

November 20, 2019

Government of Alberta Eliminates Tax Exemption for Cannabis Production Facilities

Changes will allow municipalities to assess and tax cannabis production facilities at market value rates

At last week's RMA convention, Minister of Municipal Affairs Kaycee Madu **announced** that changes would be made to Alberta's assessment and taxation regulations to no longer classify cannabis production facilities as farm buildings. This will ensure that cannabis production facilities are assessed at market value and taxed at non-residential rates, an approach that reflects their local service delivery and infrastructure impacts given their industrial characteristics. The change will come into effect in the 2020 tax year.

Previously, cannabis production facilities received a property tax exemption in rural municipalities, and a partial exemption in urban municipalities.

RMA has been advocating on this issue since 2017 and has repeatedly identified it as a municipal concern associated with the cannabis legalization process. RMA appreciates the important role that cannabis production plays in the economic development of many rural municipalities and looks forward to the continued growth of the industry.

To view the Government of Alberta announcement, [click here](#).

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