2026 Tax Policy Engagement


Before you begin

This background information is provided to support informed participation about tax policy at the City of Saskatoon. It offers helpful context before focus group conversations in September and the engagement survey in October 2026.

What tax policy refers to for this engagement

For this engagement, tax policy refers to the approach used to determine how the City's total municipal property tax requirement is shared between **residential** and **non-residential** properties. Non-residential properties include the following tax classes*; commercial/industrial, agricultural, elevators, pipelines and railways.

Through the City's Multi-Year Budget process, City Council decides how much municipal property tax revenue is needed to help fund civic services and balance the operating budget.

Tax policy does not change the total amount of municipal property tax revenue the City needs to collect. Instead, it affects how that total is shared between residential and non-residential properties.

**non-profit is not a separate tax class*

1. How does the City decide how much municipal property tax revenue to collect?

Each year, City Council must approve a balanced budget.

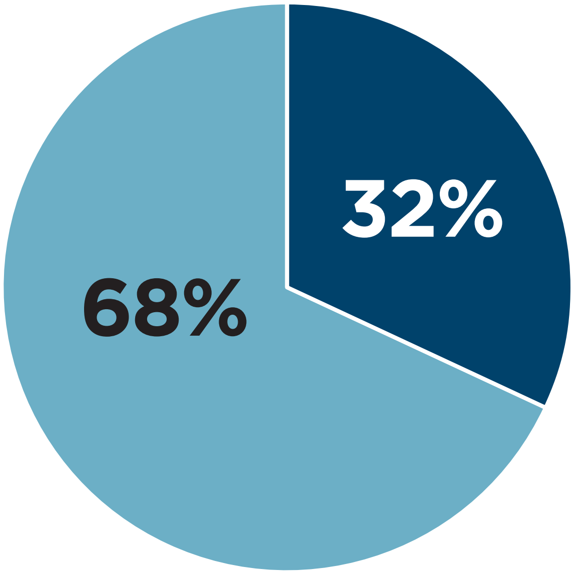
As part of that process, Council decides how much revenue needs to be raised through the collection of municipal property taxes to help fund civic services and balance the operating budget.

In the **2026 Budget**, City Council approved **$358.6 million** in municipal property tax revenue to help fund the many civic services and programs that residents, businesses and organizations use and rely on.

Under the City's **current tax policy approach, residential properties** collectively contributed about **68%** of that amount, while **non-residential properties** collectively contributed about **32%**.

32% Non-residential properties

68% Residential properties



In dollar terms, this is approximately:

- **$244 million from residential properties; and**
- **$115 million from non-residential properties**

The current **non-residential-to-residential tax ratio is 1.71 to 1**.

This means that, if two properties have the <u>same assessed value</u>, the non-residential property pays 1.71 times the municipal property tax paid by the residential property.

2. Without tax policy, how would the City decide how much municipal property tax each property pays?

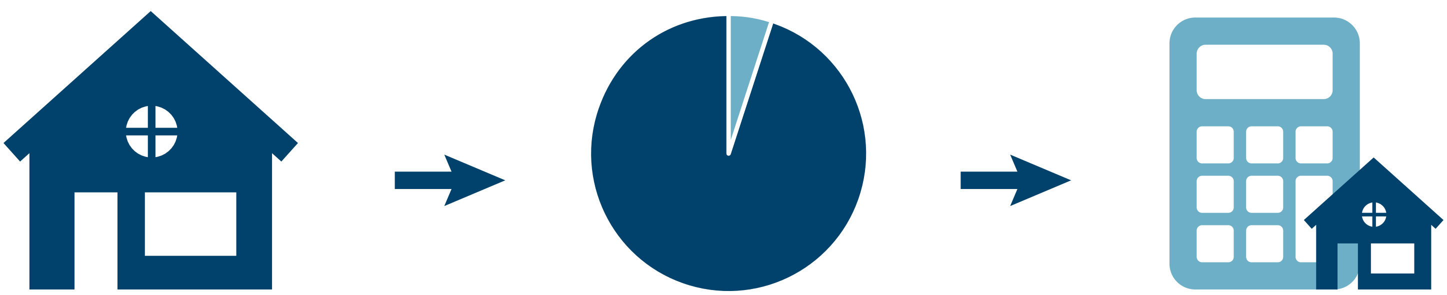
One alternative approach would be to distribute the total municipal tax requirement based only on **assessed property value.**

Under this value-based approach, each property would pay a share of the total municipal tax requirement based on its share of the **total assessed value of all taxable properties in Saskatoon**.

