



**SUBJECT: 2025 Interim Tax Levy By-law**

**TO: Committee of the Whole**

**FROM: Finance Department**

Report Number: F-33-24

Wards Affected: All

Date to Committee: December 2, 2024

Date to Council: December 10, 2024

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**Recommendation:**

Approve the by-law attached as Appendix A to finance department report F-33-24 which provides for the levy of the 2025 Interim taxes.

**PURPOSE:**

**Vision to Focus Alignment:**

- Designing and delivering complete communities
- Providing the best services and experiences
- Protecting and improving the natural environment and taking action on climate change
- Driving organizational performance

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**Executive Summary:**

This report highlights the requirements for levying the 2025 Interim property tax by-law in accordance with the *Municipal Act, 2021*, for the billing and collection of city, regional and school board taxes.

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## **Background and Discussion:**

The City bills property taxes twice a year. First at the beginning of the year with installment due dates in February and April. This is known as interim billing. The second billing, known as final billing, is completed upon the approval of the city and region's budgets and receipt of the education tax rates from the province. The final billing installment due dates are in the months of June and September. A by-law approved by Council is required for each of the billings.

The by-law, attached as Appendix A, provides for the levy of interim taxes for the 2025 taxation year as authorized under the *Municipal Act, section 317*.

## **Strategy/process/risk**

The Ontario government filed a regulation under the Assessment Act on August 16, 2023, extending the postponement of the property tax reassessment through the end of the 2021-2024 assessment cycle. As of November 1, 2024, the Ministry of Finance indicated the review of the property assessment and taxation system is ongoing and as such the province-wide property reassessment will continue to be deferred. Therefore, property assessments for the 2025 tax year will continue to be based on the same valuation date (January 1, 2016) that was used for 2024, unless there have been changes to a property.

As permitted under Section 317 of the *Municipal Act*, the maximum allowable interim levy is 50 per cent of the total taxes levied on a property for the previous year (including tax adjustments such as supplementary assessments and assessment appeals). The interim levy is calculated based on the assessments provided in December by the Municipal Property Assessment Corporation multiplied by 50% of the 2024 tax rate (shown on Schedule "A" of the By-law).

Once approved by Council, Finance staff will generate the interim tax bills to be forwarded to property owners in order to meet the legislative time requirement for the initial interim tax due date.

The interim taxes will be due in two installments as follows:

February 21, 2025

April 21, 2025

### **Financial Matters:**

The interim tax levy is required to provide the necessary cash flow to meet the obligations of the City including payments to the Region of Halton and the Boards of Education until the final tax rates are established.

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### **Engagement Matters:**

Interim tax bills will be mailed to property owners in January 2025. Advertisements will be placed in local and online media releases to remind taxpayers of the tax due dates. As well, staff will continue to use the city's website as a communication medium to provide taxpayers with the related tax information.

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### **Conclusion:**

This by-law provides for interim taxes for the 2025 taxation year as authorized under the authority of the *Municipal Act, 2001*.

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Respectfully submitted,

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Specialist, Property Tax Assessment

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### **Appendices:**

- A. By-law to Levy 2025 Interim Taxes and Establish Penalty and Interest Rates

### **Report Approval:**

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Commissioner Legal and Legislative Services/City Solicitor.