

April 14, 2020

2020 Property Tax Deadline Deferral

Annual property taxes are typically due at the end of June, but Council made the decision to defer the 2020 tax deadline in recognition of the serious financial impact COVID-19 is having on residents and the business community.

1. When are property taxes due?

The 2020 property tax deadline is extended. Property taxes are due September 30, 2020; however, those who are able to pay their taxes earlier are encouraged to do so.

2. Can I defer my 2020 property taxes?

City Council has extended the property tax deadline from June 30 to September 30, 2020. All property owners have until September 30 to pay their taxes, without penalty.

3. What property tax classes are included in this deferral?

All property taxes are included in the deferral.

4. Do I need to apply to defer my taxes to September 30?

No. All property owners have until September 30 to pay their property taxes. You do not need to apply or contact The City of Red Deer to arrange for this. No penalties will apply until after September 30, 2020.

5. Can I pay my taxes before the deadline?

Yes. All property owners who are able to pay their property taxes in advance are encouraged to do so as property taxes pay for critical services such as emergency services, policing and infrastructure maintenance.

6. When will the 2020 tax notices be mailed?

Tax notices are typically mailed in late May; however, we anticipate the 2020 mail date may be impacted by COVID-19.

7. Will there be any penalties applied for late payments in 2020?

City Council approved, in principle, an amended penalty of 7 per cent, which would apply to any outstanding tax balances on October 1, 2020.

8. What if I cannot afford to pay my 2020 Property Taxes by the due date?

If you are unable to pay your property taxes, in full, by September 30, we encourage taxpayers to pay what they can afford by the September 30, 2020 deadline to reduce the 7 per cent penalty incurred on October 1, 2020.

9. Is the property tax deadline final?

City Council has also noted that the property tax and BIA tax collection deadlines may be further reviewed in coming months as the COVID-19 crisis continues to evolve.

10. If I pay my taxes through my mortgage payment, how does deferring the due date affect my mortgage payment?

Deferring the tax due date should not impact your mortgage payment, but you can connect with your mortgage company to confirm. The City will advise your mortgage company of the outstanding taxes.

11. If I pay my taxes through my mortgage payment, and I defer my mortgage payment, how does this affect my tax payments?

This may differ based on your mortgage provider. Please contact your mortgage company to confirm.

12. I am a non-residential taxpayer, how do I go about deferring my education taxes as announced by the Alberta Government?

You do not need to take any action to defer the non-residential portion of education taxes that was announced in March by The Province. This will be automatically incorporated into the 2020 tax notices that you receive based on the direction provided by the province to The City.

13. Why deferral, not cancellation?

Even amidst COVID-19, The City continues to provide essential services within the city, including emergency services, policing, roads, transit and regular infrastructure maintenance. While we appreciate the financial hardship residents currently face, these City services are essential and cannot continue without tax-supported funding.

14. What is the 2020 tax rate? How much will my taxes be?

The tax rate bylaw will go to council in mid-May, at which point the tax rate will be officially set.

During 2020 budget deliberations, City Council approved a 0.97 per cent tax increase in municipal taxes. The final tax rate, including level of increase or decrease, is dependant on provincial requisitions for education and seniors' housing. This will be finalized when the tax rate bylaw goes to City Council.

Tax Instalment Plan (TIP) Program

Background: The Tax Instalment Plan allows residents to divide their taxes into equal monthly payments, which IS automatically withdrawn from their account each month.

1. When is the last day to sign up for TIP?

The TIP deadline remains unchanged. The last day to sign up for TIP is Monday, June 15, 2020.

2. How do I sign up for TIP?

Taxpayers can visit www.reddeer.ca/TIP and complete the online application form.

3. Can I defer my TIP payments?

No. TIP Payments cannot be deferred, but taxpayers may choose to remove themselves from the TIP program.

At anytime, a taxpayer can cancel their TIP participation and remove themselves from the plan. Taxpayers must submit a cancellation form by the 15th of the month. The cancellation form can be found at www.reddeer.ca/tip. Participants can re-enroll at a later date if they so choose (see question 18 below).

