

Taxation

Led by: Director of Assessment & Tax

Service Description

Taxation service ensures property taxes are properly billed, effectively collected, and that customers receive timely and accurate information on property tax matters.

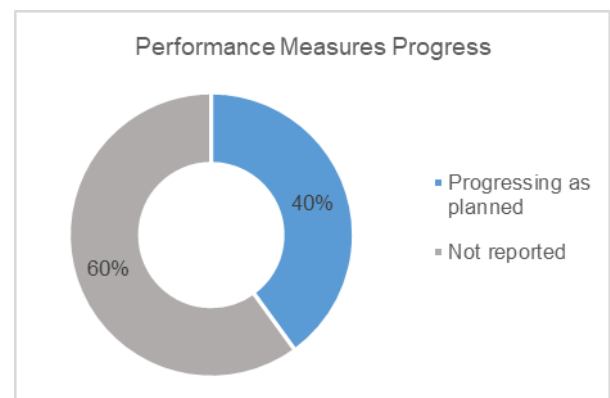
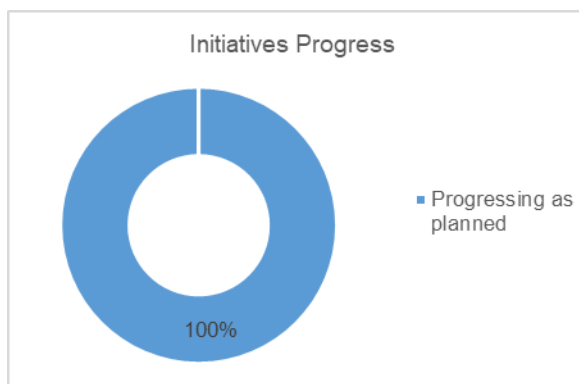
Service Updates

Key service results

The Taxation service's key service results for 2024 were:

- There were almost 570,000 2024 property tax bills mailed for a total of \$3.26 billion in budgeted property tax revenue. The City of Calgary portion of that makes up approximately 43 per cent of its total revenue.
- Tax Instalment Payment Plan (TIPP) participation has increased to over 318,000 active TIPP accounts and approximately \$171 million in monthly revenue. Taxation monthly customer satisfaction scores did not drop below 84 per cent and customer service-related improvements continue to be made with the TIPP online project, providing copies online of property tax bills and school support declarations, etc.
- Staff compassionately worked with the 4,943 accounts identified for warning of tax recovery and just two of those were sold at the Real Estate Public Auction. Approximately 8.9 per cent of billable accounts had a property tax penalty applied on 2024 July 1 which was similar to the previous year. 2024's year-to-date discretionary tax relief programs resulted in \$2.36 million in tax cancellations to affordable housing and senior's organizations, compassionate penalty relief, and the Property Tax Assistance Program.

Progress summary



Risk(s) impacting the progress

- Business Improvement Areas not being managed appropriately.
- Reduction of public confidence and Taxation's reputation with customers.
- Business Improvement Areas not being managed appropriately.
- Taxation workload growth becoming unsustainable with continued increases in Calgary's real estate market volume.



