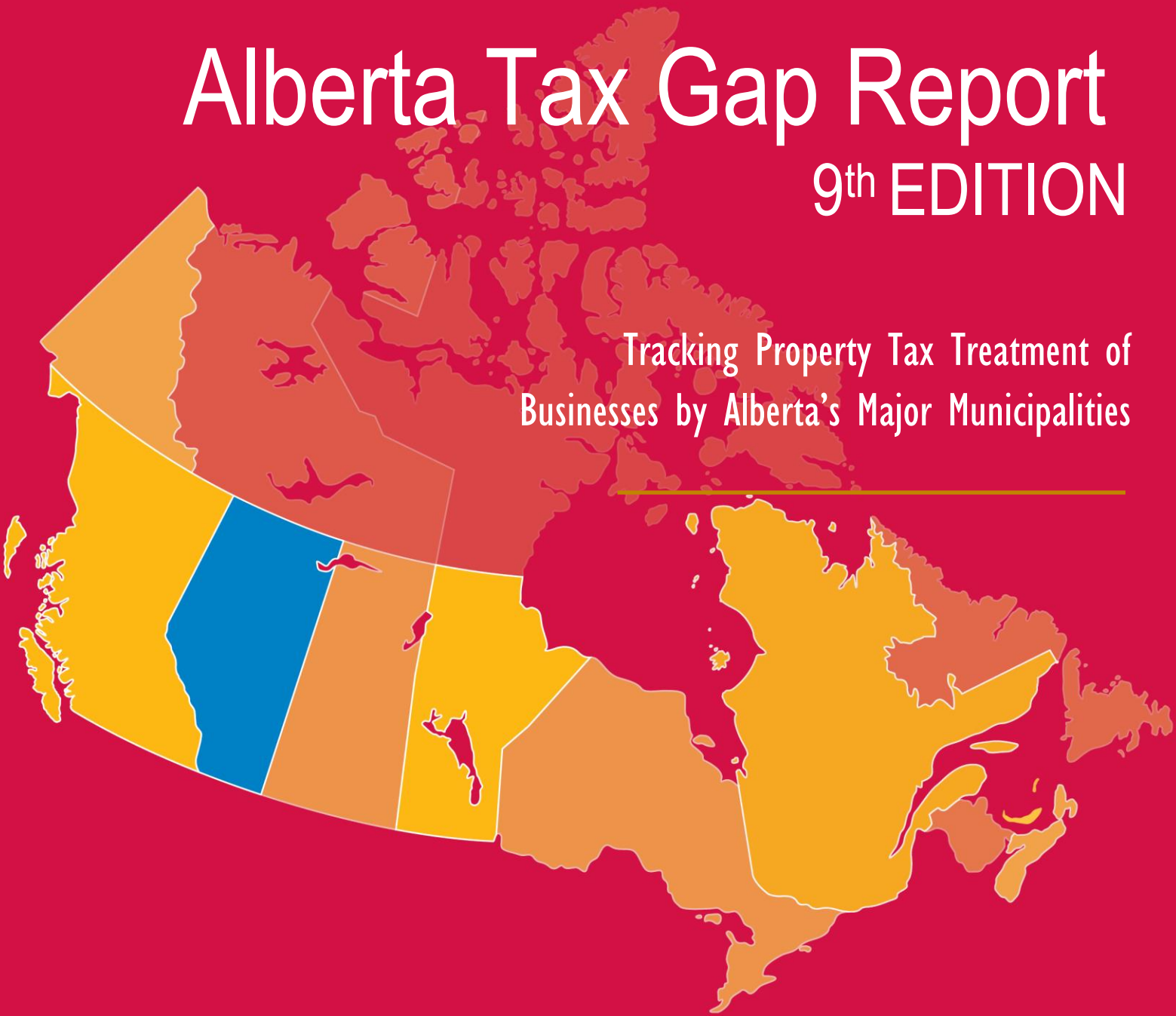


Alberta Tax Gap Report

9th EDITION

Tracking Property Tax Treatment of
Businesses by Alberta's Major Municipalities



FEBRUARY 2019



**CANADIAN FEDERATION
OF INDEPENDENT BUSINESS**

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Alberta Tax Gap Report

9th Edition – Tracking Property Tax Treatment of Businesses by Alberta's Major Municipalities

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Introduction

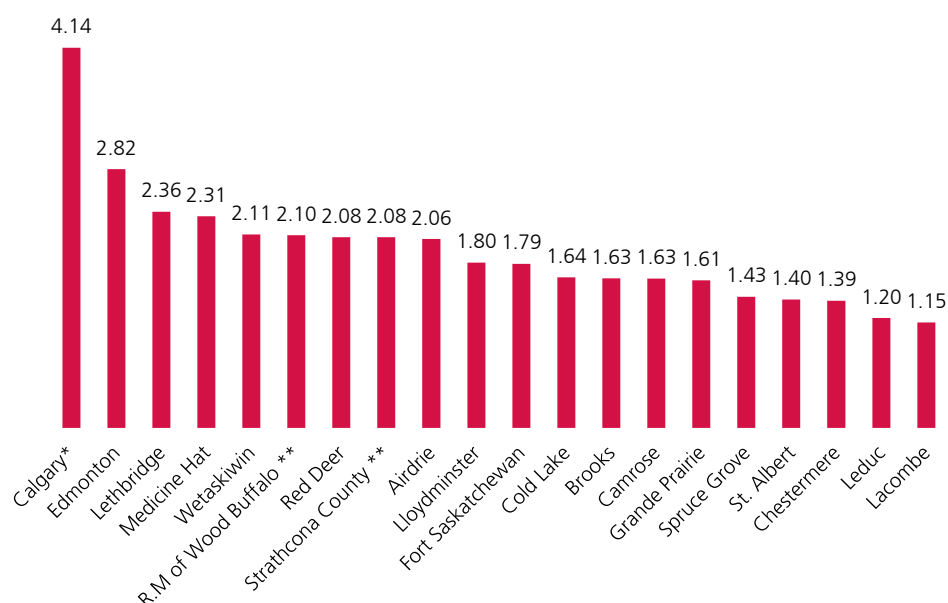
For over a decade, the Canadian Federation of Independent Business (CFIB) has tracked the issue of municipal property tax fairness in Alberta. This edition of the report places a special focus on the tax gap (see definition below) of the eighteen cities and two largest regional municipalities across Alberta over the period of 2009 to 2018 (the last year data is available; data for all other municipalities can be found in Appendix B to C).

