

Completing the 2022 Mill Rate Survey Return

An electronic copy of the mill rate return and instructions are also published on the Ministry website at www.saskatchewan.ca/government/municipal-administration/taxation-and-service-fees/mill-rate-returns

A guide for elected officials and administrators to use to help provide sound tax policy advice for their municipalities can be found at www.saskatchewan.ca/government/municipal-administration/taxation-and-service-fees/municipal-property-tax-tools.

*Note: If the mill rate and taxable assessment have not be finalized, please provide an estimate. Identify on the return that it is “proposed”. An updated return may be filed after the due date, when the rates are “levied”. At minimum, the “proposed” return must be filed by **August 15, 2022**.*

Municipal Tax Levy

The form is structured so that each main property class is identified separately. Additional lines are provided for identifying subclasses. The last two lines are for associated base and/or minimum tax.

In the 'Municipal' section, input the municipal taxable assessment for each property class and the associated mill rate factor and mill rate. The taxable assessment is the total property class taxable assessment less those taxable assessments applied to minimum tax properties. The taxable assessment related to minimum tax properties must be reported on the appropriate minimum tax property line.

For each of the three property classes (Agriculture, Residential and Commercial and Industrial) and Potash mine(s) total municipal tax levies must equal:

- *Calculation:* (taxable assessment x mill rate factor x mill rate) divided by 1000

For example, Agriculture taxable assessment is reported on the Agriculture line. The next lines are for associated subclasses with different mill rate factors or mill rates.

After each property class there are lines for the related base and minimum tax. In each category, Base or Minimum Tax, input the dollar amount council has authorized to be levied for the base or minimum tax and the quantity (number) of properties affected by the base or minimum tax. The total tax levy for each of these line items will be:

- *Calculation:* (land amount x quantity) + (improvements amount x quantity) + (combined amount x quantity)

Municipalities with an incremental sliding scale, flat/fixed rate or formula for minimum tax should report the correct taxable assessment, total tax levy and number of properties affected. Calculate and report the average amount per property to input by dividing the total tax levy by the number of properties affected.

Special Tax Levy

Special levies of a fixed, uniform, flat rate, scale type or formula must be reported in the Municipal/Organized Hamlet/ Special Tax Levy/Fee sections. Examples:

- A municipality may adopt a by-law to set fees to cover the cost of services such as landfills, fire protection, snow removal, street lighting, etc. (*The Municipalities Act* Section 299)
- A municipality may adopt a by-law to set uniform rates for local improvements such as water and sewer projects, paving, etc. (*The Local Improvements Act* Section 20)

Two sections are available to report Special Tax Levies:

- "Special Levy – Assessment Based" is used for reporting special levies based on taxable assessment.
Calculation: (taxable assessment x mill rate factor x mill rate)
- "Special Levy – Other" is for reporting levies based on a flat or fixed rate per property.
Calculation: (fixed levy fee amount x number of properties).

If the flat/fixed rate or formula is based on a sliding scale, report the correct taxable assessment, total tax levy and number of properties affected. Calculate and report the average amount per property to input by dividing the total tax levy by the number of properties affected.

Rural Municipalities

- Report Organized Hamlet, Special Service Area and Regional Park information in the appropriate section(s).
- Report potash mine(s) assessment on the appropriate potash line under Municipal property class.

Urban Municipalities

For a fixed agriculture assessment enacted by applying Section 198(1) of *The Municipalities Act*, a Fixed Assessment Agreements line is included. It can be used to report the taxable assessment and the tax levy under these agreements.

Total Properties for Each Class (*New for 2022*)

Under Municipal including Organized Hamlet and Special Service Area, you are required to enter the number of properties in column "L" for each property class with a taxable assessment. The total number of properties for Base Tax and the Minimum Tax is not required.

Information on Property Tax Bylaw (*New for 2022*)

Municipalities must provide the property tax bylaw name, number and effective dates in the table starting at row 111 of the template. Bylaw information should be provided for mill rate factors, base tax, minimum tax for Municipal, Organized Hamlets and Special Service Areas.

Library Tax Levy

A section is available to include the reporting of special library tax levies. Calculating and reporting special library tax levies should be done the same way as municipal tax levies are reported.