4. What if I cannot afford my monthly payment?

At anytime a taxpayer can cancel their TIP participation and remove themselves from the plan. Taxpayers must submit a cancellation form by the 15th of the month. The cancellation form can be found at www.reddeer.ca/tip. Participants can re-enroll at a later date if they so choose.

5. What happens if my TIP payment doesn't go through?

The City will send a warning letter advising of the first missed payment. We encourage taxpayers to make up the missed payment to minimize fluctuations for future monthly payments.

The second time the payment is missed, the taxpayer will be removed from the program and remaining taxes are due September 30, 2020.

6. If I opt out or am removed from the program, can I re-enroll in TIP later?

Yes. Participants who elect to remove themselves from the TIP or are removed from the program for non-payment on the same property, will be eligible to re-apply for the program 6 months after the date of removal, or January 1 of the following year, whichever is sooner.

7. If I am not signed up for TIP, can I still make payment towards my taxes?

Yes. Payments can be made through your financial institution, or by mailing a cheque. Any outstanding taxes will be subject to a 7 per cent penalty on October 1.

Business Improvement Area (BIA) Tax Levy

Background: Business Improvement Area tax is collected on behalf of the Downtown Business Association (DBA) and is based on the DBA's budget, which was approved by Council in December.

1. What is a BIA and why does it have a separate tax?

A Business Improvement Area, or BIA, is a geographic area of the city where businesses have come together and formed a business association to enhance economic development in their area.

2. How many BIAs does Red Deer have?

Red Deer only has one BIA, which is located in the downtown and is operated by the Downtown Business Association.

3. Who pays BIA taxes?

BIA taxes are paid by all businesses within an established BIA.

4. When are 2020 BIA taxes due?

BIA taxes are typically due June 30 but the deadline has been extended for 2020 and BIA taxes are due September 30, 2020.

5. What is the 2020 BIA tax rate?

Council will deliberate the 2020 BIA tax rate during the council meeting on April 27, 2020.

6. What is the BIA tax levy used for?

BIA taxes are collected by The City on behalf of the Downtown Business Association to fund the approved DBA budget as established by the DBA Board.

Information about the DBA's programs can be found on their website at downtownreddeer.com.

7. Are BIA Taxes mandatory?

Yes. BIA Taxes are mandatory for all businesses operating within an established BIA.

8. Why does the City collect these funds?

The City is required by provincial legislation to collect BIA taxes and distribute those funds in full to established BIAs.

Supplementary Property Tax

Background: Supplementary property tax is the property tax charged for the portion of the year in which new construction or improvements are completed or occupied. The purpose is to collect funding required to provide services like police, fire, ambulance and road maintenance for the portion of the year that new construction or improvements are occupied or complete.

1. Will the City collect supplementary taxes in 2020?

No. In light of financial hardships posed by the COVID-19 crisis, City Council decided to cancel the supplementary tax program for 2020.

2. How will this affect future taxes?

Supplementary property taxes, which would have been collected in 2020 will not be added to future tax bills; however, property builds and improvements will be reflected on 2021 property assessments and tax bills.

Supplementary Business Improvement Area Tax

Background: Supplementary Business Improvement Area tax is the tax charged for the portion of the year in which new construction or improvements in the designated BIA zone are completed or occupied or for new businesses moving into the BIA zone. The purpose is to collect funding required to provide services like police, fire, ambulance and road maintenance for the portion of the year that new construction or improvements are occupied or complete.

3. Will the City collect supplementary taxes in 2020?

No. In light of financial hardships posed by the COVID-19 crisis, City Council decided to cancel the BIA supplementary tax for 2020.

4. How will this affect future taxes?

BIA supplementary taxes, which would have been collected in 2020 will not be added to future tax bills, however new construction and improvements, and businesses moving into the downtown, will be reflected on 2021 BIA assessment and tax bills.

For more information:

- www.reddeer.ca/tax
- tax@reddeer.ca