The report primarily focuses on the tax system in 2018, but also examines how each city has changed over the past five and ten years. To understand the level of fairness in each municipality, an effective measurement is the “property tax gap”: the difference between what a non-residential (i.e. commercial) property owner and a residential property owner pay in taxes based on the same assessed value of property.

Findings show there has been little progress in the short-term, with the average municipal tax gap flat across Alberta's major municipalities. The average tax gap in 2018 stands at 1.93, up from 1.91 in 2017. The silver lining is that there has been some progress over the long term. Since 2009, the tax gap declined 13 per cent (from 2.22). Despite this decrease, the tax treatment of residential compared to non-residential property remains highly inequitable for all municipalities across the province. A 1.93 gap translates into a commercial property owner paying nearly two times more than a resident on the same assessed property value.

Figure 1:

Property Tax Gaps for Alberta's Major Municipalities, 2018



Source: CFIB analysis of Alberta Government published property tax rates 2009-2018. * Denotes addition of business tax. As the City of Calgary was unable to provide 2018 data on business taxes levied, CFIB used an estimate. See Appendix A - Methodology for details. ** Specialized municipalities

The tax gap grows even larger when looking at all municipalities in Alberta with a population greater than 5,000. When increasing the scope, the corresponding tax gap translates to 2.49. The

findings indicate the vast majority of all municipalities have work to do. Further on, this report documents a series of recommendations on how municipalities can best adjust their policies to support the local business community.

Defining the Property Tax Gap

The “property tax gap” is a ratio that measures the difference in municipal taxes applied to commercial and residential properties. The tax gap for each municipality is calculated by dividing the mill-rate on non-residential property by the mill-rate on residential property. It is important for readers to understand that the tax gap is not an indication of the level of taxation, but rather the distribution of the property tax burden on commercial property owners versus residential property owners.

Interpreting the property tax gap:

- ▶ A tax gap of one indicates equal treatment for commercial and residential property.
- ▶ A tax gap greater than one indicates preferential treatment for residential property.
- ▶ A tax gap less than one indicates preferential treatment for commercial property.

As Alberta strives to continue being small business-friendly province, municipalities must find a better balance between the commercial and residential share of property taxes. This report analyzes the trend of property tax gaps across Alberta municipalities and provides recommendations to improve the fairness of the property tax system.

Business Owners' Views on Property Taxation

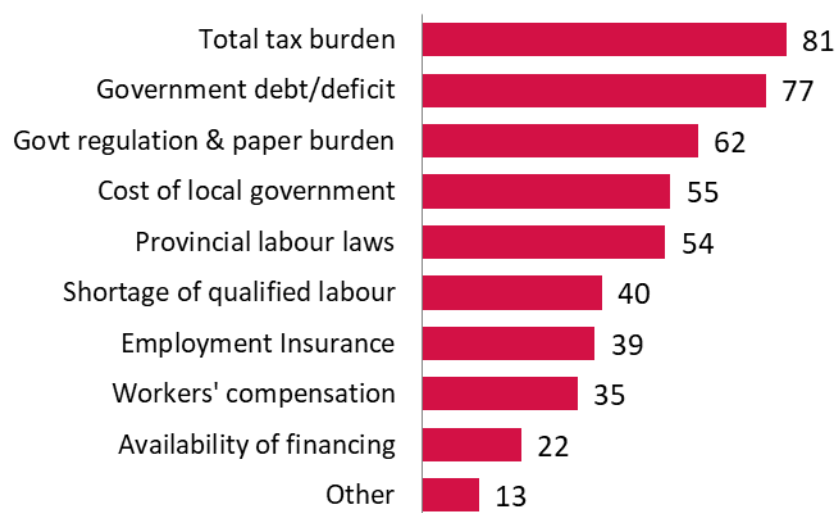
Small business are a major contributor to the provincial economy. According to government statistics, small businesses account for 95 per cent of all businesses in the province, providing 35 per cent of all private sector employment and generating 25 per cent of provincial GDP¹. They are an integral part of the local economy and community. As a key stakeholder in every Albertan municipality, small and medium-sized independent businesses should be supported by their local government as best as possible.

There are several key issues Alberta's business owners want their government to put attention toward, and none rank higher than taxes (see Figure 2). This is especially true when it comes to the cost of local government, where 55 per cent of business owners believe it to be a serious concern.

¹ Alberta Small Business Profile 2014
<http://smallbusiness.alberta.ca/media/6291/smallbusinessprofile2014.pdf>

Figure 2:

Which of the following are serious concerns to your business? (%)

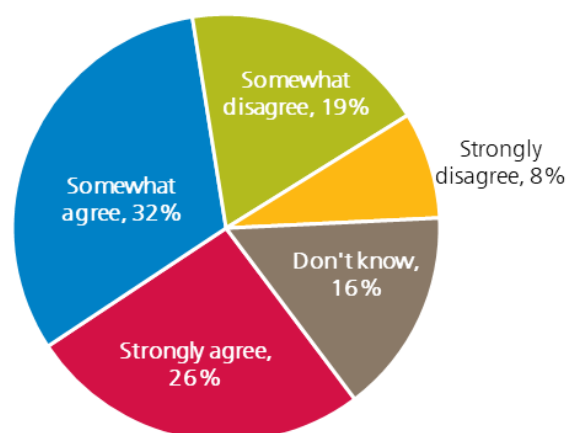


Source: CFIB, Our Members' Opinion Survey Alberta, January – March, 2018, 739 responses

Unfortunately, the issue of property taxes has worsened. Entrepreneurs in Alberta are seeing their business plans jeopardized by the burden of property taxes. Nearly 60 per cent of business owners in a recent survey indicate over the past three years, property taxes have made it more difficult to follow through on their plans, such as hiring new employees or expanding their business (see Figure 3).

Figure 3:

Over the past three years, property taxes have made it harder to execute my business plans (e.g. hire new employees, expand business, open new location)



Source: CFIB, National Municipal Survey, Alberta responses n=1,121. September-November 2018. Does not add to 100 due to rounding

For these reasons, it is imperative municipalities prioritize implementation of fairer taxation methods for local business owners. Of the myriad of taxes placed on business owners, property taxes rank as one of the most crippling ones. This is primarily owing to the fact they are not related to any performance metric; regardless if the business had a bad year, a business owner must still pay property taxes in full. In other words, they are profit insensitive and do not look at the underlying ability of a business owner's to pay.



