

2009 Alberta Education Property Taxes Fact Sheet

Why do we have education property taxes?

Education property taxes provide support for Alberta's basic education system, and all Albertans benefit from a quality kindergarten to grade 12 education system.

Education property tax provides:

- a stable source of revenue for the basic education system;
- equitable funding for students no matter where they live; and
- stability in taxation for property owners.

This year, education property taxes will contribute about \$1.7 billion to public and separate school boards. If this money wasn't collected through property taxes, the provincial government would have to access other revenue sources, such as personal income taxes or general corporate taxes. Given that there is only one taxpayer, the overall tax burden for Albertans would not decrease.

Do Alberta taxpayers pay more in education property taxes than their school boards receive?

No. The province is requisitioning about \$1.7 billion from Albertans during the 2009 tax year to assist with the funding for basic education. It is projected that Alberta's school boards will receive about \$6.3 billion in provincial funding in the 2009/10 school year, up from an estimated \$6 billion in 2008/09.

About \$1.6 billion was collected in education property taxes from Alberta property owners in 2008.

Is the province collecting more from Albertans for education?

While the province has reduced education property tax rates by more than 16 per cent in 2009, the government will collect about \$85 million more overall in education property taxes this year. This is primarily as a result of growth through new development and increasing market values. Homeowners who have seen the value of their homes increase may see an increase in their property taxes, including the education property tax portion.

Where exactly do Albertans' education property tax dollars go?

Education property taxes support public and separate school students. The majority of these funds are for instruction, including teachers' salaries, textbooks, and classroom resources.

Education property taxes are not used to fund capital expenditures such as school construction or renovations, teachers' pensions, government operations, and private, charter or Francophone schools.

Across Alberta, education property taxes will provide about 30 per cent of provincial kindergarten to grade 12 funding in 2009/10. The remaining 70 per cent of provincial funding comes from general revenues.

How are education property taxes distributed?

Education property taxes are pooled and then distributed to school boards on an equal per-student basis. No matter where a public or separate student attends school in Alberta, each is funded at the same funding rate.

For more information, please visit www.municipalaffairs.alberta.ca