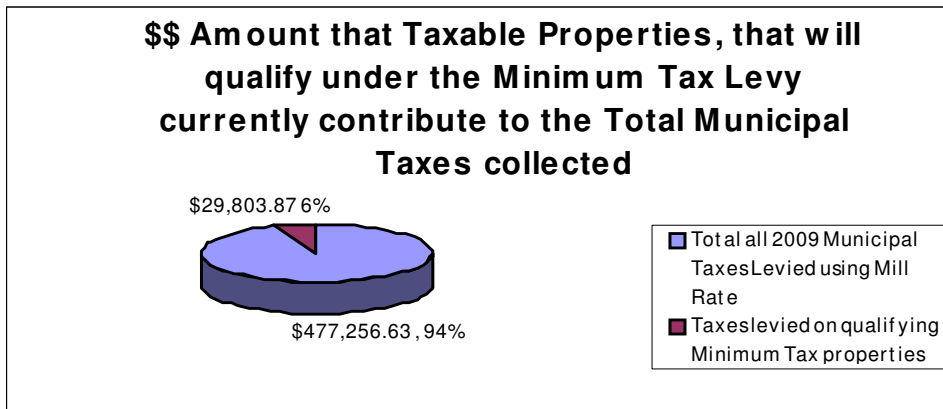


## Why is a “Minimum Tax” levied on my property?

It has been determined that over **28 % of the property owners in the Town of Sedgewick contribute only 6% of the Total Municipal Taxes collected.**

If the **municipal portion** of your tax levy was less than **\$350** for vacant property or less than **\$500** for improved property, you will see a minimum tax levy on your property.



### Reasons Town of Sedgewick has levied a Minimum Municipal Tax :

- It has been determined that 28% of property owners in the Town of Sedgewick pay only 6% of the total taxes collected.
- 26% of the residential properties and 40% of commercial properties fall into this 28% (those only paying 6% of the total taxes)
- With the demolition of the elevators in Sedgewick, the Town lost \$22,000+ in tax revenues
- The Town of Sedgewick has a significant number of non-taxable properties: all school properties, all Flagstaff County properties, all recreation facilities including buildings, ball diamonds, parks and playgrounds, and all religious properties. (These properties are all non-taxable, yet they must still be supported with all of the municipal services.)
- To more equitably allocate the cost of services received by every property owner (street maintenance; i.e. street sweeping, snow removal, street lights, infrastructure repair and maintenance; recreation, library, fire, water, sanitary and storm sewer services, curbs, sidewalks, municipal contribution towards regional organizations such as FFCS, Regional Fire Emergency Coordinator. Community Resource officer etc. )
- Encourage development of vacant properties

## **Explanation of Your Tax Bill**

Currently your tax levy is broken down as follows:

**Municipal portion** – that portion of the levy that the municipality receives

**Education portion** - that portion of the levy that Alberta Education requisitions that the municipality collect from it's ratepayers to be sent to Alberta Education for support of schools

**Senior's Housing portion** - that portion of the levy that Seniors Housing requisitions that the municipality collects from it's ratepayers to be sent to Seniors Housing for support of seniors housing.

### **How is the Municipal portion determined?**

The municipal portion of your tax levy is arrived at by determining the amount of money the municipality requires for the 2009 budget and dividing that amount into the total assessed value of all the properties in the municipality to arrive at a tax rate.

### **Who will see a Minimum Municipal Tax ?**

If you paid less than \$500 (municipal portion only) on your improved property or, less than \$350 (municipal portion only) on your vacant property, you will be levied a minimum municipal tax. This will show up as a separate line (Minimum Tax) on your tax bill. The difference between your municipal portion of the tax levy and the applicable minimum tax (\$500 for improved and \$350 for vacant) becomes the minimum tax levy applied to your property.

**Examples of Minimum Tax – see below**

## **Examples of Properties receiving Minimum Tax Levy**

2009 tax levy on **an improved property** with an assessment of **\$69,720** would see the following on their tax notice:

<b>Municipal</b>	<b>\$463.07</b>
ASFF (Education)	\$124.17
Seniors Housing	<u>\$ 10.21</u>
Total Taxes:	<b>\$597.45</b> (before minimum tax)

Because this property would be under the \$500 minimum for the **municipal portion** of the tax levy, a minimum tax of **\$36.93** ( $\$500 - \$463.07 = \$36.93$ ) would also be applied. Thus take the total tax levy would increase from **\$597.45** to **\$634.38** and be shown as:

Municipal Taxes	\$463.07
ASFF	\$123.17
Seniors Housing	\$ 10.21
Minimum Tax	<u>\$ 36.93</u>
<b>Total Tax Levy:</b>	<b>\$634.38</b>

2009 tax levy on **a vacant property** with an assessment of **\$8,160** would see the following on their tax notice:

<b>Municipal</b>	<b>\$54.20</b>
ASFF (Education)	\$14.53
Seniors Housing	<u>\$ 1.19</u>
Total Taxes:	<b>\$69.92</b> (before minimum tax)

Because this property would be under the \$350 minimum for the **municipal portion** of the tax levy, a minimum tax of **\$295.80** ( $\$350 - \$54.20 = \$295.80$ ) would also be applied. Thus take the total tax levy would increase from **\$69.92** to **\$365.72** and be shown as:

<b>Municipal</b>	<b>\$54.20</b>
ASFF (Education)	\$14.53
Seniors Housing	<u>\$ 1.19</u>
Minimum Tax	<u>\$ 295.80</u>
<b>Total Tax Levy:</b>	<b>\$365.72</b>