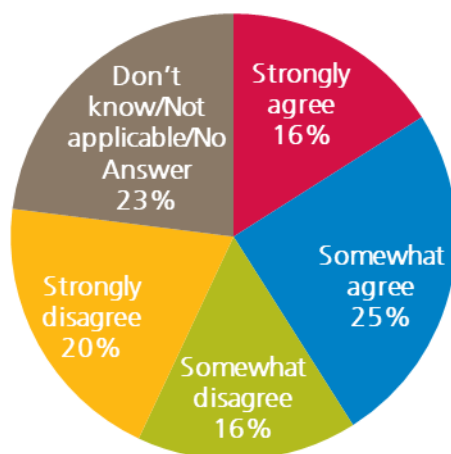
The Alberta Government should get involved in limiting huge tax increases pushed onto small business in the Alberta cities. Calgary has seen huge business property tax increases and business tax increases. The Alberta government could play a major role in making cities more accountable. High cost cities like Calgary prevent or make it very difficult for small business to set up in Alberta.

- CFIB member, Machine Shop, Calgary

More work needs to be done to ensure business owners are not being pushed out of their local municipality due to high property taxes. Small businesses run on very thin margins and in a highly competitive environment, particularly as large online businesses (that often do not pay any property taxes in the local municipality) continue to penetrate the market. In fact, property taxes are so burdensome that 41 per cent of local business owners have considered relocating their business due to the level of property taxes (see Figure 4).

Figure 4:

I've considered relocating my business due to the level of property taxes on my business



Source: CFIB Alberta Pre-budget Survey, February 2018, n=1,040.

For these reasons, it is understandable that business owners believe reducing property taxes is clearly the best way the municipality they operate in can improve their odds for success (see

Figure 5). There is compelling reason for this strong desire for change: businesses in Alberta are unfairly burdened with a disproportionate level of the property tax bill. The following section will highlight some of the key tax gap data in the largest municipalities across the province.

Figure 5:

In your community, which of the following would you like to see improved to help your business succeed? (select as many as apply)



Source: CFIB, National Survey on Municipal Issues, September-November 2018, Alberta results, n=1,121

Property Tax Gap: Alberta's Major Municipalities

Key Findings: Tax-Gap in 2018 and one-year change

The level of property tax disparity fluctuates greatly among Alberta's major municipalities. Some municipalities place a large burden on the business community, while others strike a much more fair balance (see Table 1).

Table 1

Municipal Property Tax Gap Rankings (ranked from highest to lowest)

	2018	Provincial Rank (1 = best, 89 = worst)	2017	One Year Change	Five Year Change (2014 to 2018)	Ten Year Change (2009 to 2018)
Calgary*	4.14	76	3.87	7.1%	11.1%	-15.9%
Edmonton	2.82	63	2.81	0.4%	6.2%	-11.6%
Lethbridge	2.36	56	2.39	-1.4%	-3.2%	-21.5%
Medicine Hat	2.31	54	2.34	-1.6%	2.3%	-27.0%
Wetaskiwin	2.11	50	2.14	-1.7%	-7.4%	-24.5%
Wood Buffalo, R.M. Of (Fort McMurray)	2.10	49	2.10	0.0%	-5.5%	-29.1%
Red Deer	2.08	46	2.12	-1.9%	1.9%	-25.7%
Strathcona County	2.08	45	2.00	3.7%	5.8%	-9.7%
Airdrie	2.06	44	1.95	5.5%	11.3%	-2.0%
Lloydminster	1.80	38	1.60	12.5%	12.5%	-10.0%
Fort Saskatchewan	1.79	37	1.78	0.3%	-4.4%	-24.9%
Cold Lake	1.64	32	1.73	-5.1%	-16.2%	-12.7%
Brooks	1.63	30	1.58	3.2%	3.1%	1.9%
Camrose	1.63	28	1.63	-0.4%	7.7%	-17.5%
Grande Prairie	1.61	27	1.56	3.3%	0.0%	-23.8%
Spruce Grove	1.43	18	1.53	-6.4%	-8.7%	-27.5%
St. Albert	1.40	17	1.37	1.8%	-1.4%	-24.0%
Chestermere	1.39	15	1.44	-3.6%	-1.4%	16.5%
Leduc	1.20	5	1.19	0.7%	-9.1%	-38.0%
Lacombe	1.15	3	1.14	1.1%	-4.6%	-16.8%
Average	1.93		1.91	1.1%	0.6%	12.7%
Decreased				8	10	18
Increased				11	10	2

Green = best; Red = worst. * includes the business tax. As the City of Calgary was unable to provide 2018 data on business taxes levied, CFIB used an estimate. See Methodology for details.

Note: Due to rounding, calculations by hand results differ from per cent changes listed above

Source: CFIB Analysis of AB Government published property tax data 2009-2018.

Overall, there are several core findings about the property tax gap in 2018 for Alberta's twenty major municipalities:

- **Calgary continues to be ranked as the worst major municipality for property tax fairness, with a tax gap of 4.14.** This means business owners pay over 4 times more than a resident on the same assessed property. They rank as one of the worst municipalities in the province, situated 76th of the 89 examined. Their tax gap far exceeds any other city's tax gap, meaning they treat businesses the least fairly by a sizeable margin.

- **Edmonton and Lethbridge round out the second and third worst tax gaps of the major municipalities.** They have a tax gap of 2.82 and 2.36, respectively.
- **Lacombe ranks as the best major municipality, with a tax gap of 1.15.** This means business owners pay 15 per cent more than a resident on the same assessed property. They are the only major municipality to be ranked within the top three, placing 3rd overall in the province.
- **Leduc and Chestermere round out the second and third best tax gaps of the major municipalities.** They have a tax gap of 1.20 and 1.39, respectively.
- **More municipalities increased the tax gap than decreased it between 2017 and 2018:** 8 decreased the tax gap, while 11 increased it. It was flat in Wood Buffalo.
- **Lloydminster had the single largest increase in the tax gap since last year.** In 2018, the tax gap was 1.80, up 12.5 per cent over 2017. Calgary and Airdrie had the second and third largest increases at 7.1 and 5.5 per cent respectively.
- **Spruce Grove should be commended for the single largest decline in the tax gap year-over-year.** The city's tax gap now stands at 1.43, down 6.4 per cent over 2017. Cold Lake and Chestermere decreased the tax gap second and third most, at 5.1 per cent and 3.6 per cent respectively.

Key Findings: Alberta's major municipalities' five-year tax gap changes (2014 to 2018)

- **Over the past five years, Lloydminster increased the property tax gap the most out of any city in Alberta.** Municipal leadership has chosen to increase the tax gap by 12.5 per cent to 1.80, from 1.60 in 2014.
- **Airdrie and Calgary** round out the second and third largest increases over the period, at 11.3 per cent and 11.1 per cent respectively.
- **Conversely, Cold Lake saw the single greatest reduction** to their tax gap over the five year period. They should be commended for decreasing the tax gap 16.2 per cent from 1.96 in 2014 to 1.64 in 2018.
- **Leduc and Spruce Grove** ranked second and third best in their efforts to reduce the gap between 2014 and 2018, at 9.1 per cent and 8.7 per cent respectively.
- **Overall, the five-year results are mixed. Ten municipalities decreased the tax gap over the period, the same number as those who increased it.** The average tax gap in the twenty major municipalities now stands at 1.93, up marginally from 1.95 in 2014.

