

# Understanding Your Property Taxes

## What is Property Tax Used For?

Property tax that is collected by the Summer Village each year goes to support and provide the following services.

Administration – Council, administrative and financial management.

Protective Services – Fire protection, bylaw enforcement, police services and Emergency Services.

Transportation & Infrastructure – construction and maintenance of streets, snow removal, and landfill.

Recreation & Culture – Maintenance of recreation areas including parks and green spaces; support for local recreation and FCSS initiatives.

## How are Tax Rates Established?

Each year, Council approves the amount of expenditures required to support municipal services by setting an operating budget. Revenue sources other than property tax, such as general revenues, grants, and transfers from reserves are subtracted from expenditures. The balance is the amount raised through property taxation. Tax rates are established to calculate property tax and reflect the amount of tax to be paid for every dollar of assessed property value.

## Calculating Your Taxes:

Tax Notices are mailed in May each year to the property owner on record. The amount on your Tax Notice is for taxes levied from January 1st to December 31<sup>st</sup> of the current year.

Your property tax notice includes 2 separate tax levies to fund the following:

- 1) Total **Municipal** Levy – this amount is collected by the Summer Village to fund municipal infrastructure, services and recreation areas/initiatives.
- 2) Total **School** Levy – this amount is collected by the Summer Village and paid directly to the Province of Alberta, for maintenance and development of the public school system. The amount requisitioned by Alberta Education and paid by each municipality is based on population and the tax base. All municipalities must collect and forward these funds to the province.

The tax rate is the Municipality's tax requirement divided by the total assessed value in the community. To determine each property's fair share, the assessed value of a property is multiplied by that year's Tax Rate (Individual property taxes = Property's Assessed Value x Tax Rate.)

For example, if your single family residential property was assessed at \$478,238, your property taxes would be \$2,573.

**\$478,238 (property assessment) x 5.379672 (municipal tax rate) ÷ 1000 = \$2,573 annual municipal taxes.**

## **Important Tax Dates:**

May of Calendar Year – Tax notices are mailed out

July 31<sup>st</sup>- Taxes are due

August 1<sup>st</sup> – 15% penalty is applied to any unpaid balance as of July 31<sup>st</sup>

January 1<sup>st</sup> – 18% penalty is applied to any unpaid balance as of December 31<sup>st</sup>

**Due dates are critical for property taxes!!**

Please allow sufficient time for payment to reach us on or by the specified date on the notice.

## **How to Pay:**

Taxes can be paid by cash, cheque, money order, bank draft, VISA, Mastercard, Plastiq, debit or by the TIPPS.

Tax Installment Payment Plan (TIPPS):

The tax installment payment plan is available to any resident who has no current taxes owing to the municipality. The withdrawals are designed to start in January of each year and continue to December 31<sup>st</sup>, where upon all current taxes are fully paid with no interest applied. If would like to join, please ensure that your agreement papers are signed and returned to us by December 31<sup>st</sup>.