Special library tax levies are reported if established by municipal by-law and pursuant to Section 44(1) of *The Public Libraries, 1996 Act*. Do not report the requisition amount.

Municipal/Organized Hamlet/Special Service Area Tax Levy

This does not include taxes collected and remitted to other taxing authorities. Examples:

- Municipal hail levies;
- Conservation and development levies;
- Rural telephone tax levies;
- A special sanitation levy;
- Public utility levies; and/or
- Public utility board levies.

Complete a section for each Organized Hamlet or Special Service Area within the municipality.

Education Tax Levy

Complete a section for each school division within the municipality. Be sure to identify the school division by name and number.

The education tax levy section is completed the same way as the municipal tax levy section.

Input the education taxable assessment for each property class. The provincially established mill rates for all public school divisions appear on the return.

Separate school divisions have the constitutional right to establish their mill rates. Overwrite in red font the mill rates if they are different than the provincially established mill rates:

- *Calculation:* (taxable assessment/1000 x mill rate)

The Commercial and Industrial property class has been separated into two classes:

- "Commercial and Industrial – Other": all commercial and industrial properties excluding those considered resource, elevators and railway rights-of-way.
- "Commercial and Industrial – Resource": oil and gas well(s), mine(s) and pipeline(s)

The 2022 Education Property Tax mill rates are:

- Agriculture: 1.42
- Residential: 4.54
- Commercial and Industrial – other: elevators, railway rights-of-way: 6.86

- Commercial and Industrial – resource: oil and gas well(s), mine(s), pipeline(s): 9.88

Average Mill Rates

Municipal Mill Rate

- *Calculation:* (municipal + Organized Hamlet(s) + Special Service Area(s) total levy) x 1000 divided by (municipal + Organized Hamlet(s)+Special Service Area(s) total taxable assessment)

Do not include special levies, potash or regional park information.

Education Mill Rate

- *Calculation:* (total education levies x 1000 divided by total education taxable assessment)

Includes potash and regional park information.

Taxable Assessment

Taxable assessment should be categorized into the three local property classes:

- Agriculture: include non-arable rangeland and other agricultural land and improvements.
- Residential: include residential, seasonal residential and multi-unit residential.
- Commercial and Industrial:
 - Municipal:
 - include other commercial and industrial, elevators and railway rights-of-way.
 - Education:
 - include other commercial and industrial, elevators and railway rights-of-way
 - include resource commercial and industrial, gas and oil wells, mines and pipelines.

Uniform Mill Rate

Municipal

The municipality sets the uniform mill rate to generate the tax levies required to operate the municipality for the year.

The Municipalities Act states that, with the consent of the hamlet board, a council may establish a uniform mill rate within the Organized Hamlet that is different from the mill rate applied elsewhere within the rural municipality.

The Municipalities Act states that the council of a rural municipality may set a uniform rate for taxable assessments in any hamlet located within the rural municipality that is lower than the uniform rate applicable to taxable assessments elsewhere in the rural municipality.

The Municipalities Act states that the council of a rural municipality may set a uniform rate for taxable assessments in any Special Service Area located within the rural municipality that is different than the uniform rate applicable to taxable assessments elsewhere in the rural municipality.

Education

The province will establish the uniform mill rate for all public school divisions. A separate school division may choose to enact a by-law retaining authority to establish its own mill rate.

Mill Rate Factors

Mill rate factors enable municipalities to vary the uniform mill rate among the three local property classes. Mill rate factors must be set by by-law and apply to municipal taxes only. The ratio of the highest mill rate factor applicable to a class of property to the lowest mill rate factor applicable to any other class of property must not be greater than 9:1.

The Municipalities Act states that at the request of or with the consent of the board of an Organized Hamlet, the rural municipal council may by by-law, provide for mill rate factors that are different from the mill rate factors applied elsewhere in the municipality.

The Municipalities Act states that the rural municipal council may by by-law may set mill rate factors for Special Service Area (SSA) that are different from the mill rate factors applied elsewhere in the municipality.

Base Tax/Minimum Tax

Base and/or minimum tax must be set by by-law and apply to municipal taxes only. Base and/or minimum tax may be levied on land, improvements or both within one or more of the three local property classes.