Key Findings: Major municipalities' ten-year tax gap changes (2009 to 2018)

- **Over the past ten years, the results have been positive with Alberta's cities making considerable progress to reduce the tax gap.** After years of pressure from CFIB, the data shows meaningful reductions have been made in most municipalities' tax gap. The

tax gap is down 12.7 per cent since 2009 when it stood at an average of 2.22. Eighteen municipalities decreased the tax gap, while just two increased it.

- **Chestermere and Brooks were the only Albertan cities to increase the tax gap over the past ten years.** Chestermere's tax gap went from 1.28 in 2009 to 1.39 in 2018 – an 16.5 per cent increase. That being said, Chestermere remains in the top three performers out of the largest municipalities. In 2009, Brooks' tax gap stood at 1.60. In 2018, the tax gap stands at 1.63, a 1.9 per cent increase.
- **Leduc ranked first in reducing the tax gap over the past ten years.** The municipality decreased the gap by 38 per cent, lowering it from its 2009 level of 1.77 to 1.22 in 2018.
- **The Regional Municipality of Wood Buffalo (which contains the city of Fort McMurray) and Spruce Grove** ranked second and third best in reducing the tax gap between 2009 and 2018, at 29.1 per cent and 27.5 per cent decreases respectively. Their gaps now stand at 2.10 (2009: 3.15) and 1.43 (2009: 1.62).

Tax Bill: Residential versus Commercial Comparison, 2018

To better understand how the tax gap affects entrepreneurs, it is important to consider how their tax bills differ numerically. This section compares what a commercial and residential owner pay on \$100,000 of assessed property, while reporting the dollar figure of the respective tax bills.

Table 2 lists out what this looks like in each of Alberta's twenty major municipalities. The results show that in every one of the twenty largest municipalities a non-residential property owner pays more on each \$100,000 assessed property value. However, the disparity fluctuates greatly across the province.

Municipal Property Tax Bills on \$100,000 Assessed Property Value, Residential vs Non-Residential

Table 2

	2018 Non-Residential Tax Bill (\$)	2018 Residential Tax Bill (\$)	2018 Tax Gap
Calgary*	1616	390	4.14
Edmonton	1747	620	2.82
Lethbridge	1997	848	2.36
Medicine Hat	1534	666	2.31
Wetaskiwin	1897	900	2.11
Wood Buffalo, R.M. Of	384	183	2.10
Red Deer	1378	663	2.08
Strathcona County	897	432	2.08
Airdrie	865	420	2.06
Lloydminster	1144	636	1.80
Fort Saskatchewan	907	508	1.79

Cold Lake	1232	751	1.64
Brooks	1302	799	1.63
Camrose	1328	817	1.63
Grande Prairie	1641	1021	1.61
Spruce Grove	853	597	1.43
St. Albert	1104	790	1.40
Chestermere	776	559	1.39
Leduc	857	716	1.20
Lacombe	858	747	1.15
Average	1216	653	1.93

Green = best; Red = worst. * includes the business tax.

Source: CFIB Analysis of AB Government published property tax data 2009-2018.

Calgary has the greatest differential, with a non-residential property owner paying \$1,616 in property taxes on each \$100,000 assessed property value in 2018, an effective tax rate of more than 1.5 per cent. Comparatively, residential property owners pay just \$390 in property taxes for each \$100,000, or about a tax rate of just 0.4 per cent.

Tax gap information can be found for all other Alberta municipalities in Appendix B and C.

The following section will provide some recommendations for municipalities and the provincial government to reform the tax system to improve tax fairness for business owners.

Conclusion and Recommendations

Through examination of the municipal property tax gap in the twenty largest municipalities, a consistent trend is found: businesses are shouldering a disproportionate level of those taxes.

While some municipalities have done a good job at addressing this issue, and the ten-year trend shows a trend towards reductions in the gap, the overall picture does not promote confidence that a fairer ratio will be reached quickly without greater political leadership.

CFIB will be monitoring both the overall and individual changes in property tax gaps closely to see if Alberta's municipalities are committed to closing their tax gaps. Creating property tax systems that are more fair and equitable for small business must be made a priority by municipal mayors and councils.

Provincial Policy Proposals

- ▶ Although the Municipal Government Act (MGA) was recently reviewed, rates should be linked at a more reasonable level. The newly adopted 5 to 1 cap does not fundamentally address the issue of fairness. Generally speaking, a much lower cap should be introduced for all municipalities in Alberta.
- ▶ Continue to reject proposals calling for increased taxation or revenue generating powers, including through city charter arrangements.
- ▶ Introduce a Municipal Auditor General for Local Government to conduct performance-based audits on a select number of municipalities each year.

- ▶ Ensure that municipalities have incentives to use rate splitting proposals appropriately (i.e. help ensure the current rate is not the de facto small business rate and disproportionately higher rates begin to be levied on industrial operations).

Municipal Policy Proposals

- ▶ Introduce and implement a policy that reduces the tax gap over time (i.e. set a timeline to bring the gap down over 5 or 10 years).
- ▶ Reduce the tax gap through restraint in municipal operating spending. Cost savings should include: limiting the scope of government to core services, aligning public sector wages salaries and benefits to their private sector equivalents, and contracting out services. Year-over-year operating spending growth should be limited to no more than inflation and population growth.
- ▶ Eliminate additional business taxes. Most municipals have done away with this archaic tax, but a few still levy it (such as Calgary) and it is keeping them uncompetitive.

Can it be done?

Municipalities Making Property Tax Fairness a Reality

Is reducing the tax gap do-able? Yes it is. Municipalities across Canada have begun to understand the need for property tax fairness and are responding with plans to achieve it. Here are three municipalities in Canada that have made a difference for small businesses in their communities by narrowing the gap and creating a more equitable property tax system.

Saskatoon, Saskatchewan

In 2000, Saskatoon committed to a strategic ten-year plan to reduce its property tax gap from 2.36 to 1.75, a 25 per cent cut. In 2010, the city of Saskatoon achieved this goal and proved that creating a fairer property tax system can be done. Former mayor Don Atchison repeatedly stated the key to success was political leadership – committing to a plan to take action, and following through.

