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RED DEER

THE ADVOCATE

Thursday
July 4, 2019

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Energy relief will cost taxpayers

PROVINCIAL GOVERNMENT'S DECISION ON LOWERING TAXES FOR GAS COMPANIES COULD HIT RURAL MUNICIPALITY BUDGETS NEXT YEAR



File photo from THE CANADIAN

Rural municipalities are concerned a provincial government plan to provide tax relief to shallow gas companies will cause some to get pain next year.

BY PAUL COWLEY
ADVOCATE STAFF

Rural taxpayers will bear the brunt of a provincial government plan to slash taxes to extend a lifeline to Alberta's beleaguered oilpatch, say central Alberta officials.

The province announced \$23 million in tax relief this

shallow gas wells and pipelines to stave off bankruptcies and save jobs.

The taxes are paid to municipalities, not the province. So, to shield municipalities from taking a budget hit this year, the Alberta government has promised to reduce municipal education tax bills to offset lost shallow gas well tax revenues.

No similar compensation has been offered for next

\$500,000 hole in Red Deer County's budget.

"For Red Deer County, to lose \$500,000, that has to be made up somewhere," said Mayor Jim Wood. "So other taxpayers are going to have to pick it up or we're going to have to have less services.

"What I see this as being is a complete download from the province to municipalities."

Wood understands that the

key industry, but does not believe reducing taxes paid to municipalities is the answer.

Municipalities have already been taking in less tax revenue from oil and gas companies because of the ongoing downturn. Millions of dollars in taxes remain uncollected because of bankruptcies.

Red Deer County has written off \$2.2 million in oil-gas-related taxes since 20