

## BYLAW 19868

### Tax Penalty, Interest and Monthly Payment Bylaw

#### RECOMMENDATION

That Bylaw 19868 be given the appropriate readings.

#### Purpose

To amend Bylaw 19394 to establish:

- the 2022 due dates for payment of taxes,
- the rates of penalty to be imposed for late payment,
- the rate of interest to be applied on overpayments, and
- the terms under which taxes may be paid in monthly installments.

#### Readings

Bylaw 19868 is ready for three readings.

#### Position of Administration

Administration supports this Bylaw.

#### Report Summary

The penalty rates and due dates established by this bylaw are unchanged from years prior to the COVID-19 pandemic.

#### REPORT

This Bylaw will amend Bylaw 19394, and updates wording to provide clarity with respect to the deemed receipt date for payments received by mail. No changes to penalty or interest rates are reflected in this Bylaw, from years prior to the COVID-19 pandemic.

The due date for 2022 Business Improvement Area (BIA) taxes is March 31, 2022. The due date for payment of property taxes is June 30, 2022, consistent with previous years.

## **BYLAW 19868 - Tax Penalty, Interest and Monthly Payment Bylaw**

Annually, property tax notices are mailed in May reflecting the taxes payable for the period of January 1 to December 31, and annual BIA tax notices are mailed in February. Penalties on unpaid current taxes are imposed commencing July 1 for property taxes, and April 1 for BIA taxes. Penalty rates for property and BIA taxes total 15 per cent and 14 percent, respectively, per annum for unpaid current taxes and 15 per cent per annum in both cases for arrears of taxes. A survey is conducted annually to ensure that Edmonton's penalty rates are reasonable as compared to those in place in other jurisdictions (Attachment 2).

Any overpayment of taxes will earn interest at the rate of 0.06 per cent per month based on the minimum monthly credit balance.

A monthly payment program by automatic bank withdrawal is offered to taxpayers and allows for payment of taxes in monthly installments without penalty. Enrolment in this program has increased on average 3.5 per cent per annum, representing approximately 32 per cent of the total tax accounts, based on 2020 year end statistics.

### **Budget/Financial Implications**

Passage of this bylaw will result in projected tax penalty revenues of \$21.3 million for 2022.

## **ATTACHMENTS**

1. Bylaw 19868
2. Survey of Alberta Municipalities
3. Bylaw 19394

## **OTHERS REVIEWING THIS REPORT**

- M. Plouffe, City Solicitor