Toronto, Ontario

In October 2005, Toronto City Council adopted the “Enhancing Toronto’s Business Climate” plan. One of the key features of the plan was to reduce the property tax gap between business and residential property classes over a 15-year period, which has now been extended to an 18-year plan.

The city also created a special sub-group of the commercial property class for properties under \$1,000,000 of assessed value, and later accelerated the reduction target. As a result, the gap between commercial and residential property tax rates was gradually reduced from 3.75 in 2005 to 2.50 by 2015 for small business properties, and by 2023 for all other commercial and industrial properties.

Penticton

In 2015, Penticton’s Municipal Council passed a four-year plan to incrementally reduce the municipal tax gap ratio to 1.5. Penticton already has one of the more reasonable municipal tax

gaps in BC at 1.63, and this planned reduction will further improve its commitment to provide an equitable ratio of taxes between residents and businesses. Unfortunately, recent comments by the Mayor of Penticton suggest the commitment towards continued reductions in the tax gap might falter².

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Appendix A - Methodology

Assessed Value and Tax Rates

Since 1995, municipalities in the province have been assessing property values in accordance with the rules and regulations set out in the Province of Alberta's Municipal Government Act. Each year, municipalities determine the value of every property within their jurisdiction on a market-value based standard³.

Market-based assessments are considered the most fair and equitable method of assessment because it is easy to make comparison with other properties. However, this method is not free from criticism. This approach is insensitive to income and has no direct relationship between the property value and the services received from a municipality.

² See CASTANET. *Debate over Business Taxes*, Apr 4, 2017

³ A Guide to Property Assessment and Taxation in Alberta [http://www.municipalaffairs.alberta.ca/1538uide to Property Assessment and Taxation in Alberta](http://www.municipalaffairs.alberta.ca/1538uide%20to%20Property%20Assessment%20and%20Taxation%20in%20Alberta)

Each property is assigned a class that determines which tax rate will be applied to the property, as different rates are applied to different property classes. The property classes in Alberta are:

- ▶ Class 1 - Residential
- ▶ Class 2 - Non-residential
- ▶ Class 3 - Farmland
- ▶ Class 4 - Machinery and equipment

Since most municipalities have different rates for different property classes, a decision on the amount of revenue each class must provide is determined when setting the mill rates. The mill rate is then calculated by dividing the revenue requirement from each class of property by the total assessed value of that property class.

Certain forms of property, specifically farm property, linear property, machinery and equipment, and railways are unique and are valued under a regulated system based on valuation rates and formulas. The analysis in this report focuses exclusively on residential and non-residential property classes.

In Alberta, education is partially funded through property taxes. In 2016, the rate for the province's education property tax was \$2.48 per \$1,000 of equalized assessment for residential properties and \$3.64 per \$1,000 of equalized assessment for non-residential properties⁴. Historically the Government of Alberta has frozen and lowered the rate, the provincial rate has a gap of 1.47. Since municipalities simply collect education property tax and remit it to the province or to a separate school board, this report focuses solely on municipal property tax component.

City of Calgary 2018 Business Tax Estimate

As the City of Calgary was unable to provide 2018 data on business taxes levied until their annual report is released on May 1, 2018, CFIB used an estimate. The estimate used the 2018 business tax rate and applied it on 2017 financial numbers to attain an estimate for the 2018 business tax ratio. See below for details. In future reports, CFIB will use the official data released by the City of Calgary.

$$2017 \text{ business tax ratio} = \frac{\text{business taxes levied}}{\text{property taxes levied}} = \frac{\$88,105}{\$841,003} = 10.48\%$$

Using the business tax ratio in 2017, CFIB applied the reduced business tax rate to estimate the 2018 ratio.

$$2018 \text{ business tax ratio} = 2017 \text{ business tax ratio} \times \frac{2018 \text{ business tax rate}}{2017 \text{ business tax rate}} = 10.48\% \times \frac{0.0161}{0.0308} = 5.48\%$$

⁴ Government of Alberta, Ministry of Finance, Budget 2016

Appendix B- Property Tax Gaps For Municipalities with Populations Greater than 5,000, 2007-2018, by Region

Table B1: Calgary Region

Municipality	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Airdrie	1.75	2.10	1.90	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.95	2.06
Calgary*	5.06	4.93	4.57	4.48	5.09	4.88	3.93	3.73	3.81	3.81	3.87	4.14
Chestermere	1.00	1.19	1.28	1.31	1.39	1.39	1.40	1.41	1.41	1.48	1.44	1.39
Cochrane	1.70	1.88	1.70	1.48	1.43	1.52	1.45	1.38	1.43	1.48	1.42	1.38
Drumheller	1.07	1.62	1.50	1.52	1.56	1.64	1.59	1.64	1.62	1.58	1.61	1.63
Foothills No. 31, M.D. Of	2.01	2.22	2.38	2.42	2.41	2.54	2.45	2.37	2.31	2.38	2.28	2.45
High River	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.15	1.20	1.23	1.31
Okotoks	1.00	1.00	1.09	1.19	1.19	1.29	1.31	1.36	1.37	1.37	1.40	1.49
Rocky View County	1.97	2.39	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.01
Strathmore	1.00	1.15	1.15	1.06	1.17	1.15	1.11	1.11	1.14	1.14	1.15	1.18
Wheatland County	1.53	1.81	2.02	2.14	2.03	2.03	1.77	1.88	2.11	2.17	2.22	2.33
Regional Average	1.74	1.94	1.96	1.95	2.01	2.03	1.90	1.88	1.93	1.95	1.96	2.03

Table B2: Capital Region

Municipality	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Beaumont	1.38	1.72	1.57	1.46	1.53	1.39	1.39	1.39	1.39	1.39	1.35	1.40
Devon	1.20	1.66	1.66	1.60	1.68	1.67	1.60	1.52	1.49	1.55	1.50	1.48
Edmonton	2.39	3.19	2.64	2.63	3.01	3.02	2.75	2.65	2.73	2.75	2.81	2.82
Fort Saskatchewan	1.55	2.38	1.89	1.80	1.92	1.85	1.87	1.87	2.00	2.00	1.78	1.79
Leduc	1.68	1.93	1.77	1.61	1.68	1.58	1.45	1.32	1.28	1.26	1.19	1.20
Leduc County	2.13	2.28	2.35	2.38	2.38	2.40	2.25	2.17	2.07	2.06	2.09	2.10
Morinville	1.00	1.40	1.20	1.20	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Parkland County	1.42	1.58	1.84	1.85	1.84	1.85	1.89	1.92	1.96	2.00	2.00	2.01
Spruce Grove	1.62	1.97	1.62	1.62	1.62	1.65	1.61	1.56	1.49	1.52	1.53	1.43
St. Albert	1.56	1.84	1.61	1.62	1.68	1.56	1.47	1.42	1.38	1.40	1.37	1.40
Stony Plain	1.65	2.03	1.92	1.55	1.57	1.37	1.44	1.47	1.44	1.44	1.40	1.33
Strathcona County	1.76	2.30	1.98	1.88	2.03	1.98	1.99	1.96	1.98	2.03	2.00	2.08
Sturgeon County	2.11	2.84	2.89	2.89	2.89	2.85	2.85	2.79	2.82	2.82	2.82	2.86
Regional Average	1.65	2.09	1.92	1.85	1.91	1.86	1.81	1.77	1.77	1.79	1.76	1.76