For example, if your property was assessed at **$400,000** and the total assessed value of all taxable properties in the city was **$40 billion**, your property would represent **0.001%** of the total assessed value.

In this case, your property would pay **0.001%** of the total municipal property tax requirement. If the total property tax requirement were **$358.6 million**, that would amount to about **$3,586**.

Example:



Your property's assessed value $400,000

Total assessment value of all taxable properties in Saskatoon $40 billion

Your share of municipal tax about $3,586

This example shows how tax policy can affect how much an individual property pays compared with an approach based only on assessed value.

3. Does the City collect more municipal property tax revenue because of tax policy?

No. Tax policy does not change the total amount of property tax revenue the City collects. It affects only **how that total amount is shared** between different property types, such as **residential** and **non-residential** properties.

For example, tax policy may shift a larger share of the total property tax requirement to non-residential properties and a smaller share to residential properties, or the other way around.

Same total. Different share.

Tax policy changes how the total municipal property tax required by the City is shared between residential and non-residential properties.

Only the share changes – not the total amount collected.

The total amount of property tax revenue collected by the City remains the same.

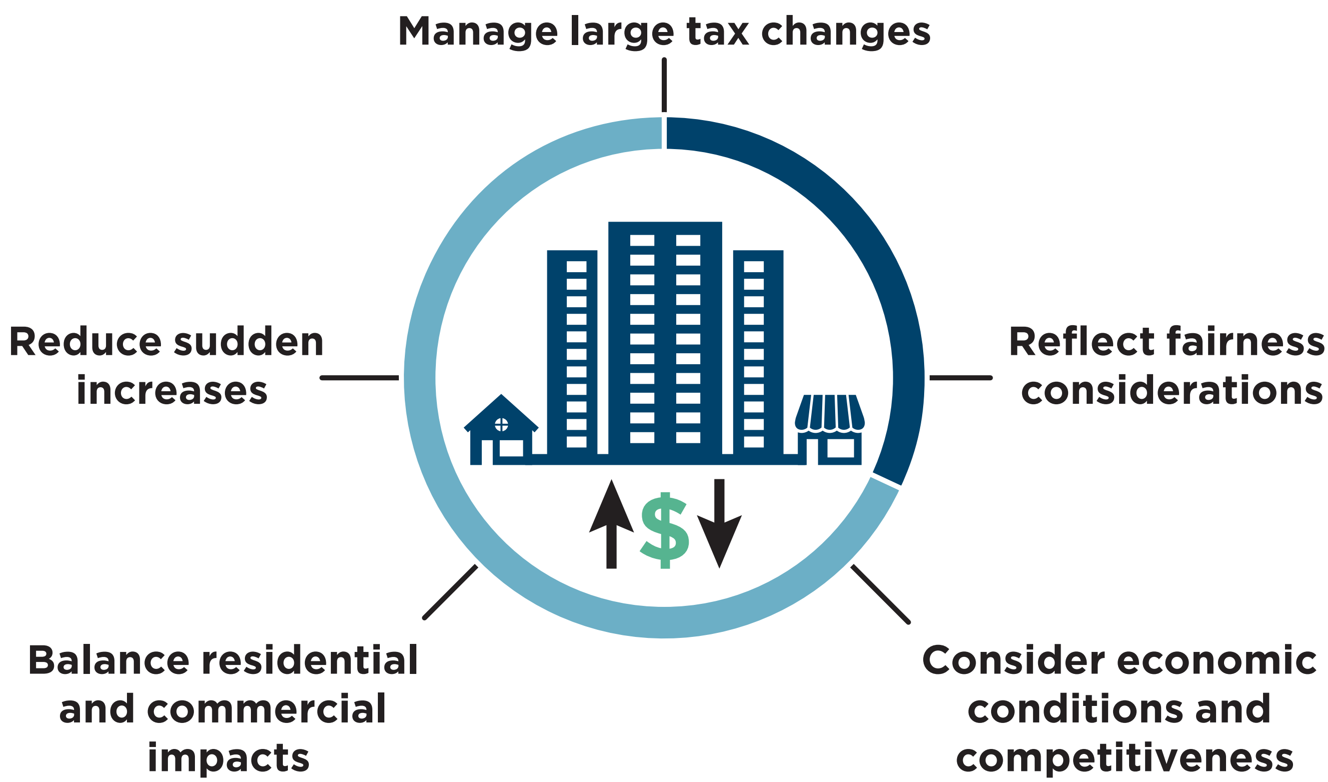
4. Why would the City of Saskatoon use tax policy?

