

**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:

- Approved motion from council, cancelling the municipal and education property taxes owing as uncollectable; and
- Supporting journal entry demonstrating that the property taxes have been written off as uncollectable.

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

A: The LPAU ID 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 Linear Property Assessment Unit in Municipal Affairs. This is similar to your roll or account number.

- 4. Q: When filling out the PERC program application when should I use an LPAU 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 LPAU number. The LPAU number for each linear property was included on the Linear Property Assessment Notices.

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

A: A roll number is a unique number that corresponds to a property assessment done by your local assessor. An LPAU number corresponds to linear property assessment done by the Linear Property Assessment Unit in Municipal Affairs.

- 6. Q: When applying for PERC, can I submit detailed property data through a spreadsheet (i.e., Excel) attachment to the application form?**

A: Yes, if all the data fields listed in the PERC application form are included in the spreadsheet attachment.

**7. 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.

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

A: If your application is successful, you can expect to have the credit applied to your 2018 education property tax requisition, and be reflected in a 2018 invoice from Alberta Education.

**9. 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.

**10. 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.

**11. 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%, 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.

**12. 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.

**13. 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.