Table B3: Northeast Region

Municipality	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Athabasca County	2.53	3.34	3.34	3.34	3.34	3.34	3.34	3.35	3.35	3.35	3.35	3.36
Bonnyville	1.90	1.65	1.66	1.62	1.48	1.43	1.53	1.41	1.38	1.38	1.47	1.54
Bonnyville No. 87, M.D. Of	2.79	3.69	3.75	3.81	3.98	5.06	5.06	5.60	5.60	5.60	5.60	5.43
Camrose County	1.00	1.11	1.08	1.08	4.48	4.48	4.48	4.48	4.48	4.48	4.48	4.44
Camrose	1.69	1.97	1.94	1.83	1.79	1.69	1.63	1.51	1.50	1.53	1.63	1.63
Cold Lake	1.68	1.88	1.76	1.73	1.75	1.73	1.76	1.96	2.03	1.75	1.73	1.64
Lac La Biche County	2.55	2.77	5.15	5.15	5.15	5.45	4.81	4.82	4.82	4.82	7.35	6.13
Lac Ste. Anne County	2.29	4.39	3.54	3.98	4.06	4.26	4.33	4.26	4.26	4.26	4.26	4.27
Lloydminster	2.00	2.00	2.00	2.00	2.00	1.80	1.60	1.60	1.60	1.60	1.60	1.80
St. Paul	1.80	1.81	1.87	2.22	2.37	2.27	2.27	2.22	2.18	2.18	2.18	2.18
St. Paul No. 19, County Of	1.42	2.88	3.50	4.32	3.77	3.72	4.09	5.01	5.13	5.54	5.54	4.83
Vegreville	2.13	3.43	3.29	2.89	3.06	2.85	2.88	2.65	2.57	2.54	2.55	2.58
Wainwright	1.55	1.66	1.73	1.62	1.53	1.49	1.51	1.52	1.50	1.51	1.46	1.46
Wood Buffalo, R.M. Of	2.60	2.96	3.15	2.54	2.34	2.28	2.01	2.22	2.10	2.10	2.10	2.10
Regional Average	2.00	2.54	2.70	2.72	2.94	2.99	2.95	3.04	3.03	3.05	3.24	3.10

Table B4: Northwest Region

Municipality	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Barrhead No. 11, County Of	2.11	2.28	2.84	3.04	3.10	3.11	3.18	3.12	3.02	2.96	2.90	2.86
Brazeau County	1.74	2.83	2.83	2.83	2.83	3.16	3.16	3.16	4.52	4.52	4.52	4.54
Drayton Valley	2.35	2.46	2.46	2.18	2.18	2.29	2.26	2.21	2.16	2.34	2.39	2.26
Edson	2.62	3.15	3.08	3.04	3.00	3.06	3.03	2.85	2.78	2.45	2.48	2.50
Grande Prairie	2.48	2.11	1.87	1.90	1.79	1.69	1.64	1.61	1.65	1.58	1.56	1.61
Grande Prairie No.1, County Of	1.35	2.99	3.00	3.09	3.22	3.27	3.27	3.18	3.18	3.18	3.33	3.34
Greenview No. 16, M.D. Of	2.66	2.66	2.66	3.22	3.22	3.22	3.22	3.14	3.14	2.90	2.90	2.91
Hinton	1.43	1.59	1.59	1.59	1.59	1.60	1.82	1.82	1.82	1.82	1.70	1.71
Mackenzie County	1.60	1.58	1.58	1.58	1.58	1.54	1.60	1.60	1.59	1.63	1.63	1.64
Peace River	1.17	1.92	2.20	1.91	1.94	1.86	1.15	1.91	1.66	1.64	1.63	1.59
Slave Lake	1.31	1.51	1.40	1.40	1.43	1.45	1.45	1.45	1.45	1.45	1.44	1.45
Westlock County	2.85	3.86	4.20	4.32	5.12	5.39	5.74	5.74	5.72	5.72	5.72	5.54
Westlock	2.02	2.78	2.58	2.40	2.40	2.33	2.15	2.22	2.24	2.23	3.08	1.82
Whitecourt	1.74	1.74	1.74	1.53	1.53	1.53	1.57	1.61	1.69	1.68	1.68	1.70
Regional Average	1.96	2.39	2.43	2.43	2.50	2.54	2.52	2.54	2.62	2.58	2.64	2.53

Table B5: Central Region

Municipality	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Beaver County	1.20	1.04	1.04	4.09	4.09	4.09	4.09	4.09	4.09	4.09	4.09	4.10
Blackfalds	1.22	1.41	1.28	1.33	1.31	1.36	1.36	1.13	1.08	1.24	1.24	1.23
Clearwater County	1.50	2.17	2.48	2.54	2.60	2.70	1.76	1.76	1.82	2.92	2.92	2.98
Innisfail	1.00	1.27	1.33	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24
Kneehill County	1.83	1.33	2.52	2.82	2.97	2.99	3.15	4.36	4.54	4.54	5.00	5.01
Lacombe	1.19	1.38	1.39	1.25	1.31	1.28	1.24	1.20	1.22	1.27	1.14	1.15
Lacombe County	1.47	1.98	1.98	2.00	2.02	2.02	2.02	2.02	2.02	2.05	2.05	2.10
Mountain View County	2.57	3.23	4.06	4.08	4.45	4.10	3.67	3.57	3.51	3.55	3.59	3.56
Olds	1.33	1.40	1.41	1.32	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37
Ponoka	1.07	1.30	1.34	1.32	1.30	1.31	1.34	1.33	1.32	1.31	1.31	1.31
Ponoka County	1.73	1.73	5.75	6.01	6.22	6.40	6.40	6.40	6.40	6.40	6.40	6.40
Red Deer	2.48	2.80	2.40	2.30	2.23	2.05	2.01	2.04	2.13	2.17	2.12	2.08
Red Deer County	2.76	2.76	2.91	2.93	2.95	2.96	2.97	2.94	2.94	2.94	2.94	3.11
Rocky Mountain House	1.00	1.00	1.00	1.00	1.00	1.00	1.06	1.06	1.06	1.06	1.06	1.54
Stettler No. 6, County Of	1.87	3.12	3.03	3.04	3.05	3.06	3.07	3.22	3.07	3.09	3.10	3.14
Stettler*	1.09	1.33	1.41	1.42	1.40	1.36	1.35	1.37	1.37	1.35	1.34	1.34
Sylvan Lake	1.50	1.90	1.87	1.86	1.86	1.86	1.86	1.84	1.74	1.73	1.80	1.73
Vermilion River, County Of	3.66	3.82	4.39	4.34	3.78	3.87	4.47	4.53	5.63	4.18	5.76	4.55
Wetaskiwin	1.95	2.79	3.05	2.73	2.65	2.63	2.46	2.28	2.28	2.22	2.14	2.11
Wetaskiwin No. 10, County Of	3.85	4.51	5.73	5.25	4.98	6.24	8.44	6.75	7.28	6.91	6.76	5.89
Yellowhead County	1.88	2.51	2.51	2.51	2.51	2.51	2.51	2.59	2.59	2.59	2.59	2.60
Regional Average	1.82	2.13	2.52	2.64	2.63	2.69	2.75	2.72	2.80	2.77	2.85	2.79