The City may use tax policy for several reasons, including:

- ✓ to manage large changes in property taxes as a result of reassessment
- ✓ to reduce sudden tax increases for some property owners as a result of reassessment
- ✓ to reflect different views about what is fair
- ✓ to balance impacts between residential and non-residential properties
- ✓ to consider economic conditions and local competitiveness

Property values are reassessed every four years under provincial legislation.

When property values change at different rates across property types, tax policy can affect how those changes show up in the amount of municipal property tax different properties pay.



Tax policy can help manage how changes in property assessed values affect the share of municipal property tax paid by residential and non-residential properties.

5. What is Saskatoon's current tax policy?

The City of Saskatoon currently uses a **non-residential-to-residential tax ratio of 1.71 to 1**.

This means that, if two properties have the same assessed value, the **non-residential property** would pay **1.71 times** the municipal property tax paid by the **residential property.**

For example, if a residential property paid $1,000 in municipal property tax, a non-residential property with the same assessed value would pay $1,710.

Current Non-Residential-to-Residential Tax Ratio: 1.71 To 1

Example only. Actual taxes depend on assessed value and applicable tax policy.

Currently, a non-residential property pays 1.71 times the municipal property tax of a residential property with the same assessed value.

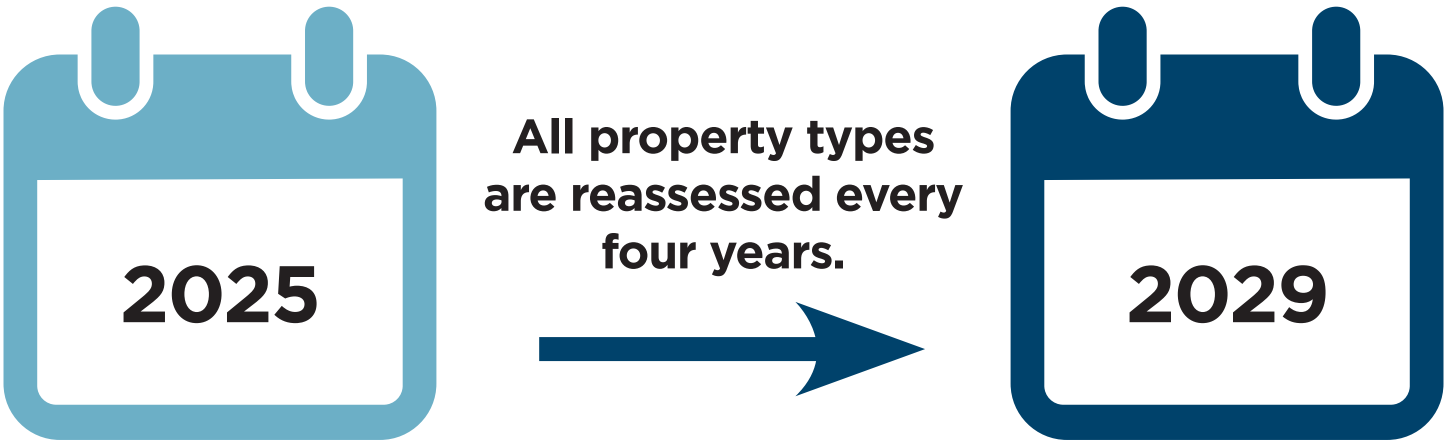
6. How often does Saskatoon review its tax policy?

