1.60	\$977	\$611	66
<b>Regional Average</b>	<b>2.31</b>			
<b>Provincial Average</b>	<b>2.36</b>			

Source: CFIB, own calculations of 2009 property tax data provided by the Government of Alberta, Municipal Affairs, as well as the city of Calgary and the city of Edmonton. \* The totals for Calgary and Edmonton include the business tax paid.

Note: CFIB has ranked the 88 municipalities with a population greater than 5,000 – where 1 had the highest property tax gap and 88 had the lowest.

### Average property tax gaps, by region, 2009

Region	2009 Average Property Tax Gap
ROCKY MOUNTAIN REGION	3.57
NORTHEAST REGION	2.70
CENTRAL REGION	2.52
NORTHWEST REGION	2.43
CALGARY REGION	1.96
CAPITAL REGION	1.96
SOUTHERN REGION	1.95

Source: CFIB, own calculations of 2009 property tax data provided by the Government of Alberta, Municipal Affairs.

## Cap the Gap FAQs

What is the property tax gap?

The property tax gap is a ratio that measures the difference in municipal tax rates applied to non-residential and residential properties. For example, a tax gap of 2.50 means that commercial properties in that municipality would pay two and half times more than residential properties on the same assessed value. A tax gap of 1 indicates equal treatment for commercial and residential properties.

What is the tax rate?

The tax rate (also known as a mill rate) is the rate applied to the assessed value of a property to determine how much tax is due and is directly set by each municipal government.

How do changes to property values affect property tax bills?

Every year, changes to assessed values and new construction within each property class cause tax rates to change. For example, if the property assessment increases 5 per cent, the tax rate will also have to decrease by 5 per cent in order to raise the same revenue. If municipalities want to raise more tax revenue, the change would be incorporated into the tax rate.

Why is the tax gap used to assess property tax fairness?

Small business say that a fair property tax system is one that draws a direct link between the taxes paid by the property owner and the services the property owner consumes. However, an entirely user pay system isn't likely in the near future. It is simply not fair to have one property class subsidize the services consumed by another.

To view CFIB's complete report and recommendations, see: [www.cfib.ca/ab](http://www.cfib.ca/ab)