Table B6: Rocky Mountain Region

Municipality	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Banff	4.61	3.58	4.00	4.50	6.00	6.00	6.00	4.96	4.00	4.23	4.23	4.42
Canmore	2.55	3.12	3.38	3.52	3.83	3.82	3.79	3.51	3.35	3.42	3.45	3.27
Crowsnest Pass, Municipality Of	1.26	1.73	1.79	1.79	1.81	1.80	1.81	1.75	1.75	1.72	1.71	1.74
Didsbury			1.16	1.15	1.15	1.03	1.05	1.05	1.05	1.10	1.10	1.10
Jasper, Municipality Of	6.50	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	6.78
Regional Average	3.73	3.38	3.09	3.21	3.58	3.55	3.55	3.27	3.55	3.11	3.12	3.46

Table B7: Southern Region

Municipality	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Brooks	1.50	1.60	1.60	1.60	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.63
Coaldale	1.16	1.20	1.24	1.17	1.23	1.26	1.23	1.23	1.27	1.27	1.27	1.31
Cypress County	1.00	1.00	1.00	1.00	1.04	1.03	1.03	1.38	1.60	1.60	1.79	1.87
Lethbridge	2.32	3.00	2.98	2.81	2.76	2.50	2.45	2.44	2.39	2.41	2.39	2.36
Lethbridge, County Of	0.67	1.40	1.58	1.70	2.00	2.05	2.10	2.01	2.06	2.02	1.96	1.96
Medicine Hat	2.97	3.16	2.93	2.76	2.76	2.74	2.31	2.25	2.25	2.34	2.34	2.31
Newell No. 4, County Of	1.79	1.80	1.80	1.80	1.81	1.81	1.69	1.86	1.85	2.01	1.92	1.98
Redcliff	2.66	2.64	2.57	2.29	2.26	2.21	2.19	2.19	2.40	2.32	2.45	2.39
Taber	1.32	1.58	1.67	1.67	1.65	1.65	1.58	1.57	1.56	1.57	1.59	1.57
Taber, M.D. Of	1.19	1.14	1.98	2.09	2.15	2.26	2.31	2.35	2.35	2.38	2.40	2.46
Willow Creek No. 26, M.D. Of	1.71	1.63	2.15	2.39	2.31	2.14	2.14	2.14	2.14	2.03	2.20	2.18
Regional Average	1.66	1.83	1.95	1.94	1.96	1.93	1.87	1.91	1.95	1.96	1.99	2.00

Table B8: Cities

Municipality	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Airdrie	1.75	2.10	1.90	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.95	2.06
Brooks	1.50	1.60	1.60	1.60	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.63
Calgary*	5.06	4.93	4.57	4.48	5.09	4.88	3.93	3.73	3.81	3.81	3.87	4.14
Camrose	1.69	1.97	1.94	1.83	1.79	1.69	1.63	1.51	1.50	1.53	1.63	1.63
Chestermere	1.00	1.19	1.28	1.31	1.39	1.39	1.40	1.41	1.41	1.48	1.44	1.39
Cold Lake	1.68	1.88	1.76	1.73	1.75	1.73	1.76	1.96	2.03	1.75	1.73	1.64
Edmonton	2.39	3.19	2.64	2.63	3.01	3.02	2.75	2.65	2.73	2.75	2.81	2.82
Fort Saskatchewan	1.55	2.38	1.89	1.80	1.92	1.85	1.87	1.87	2.00	2.00	1.78	1.79
Grande Prairie	2.48	2.11	1.87	1.90	1.79	1.69	1.64	1.61	1.65	1.58	1.56	1.61
Lacombe	1.19	1.38	1.39	1.25	1.31	1.28	1.24	1.20	1.22	1.27	1.14	1.15
Leduc	1.68	1.93	1.77	1.61	1.68	1.58	1.45	1.32	1.28	1.26	1.19	1.20
Lethbridge	2.32	3.00	2.98	2.81	2.76	2.50	2.45	2.44	2.39	2.41	2.39	2.36
Lloydminster	2.00	2.00	2.00	2.00	2.00	1.80	1.60	1.60	1.60	1.60	1.60	1.80
Medicine Hat	2.97	3.16	2.93	2.76	2.76	2.74	2.31	2.25	2.25	2.34	2.34	2.31
Red Deer	2.48	2.80	2.40	2.30	2.23	2.05	2.01	2.04	2.13	2.17	2.12	2.08
Spruce Grove	1.62	1.97	1.62	1.62	1.62	1.65	1.61	1.56	1.49	1.52	1.53	1.43
St. Albert	1.56	1.84	1.61	1.62	1.68	1.56	1.47	1.42	1.38	1.40	1.37	1.40
Strathcona County	1.76	2.30	1.98	1.88	2.03	1.98	1.99	1.96	1.98	2.03	2.00	2.08
Wetaskiwin	1.95	2.79	3.05	2.73	2.65	2.63	2.46	2.28	2.28	2.22	2.14	2.11
Wood Buffalo, R.M. Of	2.60	2.96	3.15	2.54	2.34	2.28	2.01	2.22	2.10	2.10	2.10	2.10
Cities Average	2.06	2.37	2.22	2.11	2.16	2.09	1.95	1.92	1.96	1.93	1.91	1.93

Source: CFIB calculations of 2007 - 2016 property tax data provided by the Government of Alberta, Municipal Affairs.

