

Date: October 13, 2021	Originator's files:
To: Chair and Members of General Committee	
From: Shari Lichterman, CPA, CMA, Commissioner of Corporate Services and Chief Financial Officer	Meeting date: November 17, 2021

Subject

2022 Interim Tax Levy for Properties Enrolled in the Pre-authorized Payment Plan

Recommendation

1. That the report of the Commissioner of Corporate Services and Chief Financial Officer dated October 13, 2021 entitled "2022 Interim Tax Levy for Properties Enrolled in the Pre-authorized Payment Plan" be received.
2. That a by-law be enacted to provide for a 2022 interim tax levy based on 50 percent of the previous year's taxes on those properties subject to an agreement under the City of Mississauga pre-authorized tax payment plan.
3. That the 2022 interim levy of residential properties enrolled in the due date plan be payable in three instalments on March 3, April 7 and May 5, 2022.
4. That the 2022 interim levy for properties in the commercial, industrial and multi-residential property classes enrolled in the due date plan be payable in one instalment on March 3, 2022.
5. That the 2022 interim levy for properties enrolled in the monthly plan be payable in six instalments based on the taxpayer's selected withdrawal day of either the 1st, 8th, 15th, or 22nd of the months of January, February, March, April, May and June 2022.

Executive Summary

- Section 317 of the *Municipal Act, 2001*, allows municipalities to levy interim taxes.
- An interim levy is required so that the City of Mississauga can meet its financial obligations during the first half of the year prior to the final billing of annual property taxes.
- As per legislation, the amount levied on a property may not exceed 50 percent of the total amount of taxes levied on the property for the previous year.
- Any budgetary impacts are applied to the final tax bill.

Background

The *Municipal Act, 2001*, provides municipalities with the ability to levy interim taxes in order to meet financial obligations. The City of Mississauga enacts annually, two interim levy by-laws. The first is for taxpayers making payment through one of the City's Pre-authorized Tax Payment (PTP) Plans. The second is for those paying by an alternate method where payment is due in three instalments for residential properties and one instalment for commercial, industrial and multi-residential properties.

This report is to establish the interim levy requirements for the taxpayers on a PTP plan. Property owners can enroll in the program throughout the year; for the monthly plan, to begin withdrawals in January 2022, the deadline to enroll is November 1, 2021. There are currently 29 percent of residential and 26 percent of non-residential properties enrolled in one of the City's PTP plans.

The report on the interim levy for all other properties will be presented to Council in January 2022.

Comments

Section 317 of the *Municipal Act, 2001*, allows municipalities to levy interim taxes. The amount levied on a property may not exceed 50 per cent of the total amount of taxes levied on the property for the previous year adjusted for any supplementary or cancellation that applied to only part of the previous year as if the supplementary or cancellation had applied for the entire year.

The Province suspended the planned provincial-wide reassessment in 2020 due to the COVID-19 pandemic. The Province has not yet confirmed when the next reassessment will occur. Assessment values for 2022 will continue to be based on a valuation date of January 1, 2016. The values used for the 2022 tax year will be the same as 2021 unless there has been an assessment change resulting from any supplementary or cancellation. Any impact resulting from budgetary increases are applied on the final bill.

An interim levy allows the municipality to meet its financial obligations during the first half of the year including payment of Region of Peel and school board requirements.

In order to adhere to the legislated notification period, the 2022 interim tax bills must be issued by December 14th, 2021 and a by-law enacted prior to this date.

It is proposed that the 2022 interim levy for residential properties enrolled in the pre-authorized due date plan be payable in three instalments on March 3, April 7, and May 5, 2022 and that the 2022 interim levy for commercial, industrial and multi-residential properties enrolled in the pre-authorized due date plan be payable in a single instalment on March 3, 2022. Alternatively, for properties enrolled in the pre-authorized monthly plan, six instalments are proposed based on

the taxpayer's selected withdrawal date of either the 1st, 8th, 15th, or 22nd of the months of January, February, March, April, May and June 2022.

For taxpayers not on one of the pre-authorized payment plans, March 3, April 7, and May 5, 2022 will be the due dates recommended for residential properties and March 3, 2022 will be the due date recommended for commercial, industrial and multi-residential properties. The second interim report and by-law with this recommendation will be brought forward to Council in January 2022.

Financial Impact

Not applicable.

Conclusion

A 2022 interim levy is required so that the City can meet its financial obligations. The 2022 interim levy for those properties subject to an agreement under the Pre-authorized Tax Payment Plan will be calculated pursuant to Section 317 of the *Municipal Act, 2001*, to be 50 per cent of the annualized taxes levied on a property in the previous year.

Instalment due dates for residential properties enrolled in the due date plan will be March 3, April 7, and May 5, 2022. The instalment due date for commercial, industrial or multi-residential properties enrolled in the due date plan will be March 3, 2022.

All properties enrolled in the monthly due date plan will have instalments due on the taxpayer's selected withdrawal day of either the 1st, 8th, 15th or 22nd of the months of January, February, March, April, May and June, 2022.



Shari Lichterman, CPA, CMA, Commissioner of Corporate Services and Chief Financial Officer

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