Measuring Our Performance

Legend

— Actuals

■ Expected Future Performance

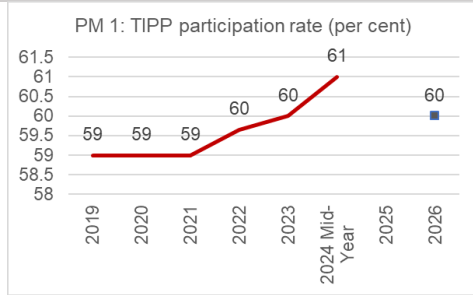
➔ Progressing as planned

⊖ Not progressing as planned

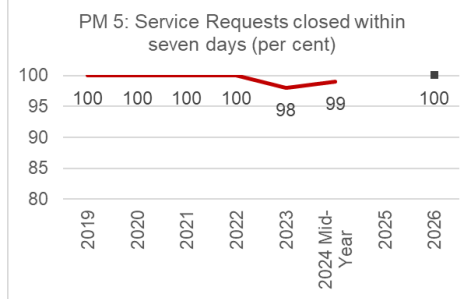
Performance Measures

Story behind the numbers

Status

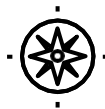


While the Tax Instalment Payment Plan (TIPP) participation rate has remained relatively steady for several years, it has done so while The City has seen a steadily increasing number of total property tax accounts. As of the end of 2024 June, over 318,000 accounts participated in The City of Calgary's TIPP and the resultant TIPP participation rate is one of the highest in Canada with the goal of continuing to be so. Recent improvements such as the TIPP Self Service Registration project will help achieve that goal.



This performance measure is a key factor in increasing customer satisfaction and public trust in the Taxation service. Results are commonly at or near 100 per cent but occasionally unexpected events push results lower than desired levels. The first five months of 2024 have seen every month at higher than 99 per cent except January at 97 per cent when call volumes were higher and staffing levels were lower. Efforts to improve forecasting continue so that staffing levels can be high enough to deal with unexpectedly high call volumes.



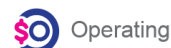


Progress on Service Delivery











PROGRESS STATUS







FUNDING TYPE



Initiative 1		Impact Area: City-wide	Funding Type:
Ensure Calgarians have access to their accurate and timely property tax bills by following billing best practices.			
UPDATE 	The 2024 Property Tax Bylaw was passed on by Council on 2024 March 19. The 2024 property tax bills were mailed out on 2024 May 24 with a due date of 2024 June 28. There were almost 570,000 annual bills mailed for a total of \$3.26 billion in budgeted provincial and City of Calgary property tax revenue and the City of Calgary portion of that makes up approximately 43 per cent of The City of Calgary's total revenue that is spent providing the important services that Calgarians use every day.		
Initiative 2		Impact Area: City-wide	Funding Type:
Improve the customer experience by focusing on improving Calgarian's understanding and providing more online services and self-service options.			
UPDATE 	Tax Instalment Payment Plan (TIPP) participation has increased to over 318,000 active TIPP accounts and approximately \$171 million in monthly revenue. Taxation monthly customer satisfaction scores did not drop below 84 per cent in the first half of 2024. Customer service-related improvements that have been already made or in the process of being made are the TIPP online project, Tax System Modernization program, further integration of processes and systems between the Taxation and Property Assessment services, providing copies online of property tax bills and school support declarations, etc.		
Initiative 3		Impact Area: City-wide	Funding Type:
Provide The City with a significant and stable source of property tax revenue by effectively and efficiently collecting property taxes.			
UPDATE 	The City of Calgary is very effective and collaborative in property tax collection for the almost 570,000 annual bills plus many other bills mailed. Staff compassionately worked with the 4,943 owners of accounts identified for warning of tax recovery and just four of those went to the Real Estate Public Auction on 2024 April 24 where only two of those sold. Approximately 8.9 per cent of billable accounts had a property tax penalty applied on 2024 July 1 which was similar to the previous year.		
Initiative 4		Impact Area: City-wide	Funding Type:
Help Calgarians in need of financial assistance by offering compassionate property tax relief-based programs under certain circumstances.			
UPDATE 	The Taxation service helps non-profit organizations and citizens in need with property tax cancellation, reduction, or refunds through various programs. 2024's year-to-date discretionary tax relief programs resulted in approximately \$2.36 million in tax cancellations and included relief to organizations such as the Calgary Housing Company and Silvera for Seniors and programs such as Compassionate Penalty Relief and the Property Tax Assistance Program (PTAP) through Fair Entry.		
Initiative 5		Impact Area: City-wide	Funding Type:
Support Council's Guiding Principle of Building Strong Communities by improving Business Improvement Area (BIA) engagement and relationship building.			