*Includes business tax.

**Municipality has a population below 5,000; it was included to keep consistent with prior reports.

Appendix C – Change in Tax Gap from 2009 to 2018, Municipalities with Populations Greater than 5,000

Table C1: Calgary Region

Municipality	2009 Tax Gap	2018 Tax Gap	Change from 2009-2018
Airdrie	1.90	2.06	8%
Calgary*	4.57	4.14	-9%
Chestermere	1.28	1.39	8%
Cochrane	1.70	1.38	-19%
Drumheller	1.50	1.63	8%
Foothills No. 31, M.D. Of	2.38	2.45	3%
High River	1.00	1.31	31%
Okotoks	1.09	1.49	37%
Rocky View County	3.00	3.01	0%
Strathmore	1.15	1.18	3%
Wheatland County	2.02	2.33	16%

Table C2: Capital Region

Municipality	2009 Tax Gap	2018 Tax Gap	Change from 2009-2018
Beaumont	1.57	1.40	-11%
Devon	1.66	1.48	-11%
Edmonton	2.64	2.82	7%
Fort Saskatchewan	1.89	1.79	-5%
Leduc	1.77	1.20	-32%
Leduc County	2.35	2.10	-11%
Morinville	1.20	1.00	-16%
Parkland County	1.84	2.01	9%
Spruce Grove	1.62	1.43	-12%
St. Albert	1.61	1.40	-13%
Stony Plain	1.92	1.33	-31%
Strathcona County	1.98	2.08	5%
Sturgeon County	2.89	2.86	-1%

Table C3: Northeast Region

Municipality	2009 Tax Gap	2018 Tax Gap	Change from 2009-2018
Athabasca County	3.34	3.36	0%
Bonnyville	1.66	1.54	-7%
Bonnyville No. 87, M.D. Of	3.75	5.43	45%
Camrose	1.94	1.63	-16%
Camrose County	1.08	4.44	311%
Cold Lake	1.76	1.64	-7%
Lac La Biche County	5.15	6.13	19%
Lac Ste. Anne County	3.54	4.27	21%
Lloydminster	2.00	1.80	-10%
St. Paul	1.87	2.18	17%
St. Paul No. 19, County Of	3.50	4.83	38%
Vegreville	3.29	2.58	-22%
Wainwright	1.73	1.46	-16%
Wood Buffalo, R.M. Of	3.15	2.10	-33%

Table C4: Northwest Region

Municipality	2009 Tax Gap	2018 Tax Gap	Change from 2009-2018
Barrhead No. 11, County Of	2.84	2.86	1%
Brazeau County	2.83	4.54	60%
Drayton Valley	2.46	2.26	-8%
Edson	3.08	2.50	-19%
Grande Prairie	1.87	1.61	-14%
Grande Prairie No.1, County Of	3.00	3.34	11%
Greenview No. 16, M.D. Of	2.66	2.91	9%
Hinton	1.59	1.71	7%
Mackenzie County	1.58	1.64	4%
Peace River	2.20	1.59	-28%
Slave Lake	1.40	1.45	4%
Westlock	4.20	1.82	-57%
Westlock County	4.20	5.54	32%
Whitecourt	1.74	1.70	-3%

Table C5: Central Region

Municipality	2009 Tax Gap	2018 Tax Gap	Change from 2009-2018
Beaver County	1.04	4.10	294%
Blackfalds	1.28	1.23	-4%
Clearwater County	2.48	2.98	20%
Innisfail	1.33	1.24	-7%
Kneehill County**	2.52	5.01	99%
Lacombe	1.39	1.15	-17%
Lacombe County	1.98	2.10	6%
Mountain View County	4.06	3.56	-12%
Olds	1.41	1.37	-3%
Ponoka	1.34	1.31	-2%
Ponoka County	5.75	6.40	11%
Red Deer	2.40	2.08	-13%
Red Deer County	2.91	3.11	7%
Rocky Mountain House	1.00	1.54	54%
Stettler*	3.03	1.34	-56%
Stettler No. 6, County Of	3.03	3.14	4%
Sylvan Lake	1.87	1.73	-7%
Vermilion River, County Of	4.39	4.55	4%
Wetaskiwin	3.05	2.11	-31%
Wetaskiwin No. 10, County Of	5.73	5.89	3%
Yellowhead County	2.51	2.60	4%

Table C6: Rocky Mountain Region

Municipality	2009 Tax Gap	2018 Tax Gap	Change from 2009-2018
Banff	4.00	4.42	11%
Canmore	3.38	3.27	-3%
Didsbury	1.16	1.10	-5%
Crowsnest Pass, Municipality Of	1.79	1.74	-3%
Jasper, Municipality Of	5.10	6.78	33%

Table C7: Southern Region

Municipality	2009 Tax Gap	2018 Tax Gap	Change from 2009-2018
Brooks	1.60	1.63	2%
Coaldale	1.24	1.31	5%
Cypress County	1.00	1.87	87%
Lethbridge	2.98	2.36	-21%
Lethbridge, County Of	1.58	1.96	24%
Medicine Hat	2.93	2.31	-21%
Newell No. 4, County Of	1.80	1.98	10%
Redcliff	2.57	2.39	-7%
Taber	1.67	1.57	-6%
Taber, M.D. Of	1.98	2.46	24%
Willow Creek No. 26, M.D. Of	2.15	2.18	1%

Table C8: Cities

Municipality	2009 Tax Gap	2018 Tax Gap	Change from 2009-2018
Calgary*	4.57	4.14	-9%
Edmonton	2.64	2.82	7%
Medicine Hat	2.93	2.31	-21%
Wetaskiwin	3.05	2.11	-31%
Lethbridge	2.98	2.36	-21%
Wood Buffalo, R.M. Of	3.15	2.10	-33%
Red Deer	2.40	2.08	-13%
Airdrie	1.90	2.06	8%
Fort Saskatchewan	1.89	1.79	-5%
Lloydminster	2.00	1.80	-10%
Cold Lake	1.76	1.64	-7%
Camrose	1.94	1.63	-16%
Grande Prairie	1.87	1.61	-14%
Spruce Grove	1.62	1.43	-12%
Brooks	1.60	1.63	2%
Leduc	1.77	1.20	-32%
St. Albert	1.61	1.40	-13%
Lacombe	1.39	1.15	-17%

Source: CFIB calculations of 2007 - 2016 property tax data provided by the Government of Alberta, Municipal Affairs.

*Includes business tax.

**Municipality has a population below 5,000; it was included to keep consistent with prior reports.