

Frequently asked questions: Non-Residential Property Tax Deferral

This FAQ answers some of the commonly asked questions regarding education property tax deferrals. Please read through the questions and answers carefully. Should you require further clarification, please email your question to TaxProgramDelivery@gov.ab.ca.

What are the acceptable options for the non-residential property tax deferral?

Municipalities have two options to defer non-residential property taxes. Municipalities who wish to defer the education property tax portion must defer property taxes to ensure penalties and interest are not applied if taxes are paid in full on or before September 30, 2020. Municipalities who wish to defer both municipal and education property taxes must defer the appropriate number of months to ensure the deferral benefit is equal to or greater than a six-month deferral of education property tax. The six-month deferral begins April 1.

How many months do I need to defer both municipal and education property tax to satisfy the combined approach?

This will depend on the ratio between your municipal property tax rate and your local education property tax rate. The greater your municipal tax rate is versus your education tax rate, the shorter the necessary deferral period. As long as the cumulative benefit of a municipal and education property tax is the same or greater than a six-month education property tax deferral, the combined approach is acceptable.

For more information and examples of acceptable approaches, please see the [Non-Residential Property Tax Deferral Guidelines](#).

If our normal property tax due date is September 30th or later, do we have to implement one of the acceptable approaches?

No. Because your municipality's property tax due date is later than the deferral date of September 30, you have already effectively provided a six-month deferral from April 1. You are still required to provide the appropriate government messaging to be included with your tax notices. The appropriate messaging can be found here:

[2020 education property tax insert – Education tax only](#);

[2020 education property tax insert – Combined approach](#) or;

[2020 education property tax insert – Due date after October 1](#).

My municipality uses self-mailers for tax notices. How do I include the government messaging?

It is preferred the standard messaging be included as an insert to tax notices. In the case of self-mailers, or other automatic processes, at a minimum, the standard messaging text should be included on the self-mailer with a hyperlink to the appropriate Government of Alberta messaging.

Can a due date for education property taxes later than September 30th be used?

Yes. It is at your council's discretion as to when you defer property tax. Non-residential education property tax will not be requisitioned from municipalities until December 2020. The December 2020 invoice will include the June, September, and December non-residential amounts and the December residential amount.

How do I implement this tax deferral within my property tax bylaws?

To implement tax deferrals, municipalities with penalties outlined in the annual tax rate bylaw will set the penalty dates in line with the tax deferral program approved by council and one of the acceptable options.

For those municipalities with specific tax penalty bylaws, it is recommended that an amending bylaw to the tax penalty bylaw be drafted and approved by council.

The amending bylaw would stipulate the deferred tax penalty dates for the 2020 tax year only, again in line with the tax deferral program approved by council and one of the acceptable options.

Is the six month property tax deferral from the tax due date?

No. The six-month tax deferral is from April 1 to September 30. For example, if your municipality's normal tax due date is June 30, you're required to defer non-residential education property tax to September 30 or an equivalent of municipal and education property tax for a shorter period of time. If your tax due date is September 15, you still are required to defer non-residential education property tax until September 30 or for a shorter period if both municipal and education tax is deferred.

Can the tax due date be earlier than the deferral date?

Yes. It is important to ensure flexibility for non-residential ratepayers to defer payment of taxes without incurring penalties or interest. It is acceptable to maintain an earlier tax due date, such as June 30, to encourage timely payment from those who can afford it. However, non-residential ratepayers must have the option to defer payment to a later date that aligns with one of the acceptable options. It is also important that communication to ratepayers be clear about their ability to defer payment without penalties or interest.

I have non-residential taxpayers using a Tax Installment Payment Plan

A ratepayer on a TIPP, who cannot afford to pay their taxes should contact their municipality to cancel their participation. Alternatively, the ratepayer can ask for the education property tax only to be deferred until at least September 30.

(TIPP). How do I address these payments?

If a taxpayer on a monthly payment plan has their payment plan deferred until September 30, the last three monthly payments will have to account for the remainder of the 2020 education property tax.

How will the non-residential education property tax deferral impact opted-out school boards?

There will be no impact to opted-out school boards. Municipalities will be required to submit the full portion of residential education property taxes, as scheduled, to their respective opted-out school board(s). This is regardless of whether the municipality collects any taxes during that period or not. Opted-out school boards will be responsible for submitting the required portion of residential property taxes to the Alberta School Foundation Fund. The balance of the deferred non-residential amount must be paid to the school board(s) by December 31 and will be due to the Alberta School Foundation Fund by the close of the 2020 calendar year.

Regardless of the amount of taxes deferred, opted-out school boards will receive the appropriate amount of per-student funding from the Alberta School Foundation Fund as per normal practice.

What assessment classes are included in the property tax deferral?

All non-residential property is included in the deferral, including designated industrial property, commercial property, pipelines, and wells.