

TAXATION IN THE PROVINCE OF ALBERTA, CANADA.

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The taxable property in the Province of Alberta may be divided into three classes. First, rural property; second, village property; third, town or city property.

Land is the only property assessed under the first class and the rate of taxation is levied at so much per acre without regard to the value of the land. There are two assessments levied on these lands, one for raising money for assisting in building roads and bridges, and the other for raising money to be applied to the support of educational institutions. The first mentioned assessment is levied partly by the Provincial Government and partly by local organizations known as local improvement districts. These districts are organized in the more thickly populated portions of the Province and the taxes are levied, collected and expended by a council elected by the ratepayers of the district. The rate of taxation within these districts varies from a minimum rate of one and one-quarter cents per acre to a maximum rate of five cents per acre. Taxes on the outlying portions of the country which are not included within these districts are levied, collected and expended by the Provincial Government, the rate of taxation being fixed by the Government. At present this rate is one and one-quarter cents per acre on all lands held under homestead or purchase, and on Government lands held by lease the rate is three-quarters of a cent per acre.

The taxes for educational purposes are levied by the Provincial Government on all outlying lands and by the boards of the school districts where such districts have been organized. The rate of taxation on lands within school districts is limited by law to a maximum rate of ten cents per acre. The rate levied by the Provincial Government on lands outside of school districts is fixed by the Government, the present rate being one and one-quarter cents on patented lands and one-half cent per acre on Government lands held under lease. Homestead lands are not assessed by the Government for educational purposes until four years after—the date of making homestead entry.

In all assessments the land is described by number of lot or section and while the name of the owner is entered the land is in no way described by such name.

All taxes levied and collected by the Provincial Government are simply trust funds handled for the benefit of the people paying such taxes, the revenue of the Province being derived from subsidies from the federal government supplemented by taxation of companies, corporations, etc.

Village property is liable to two assessments, one to furnish revenue for

street improvements and other work of the village, and the other for school purposes; the former being levied by the council of the village and the latter by the school board of the village. Both these assessments are based upon the value of the real and personal property within the village, but in the case of the improvement taxes there is a provision whereby the council of any village may obtain permission from the Government to base their assessment on the value of the land exclusive of the improvements thereon by presenting a petition signed by two-thirds of the ratepayers of the village. This latter system of assessment is in use in many of the villages throughout the Province. It is found to work out in a very satisfactory manner, and the number of villages using this system is continually increasing.

In the towns and cities of the Province there is only one assessment. It is made by the officials of the town or city, and covers the taxes required for the support of the schools within the municipality and also for all work carried on by the municipality. The system in most of our towns and cities is assessment according to the actual value of the land exclusive of the improvements thereon. There is no assessment of personal property. This system commends itself to the people of the Province as a fair method of taxation and all cities which have lately received charters of incorporation are using it in preference to the system of assessment on both real and personal property.

This taxation of land is supplemented by a business tax and to a small degree by income tax.

Probably the most distinguishing feature of the assessment system is the fact that the assessment of personal property or improvements is almost unknown, practically all taxes being levied on land without regard to the improvements thereon. The use of this system of assessment is rapidly increasing and when it is taken into account that unimproved property is greatly enhanced in value not only by the improvements carried on by the municipality or Government, but also by the developments due to the investments of owners of improved property, it would seem only right that the assessment should be so adjusted as to provide for the payment of a fair proportion of the taxes by the holders of such improved property. The ratepayer who invests money in unimproving his property is a much more valuable asset to a any community than the man, usually a non-resident, who simply holds his property as a speculation. It is only just that this should be recognized, and the assessment so levied that as much as possible of the burden of taxation will be borne by the man who is holding his property so as to profit by the development brought about by the investments of the owner of improved property as well as the work of the Government or municipality.

It may be contended that our assessment of rural property at a certain rate per acre is unfair, but the rate of assessment is as yet so uniformly low that the system is working out quite satisfactorily and we are saved the expense of valuing the land. If it should become necessary to levy a heavier rate of taxation it will of course be necessary to adjust the assessment according to value.