

City of Mississauga Corporate Report



10.7

Date: October 24, 2022

To: Chair and Members of General Committee

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

Originator's files:

Meeting date:
November 23, 2022

Subject

2023 Interim Tax Levy for Properties Enrolled in the Pre-authorized Payment Plan

Recommendation

1. That a By-law be enacted to provide for a 2023 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.
2. That the 2023 interim levy of residential properties enrolled in the due date plan be payable in three instalments on March 2, April 6 and May 4, 2023.
3. That the 2023 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 2, 2023.
4. That the 2023 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 2023.

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 2023, the deadline to enroll is November 1, 2022. There are currently about 30 percent of residential and 25 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 2023.

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 2023 will continue to be based on a valuation date of January 1, 2016. The values used for the 2023 tax year will be the same as 2022 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.

In order to adhere to the legislated notification period, the 2023 interim tax bills must be issued by December 12th, 2022, and a By-law enacted prior to this date.

It is proposed that the 2023 interim levy for residential properties enrolled in the pre-authorized due date plan be payable in three instalments: on March 2, April 6, and May 4, 2023 and that the 2023 interim levy for commercial, industrial and multi-residential properties enrolled in the pre-authorized due date plan be payable in a single installment on March 2, 2023. 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 2023.

For taxpayers not on one of the pre-authorized payment plans, March 2, April 6, and May 4, 2023 will be the due dates recommended for residential properties and March 2, 2023 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 2023.

Financial Impact

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.

Conclusion

A 2023 interim levy is required so that the City can meet its financial obligations. The 2023 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.

Installment due dates for residential properties enrolled in the due date plan will be March 2, April 6, and May 4, 2023. The installment due date for commercial, industrial or multi-residential properties enrolled in the due date plan will be March 2, 2023.

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, 2023.



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

Prepared by: Angela Li, Manager, Revenue & Taxation