



NEWS RELEASE

Commercial property tax rate in Calgary and Edmonton two to three times higher than residential rate with little rationale

Oct. 17, 2019
For Immediate Release

CALGARY—Throughout Alberta, but particularly Calgary and Edmonton, businesses pay much higher property tax rates than residents, which can lead to businesses leaving the area or simply closing, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“When punitive commercial property taxes force businesses to leave or close, the make-up of our communities and cities can change profoundly,” said Josef Filipowicz, a senior policy analyst with the Fraser Institute and co-author *Who Bears the Burden of Property Taxes in Canada’s Largest Metropolitan Areas?*

The study analyzes the ratio of municipal and provincial property tax rates (including education) paid by residents, businesses and industries in Canada’s major urban areas.

In the Calgary area, the average commercial property tax rate was 1.8 times—or nearly double—what the average residential property tax rate was in 2018, the most recent year of comparable data.

But in the City of Calgary itself, commercial property tax rates were three times that of residential properties, the highest in the region. By comparison, the ratio between commercial and residential tax rates were significantly lower in Airdrie (1.8-to-1) and Cochrane (1.4-to-1).

Likewise in Edmonton, while the regional average ratio between commercial and residential tax rates was 1.7-to-1, the City of Edmonton had a 2.5-to-1 ratio, which is higher than Strathcona (1.8-to-1) and St. Albert (1.4-to-1).

Crucially, higher tax rates on businesses can erode competitiveness, leading to migration of businesses, reduced hiring and investment, and business closures.

“In both Calgary and Edmonton, businesses face a higher property tax burden than residents, with little justification for the higher rates,” Filipowicz said.

"Property taxes should reflect the level of services used by ratepayers, so local and provincial governments need to demonstrate how businesses in Calgary and Edmonton consume two to three times the local services that residents do."

(30)

MEDIA CONTACT:


Josef Filipowicz, Senior Policy Analyst
Fraser Institute

To arrange media interviews or for more information, please contact:

Bryn Weese, Associate Director, Communications
Fraser Institute

Tel: (604) 688-0221 ext. 589

E-mail: bryn.weese@fraserinstitute.org



The Fraser Institute is an independent Canadian public policy research and educational organization with offices in Vancouver, Calgary, Toronto, and Montreal and ties to a global network of think-tanks in 87 countries. Its mission is to improve the quality of life for Canadians, their families and future generations by studying, measuring and broadly communicating the effects of government policies, entrepreneurship and choice on their well-being. To protect the Institute's independence, it does not accept grants from governments or contracts for research. Visit www.fraserinstitute.org