The Municipalities Act states that, at the request of or with the consent of the board of an Organized Hamlet, the rural municipal council may by by-law, provide a base and/or minimum tax that is/are different from the base and/or minimum tax applied elsewhere in the municipality.

The Municipalities Act states that the rural municipal council may for the Special Service Area by by-law, provide a base and/or minimum tax that is/are different from the base and/or minimum tax applied elsewhere in the municipality.

Adjustments

The total dollar amount of current year taxes forgone due to compromise or abatement is reported in the adjustment columns of each section and must be reported separately for each property class. The total tax levy includes the tax levy associated with the adjustment. The total tax levy column less the adjustment column will equal the net tax levy (for municipal taxes, this is the net municipal taxes reported on schedule 1 of the financial statements). Council may choose to cancel or abate municipal taxes. In most cases, the council must obtain agreement from other taxing authorities prior to extending the abatement to their tax levy portion (Section 274 2. 1-4, *The Municipalities Act*.) The council may also choose to exempt certain properties from taxation starting in the current financial year (Section 295, *The Municipalities Act*.)

Education Grants-in-Lieu

Grants-in-lieu may be received from a corporation, the Government of Canada or the Government of Saskatchewan or agency thereof, whose property is exempt from taxation.

For the purposes of this report only the dollar amount of the education portion of the grant-in-lieu must be reported in the grants-in-lieu column for each property class. There is no requirement to provide the related assessment or mill rate information.

Submission of Mill Rate Return

As per section 7.3 of *The Municipalities Regulations* and subsection 290.01(1) of *The Municipalities Act*, a municipality must submit the Mill Rate Survey Return on the excel spreadsheet template provided to the municipalities on or before August 15, 2022.

Confirming Your Information

A few changes to the return have been made to help reduce some of the common data issues encountered when reviewing the returns:

- When entering Base or Minimum Tax information the Amount and Quantity values are swapped. An "\$" or "#" has been added to the column headings to help indicate the information to put in each. For example, Base Tax would show as \$100 (Amount) for 250 (Quantity) properties.
- Column B, Taxable Assessment, is not completed for Minimum Tax. If you have a property class with minimum tax, please double check a value was entered in the Taxable Assessment cell, as well as the Amount and Quantity cells.
- Municipal Taxable Assessment and Education Taxable Assessment do not equal; or Municipal Taxable Assessment and the Taxable Assessment confirmed by SAMA do not equal.

A "Check" tab in the spreadsheet helps check integrity of data entered far more quickly than with tedious cell-by-cell inspection. In column D of the "Check" tab, conditionally formatted cells will automatically highlight data that does not satisfy an expected data input. The highlighted pink color in column D will allow municipalities to review data input accuracy and efficiency when there is an input error for the Taxable Assessments. In most instances, when data is entered correctly, the cells in column D in the "Check" tab should turn green and indicate "OK". However, in some circumstances, if cells in column D are pink, a reason should be included in Column E. For example, at the time of filing the mill rate returns, municipalities may or may not have submitted final assessment returns to SAMA or differ by Regional Park assessments.

(New for 2022)

In the "Check" tab, conditionally formatted "D14" cell will automatically highlight data that does not satisfy an expected data input. The highlighted pink color will allow municipalities to review data input accuracy of the Uniform Mill Rate.

Separate reporting of Special Service Area *(New for 2022)*

Section 49.2 of *The Municipalities Act* states that the minister may, by order, establish Special Service Areas (SSA) within a rural municipality for the purposes of assigning different tax rates and providing different service levels. The Special Service Area like Organized Hamlet, should be reported separately on the Mill Rate Return Template. A Special Service Area section has been included for reporting, starting at row 558 of the return.

Effective Tax Rate Ratio Limit (*Coming in 2023*)

Starting with the 2023 property taxation year, an effective tax rate (ETR) ratio limit of 7:1 is placed on local tax tools. The ETR limit sets the maximum ratio between the highest ETR and the lowest ETR after all tax tools have been applied.

The ETR is the total municipal property tax levy for a given property class divided by the taxable assessment for that property class after all tax tools, such as mill rate factors, base tax and minimum tax, are considered.

More information can be found on this [fact sheet](#), and this [video on local tax tools and effective tax rates](#)

Questions

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