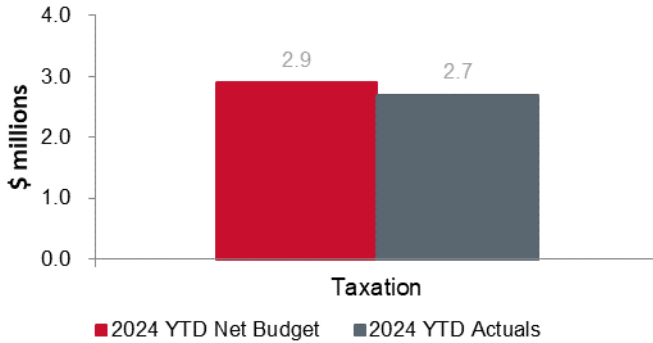
UPDATE 	The 2024 Business Improvement Area budgets and enabling bylaws were passed by Council on 2024 January 30. The 2024 Business Improvement Area Tax Notices were mailed out on 2024 February 7 with a due date of 2024 March 29. There were over 6,200 notices mailed for a total of \$5,971,714 in budgeted Business Improvement Area tax revenue.	
Initiative 6	Impact Area: City-wide	Funding Type: 
Better serve Council and Calgarians by smoothly transitioning the Property Assessment and Taxation services into the Assessment & Tax business unit.		
UPDATE 	The merge of the Taxation and Property Assessment services into the Assessment & Tax business unit was successfully implemented and now there are a number of projects that have been completed or are in progress to optimize the new business unit. These projects include improving tax bills; integrating Taxation and Property Assessment tools and customer service, products, and processes; determining the ideal future workplace; renovating workspaces; realigning information storage; and moving a considerable number of staff to new workspaces.	
Initiative 7	Impact Area: City-wide	Funding Type: 
Make the Taxation service a more attractive long-term career choice by focusing on staff attraction, development, and retention.		
UPDATE 	Taxation only has access to a small pool of qualified staff and the 2024 year-to-date overall turnover for the Assessment & Tax business unit is currently at 2.3 per cent for core employees. Creating a “Transforming Learning” strategy is a 2023-2026 priority which is currently active and is aimed at improving all aspects of staff development.	
Initiative 8	Impact Area: City-wide	Funding Type: 
Pursue future efficiency and effectiveness gains by continuously investing in technology and process improvements.		
UPDATE 	The Tax System Modernization program was provided capital funding as part of the 2023-2026 service plans and budgets process and aims to update PTWeb and City Ownership OnLine (COOL). PTWeb is the primary property tax system and work has been initiated. COOL interfaces with Alberta Land Titles, allows Taxation to receive feeds of ownership changes, and development work is well underway with completion expected in 2025.	
Initiative 9	Impact Area: City-wide	Funding Type: 
Support evidence-based decision-making across The City and the industry by providing taxation information to internal and external data requesters.		
UPDATE 	As part of the 2023-2026 service plans and budgets process, the Taxation service received additional funding to hire new staff. Those new staff have been hired and a part of their focus is on providing taxation information to external and internal data requesters to support priorities like the Downtown Strategy, Housing Strategy, and Citywide Growth Strategy.	
Initiative 10	Impact Area: City-wide	Funding Type: 
Address the climate emergency by supporting the Clean Energy Improvement Program and reducing Taxation’s carbon footprint using both technological and process related tools.		
UPDATE 	Tax Instalment Payment Plan (TIPP) online has been successful with over 80 per cent of new TIPP sign-ups being done online, saving thousands TIPP agreements from being either mailed or emailed. The Clean Energy Improvement Program (CEIP) is actively supported, the Brownfield Solar Property Tax Incentive Bylaw was brought to Council, and providing property tax bills and school support declarations online is being worked on. Lastly, reducing mailing/printing and having many Taxation staff working with a telework agreement have contributed to an unmeasured carbon footprint reduction.	
Initiative 11	Impact Area: City-wide	Funding Type:

		
Advance equity efforts at The City by making decisions after first considering all Equity, Diversity, Inclusion, & Belonging implications.		
UPDATE 	The Taxation service has implemented or is currently working on making affordable housing exempt from paying property tax, the compassionate property tax penalty relief program, the Property Tax Assistance Program (PTAP) through Fair Entry, and contributing towards the Housing Strategy.	
Initiative 12	Impact Area: City-wide	Funding Type: 
Increase resilience and consider how best to operate in a future that is increasingly volatile, uncertain, complex, and ambiguous by proactively preparing for unexpected challenges.		
UPDATE 	The Assessment & Tax Business Continuity Plan, Labour Action Business Continuity Plan, and the entire internal business planning & reporting process are in the process of being completely rewritten to reflect the changes made as part of the Organization Realignment and bring things up to industry best practices. Reporting has begun on the first ever multi-year Assessment & Tax Strategic Plan and operational planning and reporting improvements are currently underway.	



