

Property Taxes Reimagined: Fair Funding for Strong Communities

This is part of an informational series on the realities facing municipal government councils and the need to reimagine property taxes in Alberta.

Are property taxes a local municipal government tax or a provincial tax in Alberta?

The answer is **both**. It might seem like property tax is only a local tax because your municipal government sends you the bill, but part of your property tax bill is a tax by the Alberta government.

Does my local council have any control over the provincial property tax?

No. Your municipal government and council has no control over the provincial property tax.

Each year, the Alberta government decides how much provincial property tax needs to be collected from homes and businesses in your community. Your municipal government is required to collect the money and send it to the Alberta government.

Provincial Property Taxes: The Misunderstood Tax

How much do I pay in provincial property taxes?

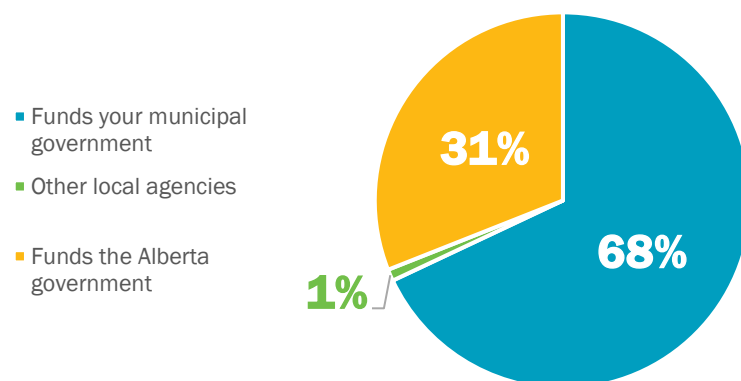
On average, almost one-third of property taxes on homes in Alberta is a tax by the Alberta government. The other two-thirds is the municipal property tax that is set by your local council to pay for services in your community, like roads, recreation, fire, and policing.¹

This is the average across Alberta so the amount of property tax you pay to each government might be different depending on:

- The value of homes in your area compared to other parts of Alberta
- How your municipal property taxes compare to other communities

The best way to know is to check your property tax bill. On your bill, the provincial property tax might be called “Alberta School Foundation Fund”, “ASFF”, “education tax”, or another name.

Average property tax bill on Alberta home (2023)



¹ Alberta Municipalities’ calculations using Alberta’s 2023 [Municipal Financial Information Returns](#). Figures are solely based on residential property taxes. When residential and non-residential property taxes are combined, 76% of property taxes go municipal governments, 23% to the Alberta government, and 1% to other local agencies such as seniors housing.

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Are provincial property taxes increasing?

Yes. In 2025, the Alberta government increased its tax on homes and property by 14 per cent. Another 10 per cent increase is planned in 2026. The increase is part of the Alberta government's new plan for provincial property taxes to cover one-third of the cost to run Alberta's K-12 schools.

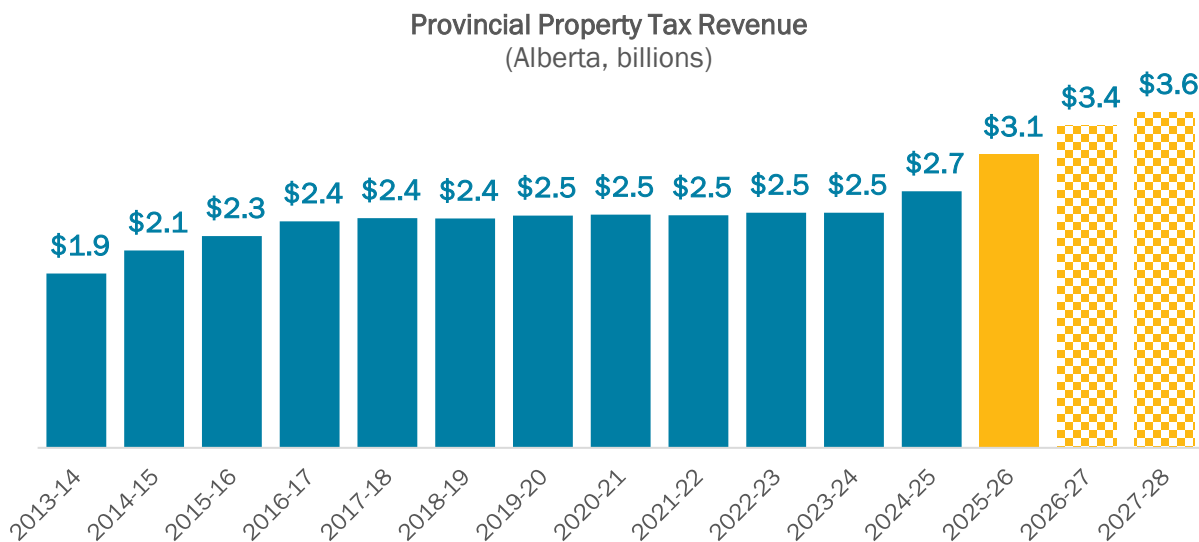


Figure 1: Sourced from the Alberta government's annual Government Estimates reports for 2018-2024 and Alberta's 2025 Fiscal Plan.

While the total provincial property tax went up by 14 per cent in 2025, the change in your provincial property tax might be higher or lower depending on how home prices in your community changed compared to other places in Alberta.

What does the provincial property tax pay for?

It helps cover some of the Alberta government's costs to run K-12 schools. In 2024-25, provincial property taxes paid for 30 per cent of school costs. The rest of the money comes from other sources, like provincial income taxes. At any time, **the Alberta government can decide what tax they want to use to pay for schools.**

Provincial property taxes do not pay for building new schools. The tax is only used to cover part of the day-to-day costs like teacher salaries, books, and classroom supplies.

Do other provinces collect property taxes?

Yes. 10 out of 13 provinces and territories in Canada use property taxes to pay for provincial government services.² Each government collects different amounts.

² British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, and New Brunswick.

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Does Alberta's current system work well?

It depends on how you look at it.

For taxpayers, the system is simple. You only have to pay your property taxes to your municipal government. The Alberta government also saves time and money because it doesn't have to send out tax bills or collect the money itself.

But many municipal leaders think the system is unfair because:

- Councils don't control the provincial property tax, but they have to put it on the municipality's property tax bill and collect the tax
- **When the province raises its property tax, people blame their local council**
- When provincial property taxes go up, councils will feel pressure to delay local construction or cut spending on local services to reduce the total property tax increase on residents

Over time, this lowers the quality of service for residents.



Let's say your council needs to raise municipal property taxes by 7 per cent next year to provide the services wanted by your community. Then council finds out the Alberta government is raising the provincial property tax by 14 per cent that same year.

Now your council might feel pressure to cut their own budget to reduce the overall tax hike on residents. If this happens year after year, your municipal government might not be taxing enough to take care of things like roads, sidewalks, or buildings, which could lead to bigger problems and even higher municipal property taxes later on.

No matter how much the Alberta government increases its provincial property tax, your council faces this decision every spring when it sets the municipal tax rate.

Should the current approach to provincial property taxes be reimagined?

When you think about the future of Alberta and your taxes...

- Should both levels of government charge a property tax?
- Should municipal governments still be the ones collecting the provincial property tax?
- What tax should be used to help pay for K-12 schools?

If you have questions about your provincial property tax, contact your provincial [Member of the Legislative Assembly \(MLA\)](#). If you have questions about your municipal property tax, contact your local government office or council.