Historically, the City of Saskatoon has reviewed its tax policy after each legislated property reassessment cycle, which takes place every four years.

Reassessment calculates updated property values, and some types of property may increase in value faster than others.

Even though the City collects the same total amount of municipal property tax revenue, reassessment changes can affect how much individual property owners pay.

Tax policy can help manage the changes or shifts that may occur when property values are updated through reassessment.



Saskatoon City Council typically reviews tax policy after each four-year reassessment cycle.

7. What did City Council consider when setting its current tax policy?

After the most recent reassessment cycle in 2025, City Council's recommendation on the City's current tax policy considered several factors, including:

- ✔ how much reassessment changed residential and non-residential property values
- ✔ whether those changes created large tax shifts between residential and non-residential properties
- ✔ whether those shifts should be reduced or phased in over two or four years
- ✔ how the total municipal property tax requirement is shared between residential and non-residential properties
- ✔ how Saskatoon's property tax levels compare with other cities
- ✔ whether Saskatoon's tax ratio is reasonable and competitive compared with other cities

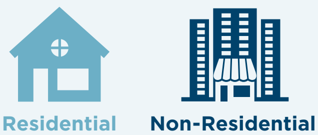
In 2025, City Council's recommendation on the City's current tax policy considered several factors

8. Do other cities set and use tax policy to decide how property taxes are shared between residential and non-residential properties?

Yes. Other cities also use tax policy to help decide how the total municipal property tax requirement is shared between residential and non-residential properties.

Cities commonly do this in one of **three ways:**

X:X.XX

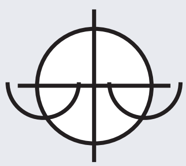


Tax ratio
Set comparison

1. Tax ratio approach

A city sets a target ratio that determines how much more a non-residential property will pay than a residential property with the same assessed value. This is the approach Saskatoon currently uses.

Same total



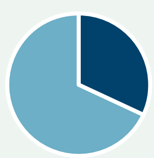
Revenue-neutral
Reassessment shifts

2. Revenue-neutral approach

In this approach, a city does not set a target ratio. Instead, it allows reassessment changes to affect the tax ratio over time.

Under a revenue-neutral approach, changes in assessed values play a bigger role in determining how taxes are shared.

Share of total



Tax share/budget
Target share

3. Tax share or budget approach

Here, a city sets a target share of the total municipal property tax requirement to be paid by a property type, such as non-residential property. For example, a city could decide that non-residential properties should pay **30%** of the total property tax requirement. That amount would then be shared across non-residential properties based on assessed value.

Each tax policy approach involves different advantages and disadvantages or trade-offs.

All three of the above approaches would still result in a property tax ratio differential between residential and non-residential property owners. However, approach **1** would use the ratio as a main driver, while approaches **2** and **3** would be the outcome of the reassessment process.

9. How does Saskatoon’s 1.71 ratio compare with other western Canadian cities?

- Vancouver – 3.53
- Surrey – 2.54
- Edmonton – 3.26
- Calgary – 4.63
- **Saskatoon – 1.71**
- Regina – 1.61
- Winnipeg – 1.44

These examples are provided for context only. Different cities may use different tax policy approaches and their budgets, assessment bases and local priorities may also differ.

As a result, tax ratios are useful for comparison. On their own though, they do not provide a complete picture.

**Tax rate data obtained from western Canadian cities’ websites. Calculations performed by the City of Saskatoon.*

Deeper dive information

Additional information can be found on **pages 16 to 21** of the research paper Business Property Taxation by Cities: What we know, What we Don’t and What we Should.