Service Updates on Financial Performance

Net Operating Budget and Actuals as of June 30, 2024



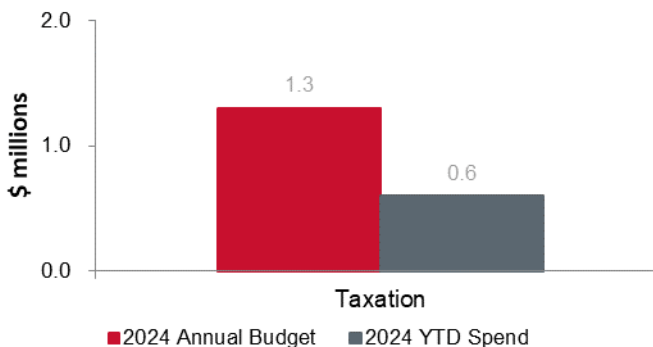
Operating Budget Updates - 2024 YTD net operating budget vs actuals:

Taxation has a favourable operating variance of \$0.2 million. The main reasons that have contributed to the variance are higher than anticipated revenues from City Online (e-commerce) as a result of increased real estate activities of \$0.8 million, partially offset by unfavourable variances of (\$0.2) million from higher contract & general services expenses, (\$0.2) million from the Property Tax Assistance Program (PTAP) caused by timing differences, (\$0.1) million from higher than budgeted salary & wages expenses, and (\$0.1) million from other small variances.

As of June 2024, Taxation:

- Mailed a property tax notice to almost 570,000 accounts for a total of \$3.3 billion in budgeted property tax revenue.
- Have around 318,000 active Tax Instalment Payment Plan (TIPP) accounts.
- Maintained an effective property tax collection process with only two properties being sold at the 2024 Real Estate Public Auction despite second highest number of accounts identified for warning of tax recovery in Calgary's history.
- Provided around \$2.4 million in discretionary tax relief to non-profit organizations and citizens in need.
- Created the Customer Solutions section.
- Caught up on Service Requests after a dip in performance in late 2023 due to high volume and low staffing.
- Brought the Delegated Tax Cancellation Authority Bylaw and Council Policy to Council where it was approved on 2024 June 4.

Capital Budget and Spend as of June 30, 2024



Capital Budget Updates - 2024 total capital budget vs 2024 YTD spend:

Taxation has spent 46.2 per cent of the 2024 approved capital budget.

In 2024, the capital expenditures have been used to deliver progress towards two main capital priorities.

The first is the City Ownership Online Upgrade (COOL) Update, which interfaces with Alberta Land Titles and allows The City of Calgary to receive feeds of ownership changes. This project has now been divided into two phases. Phase 1 is the bulk of the COOL and Property Ownership Web Service (POWS) stream and is approximately 75 per cent complete, with the balance is due to be finished in Q2 2025. Phase 2 is the Land Titles Information Application (LTIAR) stream, which is 25 per cent complete, with the balance due to be finished in Q3 2025. POWS and LTIAR are integral to COOL's function; therefore they also need upgrading. There is a Project Change Request for an additional capital expenditure of \$457,000 to be presented at the September 2024 Corporate Technology Committee (CTC) meeting. The original estimate of \$2.4 million was previously approved by CTC; the original budget was \$3 million.

The second is the PTWeb Update, which is the primary property tax system. This project only began in Q1 2024, predominantly due to constraints in resource availability, and is currently on track with an options analysis. A survey has been sent to other municipalities and team members are reviewing feedback for further follow-up. Preliminary work is being done to draft high level requirements using work done on a separate project to document workflows for the different Taxation teams.