

**Provincial Education Requisition Credit for
Uncollectable Education Property Taxes on Oil and Gas Properties**

Frequently Asked Questions

- 1. Q: Section 6.2 of the program guidelines stipulates that a ‘motion from council demonstrating that the municipality has written off the collection of property taxes as bad debt’ is provided as supporting documentation. What should this motion look like?**

A: This motion must cancel or reduce tax arrears for particular properties as detailed in Section 347(1)(a) of the *Municipal Government Act*. A sample motion has been posted online for your consideration.

- 2. Q: Is there any supporting documentation required in addition to the PERC application form?**

A: Yes, the following supporting documentation is required:

- Property details form, saved as an Excel document.
- A motion from council confirming the municipal and education property taxes owing for these properties has been expensed as bad debt.
- Supporting journal entry demonstrating the property taxes have been expensed as bad debt.
- Assessment notices for all properties associated with your application.

- 3. Q: What is an MAID number?**

A: The MAID number (formerly the LPAU number) is a unique identifier that corresponds to a linear property that has been assessed in your municipality. It is a number set by the Municipal Assessment and Grants (MAG) division of Municipal Affairs. This is similar to your roll or account number.

- 4. Q: When filling out the property details form, when should I use an MAID number?**

A: If you are claiming taxes levied on a linear property as part of your PERC program application, you will be required to provide the MAID number. The MAID number for each linear property is included on the Linear Property Assessment Notices.

- 5. Q: What is the difference between an MAID number and a roll number?**

A: A roll number is a unique number that corresponds to a property assessment prepared by your local assessor, whereas a MAID number corresponds with the linear property assessment prepared by MAG.

- 6. Q: In order for a property to be eligible for the PERC program, does it have to meet all of the program criteria listed in Section 6.2 of the program guidelines?**

A: Yes, for a property to be eligible for PERC it must meet all of the criteria in the program guidelines listed in Section 6.2, as follows:

- The property is an oil and gas property assessed to a company that does not exist, cannot be located, or does not have the financial means to pay outstanding property taxes owing to the municipality due to significant amounts of debt (and therefore may be undertaking receivership or bankruptcy proceedings).
- The property is coded in ASSET as taxable and non-residential for the purpose of the education property tax requisition.
- The municipality has considered its options under the *Municipal Government Act* to collect the property taxes owing and as a result, the municipality has written off the collection of property taxes as a bad debt.

7. Q: When can I expect to receive the credit?

A: If your application is successful, you can expect to have the credit applied to the education property tax requisition in the year which you applied to the PERC program; it will be reflected in a future invoice from Alberta Education. For example, if you applied during the 2018 PERC application intake, you can expect to have the credit applied to a 2018 education property tax invoice from Alberta Education.

8. Q: Will the credit be reflected in Municipal Affairs' Municipal Education Requisition Online (MERO) system?

A: No, the credit will be reflected in a future education property tax invoice from Alberta Education.

9. Q: What happens if demand for the program exceeds the \$10 million cap?

A: If the program cap is exceeded, applications over the cap will be considered in the following year. Municipalities will not have to reapply.

10. Q: Can I claim education property tax levied on Machinery and Equipment or Electrical Power Generation properties as part of PERC?

A: No. The Machinery and Equipment property class is currently levied at a uniform education property tax rate of 0 per cent, and Electric Power Generation properties are currently exempt from education property taxes. Therefore, municipalities should not have any uncollectable education property tax related to either of these types of properties.

11. Q: Can I claim education property tax levied on land as part of PERC?

A: Yes, so long as the land is part of a taxable, non-residential oil and gas property with uncollectable property taxes as per the PERC guidelines.

12. Q: If I miss the current year's deadline, can I apply to PERC the following year, retroactive to 2015?

A: Yes, you can apply retroactive to 2015 in any application year: January 15, 2018; January 15, 2019; and January 15, 2020.