

Calgary



# Tax Instalment Payment Plan

## TIPP



2015-2466

## The Tax Instalment Payment Plan (TIPP)

is a popular program which allows you to pay your property taxes on a monthly basis instead of one payment in June.

Your payment is automatically withdrawn from your chequing account on the first day of every month, making budgeting easier and eliminating the risk of late payment penalties.

Note: If you pay principal, interest and taxes (PIT) through your mortgage holder, please check with your financial institution prior to joining TIPP.

### How does TIPP work?

Each year property taxes are billed in May, due at the end of June and cover the period from January 1 to December 31.

By becoming a TIPP participant you will spread the payment of your property tax over 12 months, starting January 1, with your account being paid in full after your December 1 instalment.

Your monthly instalment amount **from January 1 to June 1** is calculated by dividing your property's most recent annual tax levy by 12, rounded up to the nearest dollar.

When you receive your annual tax bill in May your instalments **from July 1 to December 1** are adjusted to reflect the year's actual tax levy. The revised instalment amount ensures your tax account is paid in full by year-end.

#### Your annual tax bill will show:

- The credit resulting from the instalments made January 1 to May 1.
- The June 1 instalment amount.
- The new instalment amount, beginning July 1, for the remainder of the year.

### At the end of the year:

TIPP automatically continues from year to year.

In November, instalments are reviewed to bring the monthly payment to an ideal amount for January 1 to June 1 of the up-coming tax year. This ideal amount becomes the revised instalment effective January 1.

If your instalment amount changes as a result of this review, you will be notified.

### Example: Joining the plan with a start date of January 1.

Instalment amounts are rounded up to the nearest dollar.

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Previous year's taxes: \$2,500.00

Monthly instalment Jan 1 to June 1:  $\$2,500.00 \div 12 = \$209.00$

Current year tax levy, billed in May: \$2,600.00

Less TIPP credit to-date:  $-\$1,254.00$  ( $\$209.00 \times 6$  months Jan to Jun)

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Balance remaining: \$1,346.00

Monthly instalment beginning July 1:  $\$1,346.00 \div 6 = \$225.00$

Dec 1 instalment: \$221.00

(to bring the tax account to a zero balance by year-end)

### Joining the plan after January 1

You may join TIPP at any time during the year; however, if you join after January 1 you will need to make an initial payment equal to the missed instalments from January 1, plus a filing fee of 2% of the missed instalments.

For example: To start the plan on July 1, your required initial payment equals the payments missed from January to June plus the filing fee.

The initial payment amount, shown on your TIPP application, must be paid when you return your completed application. Failure to submit any required initial payment at the time you apply will result in your participation in the plan being rejected or cancelled, leaving any outstanding taxes subject to penalty.

## Written notification is required two weeks before your next payment to:

### ▪ Change your banking information.

Providing two weeks notice ensures your payment is withdrawn from your new bank account.

Use our secure web form at [calgary.ca/TIPP](http://calgary.ca/TIPP) to submit your TIPP banking information change request online.

or

Fax your request and a void cheque for your new bank account to 403-268-1564. Please note: Fax is not a recommended method as it is not deemed to be secure.

### ▪ Cancel your TIPP participation for any reason, including selling your property.

Providing two weeks notice ensures your bank account is not debited for the next instalment.

Use our secure web form at [calgary.ca/TIPP](http://calgary.ca/TIPP) to submit your TIPP cancellation request online.

or

Fax your request to 403-268-1564 and include your location address, roll number, name of TIPP participant and reason for leaving the plan. Please note: Fax is not a recommended method as it is not deemed to be secure.

## Cancelling your participation and penalties

If you cancel your TIPP participation, all unpaid taxes are due and subject to penalties in accordance with Penalty Bylaw 8M2002.

## Non-payment service charges and TIPP agreement cancellation due to non-payment

- Dishonoured payments will be subject to a service charge of \$25.00.
- Dishonoured payment made by a single withdrawal for multiple properties is subject to an additional service charge of \$6.50 per property.
- Service charges are subject to change.
- If two (2) consecutive payments are missed and not replaced, The City of Calgary will cancel the agreement. Any unpaid tax is deemed due and subject to penalties in accordance with Penalty Bylaw 8M2002.

## What if an adjustment is made to my taxes?

Any adjustment made to your taxes during the year may result in a change to your monthly instalment.

You will be notified of your new monthly payment amount and the date the new payment will begin.

## Supplementary taxes and TIPP

A supplementary tax bill is issued when a new building or an addition to an existing building is completed during the calendar year.

**If you are a TIPP participant**, your instalment is adjusted when the supplementary tax bill is issued. The revised payment amount and the start date of that new payment is shown on your supplementary tax bill.

**To join TIPP after receiving a supplementary tax bill**, your instalments are calculated by adding your supplementary tax amount and the forecasted taxes for the following year, divided by the number of months until December 1 of next year. Calculating your instalment in this manner ensures your supplementary bill is paid in full without the need for you to make a lump sum payment and to minimize a large fluctuation to your instalment when you receive your tax bill in May of the following year.

Alternately, you may pay your supplementary tax bill in full by the due date and request to join TIPP in January of the upcoming year.

## To join TIPP you need to:

- Agree to the terms and conditions of the plan.
- **Request an application for each property you would like to pay by instalment.**
- Complete and return your application(s) no later than the "return by" date shown on the application.
- Be sure to include a void cheque and any applicable initial payment with your application.



## To request an application

A TIPP application contains tax information specific to your property. Your customized application is created and sent to you after your request has been received.

### Online

[calgary.ca/TIPP](http://calgary.ca/TIPP)

### Phone

311 or 403-268-CITY (2489)

### Visit

Third Floor, Calgary Municipal Building

Our hours for walk-in service are 8 a.m. – 4:30 p.m.,  
Monday through Friday.

## To return a completed application and void cheque

### Secure Online Submission

visit [calgary.ca/TIPP](http://calgary.ca/TIPP) to upload a PDF or JPG file of your completed application and void cheque.

### Mail

Finance & Supply/Tax & Receivables

P.O. Box 2405 Station M

Calgary, AB T2P 3L9

### In person or by courier

Third Floor, Calgary Municipal Building (City Hall)

800 Macleod Trail S.E.

Monday to Friday, 8 a.m. to 4:30 p.m.

### 24-hour Deposit Box

located on the east side of the Municipal Building  
on 3rd Street S.E. (800 Macleod Trail S.E.)

## To make your initial payment

When making your initial TIPP payment you are making a property tax payment and may use any of the property tax payment methods available. Should you choose to pay through your bank, select “**Calgary (City Of) Property Tax**” or “**Calgary Property Tax**” as the payee.

Please see [calgary.ca/propertytax](http://calgary.ca/propertytax) for all your payment options.

## Own more than one property?

If you own more than one property you must request and complete an application for each location you want on the plan. We require only one void cheque if all payments are to be withdrawn from the same bank account.

**Condo owners please note:** A separate application is required for your unit as well as each titled parking stall(s) and storage unit(s).

## Already on TIPP and moving?

When you join TIPP you are paying taxes through the plan for a **specified property**. TIPP **does not** follow you to your next property. You will need to request TIPP be cancelled on your previous property and submit an application for your new property. TIPP payments are non-refundable and non-transferable to other property tax accounts.

## Already on TIPP and buying additional property?

When you join TIPP you are paying taxes through the plan for a **specified property**. TIPP **does not** automatically start on any additional properties that you purchase. If you own more than one property you must complete an application for each location you want on the plan.