

How your taxes work

2017 Property Taxes are due: June 30, 2017

What is a property tax rate?

We calculate how much money is required to finance operations from residential tax for the upcoming budget year. This is divided by the anticipated assessment (value of all the residential properties in the city are worth).

Example:

$$\$350,000 \times 9.469 / 1,000 = \$3,314$$

(Property assessment x residential tax rate / 1,000 = Annual taxes)

How much is the school tax?

Under provincial law, we're mandated to collect the school tax for the Government of Alberta through our property tax process. All property owners are required to contribute, whether or not they have children in school. The 2017 school tax is **27%** of the total property taxes owing; collecting **\$17.7 million** (2016 was \$15.8 million).

How do property assessments affect taxes on an annual basis?

Property assessment is the process of placing a dollar value on a property for taxation purposes and is regulated by the provincial government. Property assessment is affected by market changes caused by inflation, supply and demand, therefore can increase or decrease. Assessments are also influenced by any improvements or modifications made to a property. Properties are re-assessed annually, and market value assessments are based on market value of the property as of July 1 of the previous taxation year.

What do municipal property taxes pay for?

Municipal property taxes are a primary source of revenue for municipalities used to finance city programs and services such as social supports, parks and leisure facilities, police and fire protection, and public services, library, public transit.

Why do property taxes vary each year?

Property taxes vary from year-to-year for a variety of reasons. Increases to costs of the services provided, growth of the community, regional initiatives, property assessment, and economic factors all play a part when determining the tax rate.

Why do some property owners have a minimal tax increase while other homeowners have a larger property tax increase?

All residential properties have the taxes calculated using the same tax rate. The assessment of each residence is multiplied by the tax rate, which then equals the property taxes for that residence. If the property assessment decreased from last year, it would be feasible that the property taxes owing would decrease this year. If the property assessment stayed the same or increased, a larger tax increase may result.

Visit **Leduc.ca/tax** for more information

We're here to help! Please reach out to us:

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