

September 19, 2019

Shallow Gas Tax Relief Program Details Now Available

Government of Alberta website now updated with program guidelines and resources

On July 2, 2019, the Government of Alberta announced the **Shallow Gas Tax Relief Initiative (SGTRI)**, which allows municipalities to implement a 35 per cent property tax reduction on shallow gas wells and pipelines across the province. Municipalities will be reimbursed by the Government of Alberta for any reductions they provide to shallow gas companies through the forgiveness of an equivalent amount of the education tax requisition that the municipality owes to the province. For this one-time solution, any reductions to the required amount of education property taxes that municipalities would normally collect will be supplemented from general revenues.

Government Resources Now Available

The Government of Alberta has developed resources to assist municipalities implement the SGTRI process, including:

- **Program Guidelines.** The guidelines provide an overview of the program, and the implementation process to support municipal councils and administrators.
- **Sample Motion.** In implementing the SGTRI, municipalities are required to pass a resolution cancelling 35 per cent of the property taxes and coinciding late payment penalties. Municipal administration will notify companies of this motion and issue refunds where more than 65 per cent of property tax bills have been paid.
- **Certification Form.** A signed resolution and certification form must be emailed to Municipal Affairs for review.
- **Summary of information included in the excel file distributed by Municipal Affairs.** Alberta Municipal Affairs has distributed information directly to municipalities that host qualifying wells. If your municipality has not been contacted by Municipal Affairs, you do not host any of these specific wells eligible for tax relief.

The Government of Alberta will also be holding a webinar on October 2, 2019 from 2:00 – 3:00 pm to support administrative officials to implement the SGTRI. Invitations for this webinar will be emailed directly to municipalities with further details.

Municipalities must submit the certification form and a copy of the council resolution to Municipal Affairs by October 21, 2019. Municipalities with an estimated tax impact of more than \$300,000 will receive a 50 per cent advance credit on their September 2019 invoice, with the remaining 50 per cent being applied in December.

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BULLETIN

Questions regarding the SGTRI can be directed to Municipal Affairs at 780.422.7125, toll-free at 310.000, or via email to TaxProgramDelivery@gov.ab.ca.

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