

City of Mississauga  
**Corporate Report**



<p>Date: March 5, 2025</p> <p>To: Chair and Members of General Committee</p>	<p>Originator's files:</p>
<p>From: Geoff Wright, P.Eng, MBA, City Manager and Chief Administrative Officer</p>	<p>Meeting date: April 23, 2025</p>

## Subject

### 2025 Tax Ratios, Tax Rates and Due Dates

## Recommendation

1. That the 2025 tax rates for the City of Mississauga be established as outlined in Appendix 1 of this report dated March 5, 2025, and titled "2025 Tax Ratios, Tax Rates and Due Dates" from the City Manager and Chief Administrative Officer.
2. That the tax ratios for the City of Mississauga be approved as follows:

Residential	1.000000
Multi-Residential	1.265604
New Multi-Residential	1.000000
Commercial	1.516977
Industrial	1.615021
Pipeline	1.313120
Farmland	0.250000
Managed Forest	0.250000
3. That the 2025 net operating municipal property tax levy for the City of Mississauga be approved at \$747,520,139.
4. That the 2025 operating budget be adjusted to reflect a transfer to the Fiscal Stability Reserve Fund (#30125) in the amount of \$1,666,505.
5. That the 2025 residential property tax due dates be set for July 3, August 7 and September 4, 2025.
6. That the 2025 non-residential property tax due date be set for August 7, 2025.
7. That the 2025 due dates for properties enrolled in the City's pre-authorized tax payment plan be set based on their chosen withdrawal date.

8. That the 2025 tax rates for the Clarkson, Cooksville, Malton, Port Credit and Streetsville Business Improvement Areas (BIA) tax levy requirement be established as set out in Appendix 2 of this report.
9. That the levy amounts for the 2025 taxation year for colleges and universities, public hospitals and correctional facilities (“Heads and Beds” levy) be based on the current legislated rates.
10. That all necessary by-laws be enacted.

## Executive Summary

- Approval is being sought for the City’s 2025 net property tax levy, tax ratios, tax rates, due dates and the 2025 tax rates for the Clarkson, Cooksville, Malton, Port Credit and Streetsville BIAs.
- Assessment values continue to remain based on a valuation date of January 1, 2016.
- A budget adjustment of \$1,666,505 is proposed to reflect the final assessment growth compared to the estimated growth and be allocated to the Fiscal Stability Reserve Fund.
- The 2025 tax rebate amount for low-income seniors and low-income persons with disabilities be adjusted to \$571.00 reflecting the increase based on the blended tax impact.
- Tax due dates consistent with previous years in number and timing are being proposed.
- The 2025 taxes on a typical single family residential dwelling will increase by \$632.85; \$221.62 relating to the increase in City taxes and \$411.23 relating to the tax increase for the Region of Peel, of which \$318.94 relates to Peel Police.

## Background

Section 310 of the *Municipal Act, 2001* requires Council to establish tax ratios for property classes annually. This report outlines the decisions necessary by Council to establish the tax ratios and tax rates for 2025 and authorize the final tax levy. The Province of Ontario prescribes the tax rates for education purposes by regulation.

The City’s 2025 budget was adopted on December 2, 2024, and provided an 8.8 percent budget increase on the City’s portion of the tax bill which equates to an average 3.3 percent increase on the total residential tax bill. The Council for the Region of Peel approved its 2025 budget with a 12.5 percent budget increase for residents in Peel. The combined average blended tax impact for the City and Region is 9.2 percent on the total residential tax bill.

City Council also approved the 2025 budget submissions for the Clarkson, Cooksville, Malton, Port Credit and Streetsville BIA’s. Section 208 of the *Municipal Act, 2001* requires a special charge to be levied upon the BIA members to provide the revenues as identified in each of the BIA budgets.

The tax levy funding required for each BIA is as follows:

<b>BIA</b>	<b>2025 Tax Levy Requirement</b>
Clarkson	\$119,600
Cooksville	\$300,000
Malton	\$270,000
Port Credit	\$1,117,846
Streetsville	\$470,000
<b>Total</b>	<b>\$2,277,446</b>

## Comments

### Property Assessment

The province continues to delay the province wide reassessment that had been planned for 2020. Property assessment values for the 2025 taxation year continue to be based on a valuation date of January 1, 2016.

### Tax Ratios and Rates

Typically, tax ratios are adjusted to mitigate shifts in tax burden between property classes resulting from assessment changes within the assessment base caused by a province wide reassessment. This practice is referred to as revenue neutral tax ratios. Tax ratio adjustments can also be used to address policy initiatives such as reducing tax ratios to be within the provincially set ranges of fairness. Adjusting tax ratios does not change the amount of taxes collected, any adjustments create a shift in tax burden amongst the property classes, mainly impacting the residential class as this is the largest property class and the tax ratio is legislated at 1.000.

As assessment values are still based on a January 1, 2016, valuation date and any tax burden shifts resulting from the last reassessment have already been addressed, the proposed tax ratios for 2025 remain the same as 2024.

Attached as Appendix 1 are the tax rates for the City and the Region of Peel based on these tax ratios.

### Education Tax Rates

For 2025, the residential education tax rate remains unchanged from 2020 at 0.153 percent since property assessment values continue to be based on a January 1, 2016, valuation date.

The province is also maintaining the same education tax rates for business properties as established for 2021. The rate will remain at 0.88%. To ensure municipalities are not negatively

impacted by the business education tax (BET) reduction implemented in 2021, the province is maintaining the 2020 BET rates for properties whose payments in lieu (PILT) of education taxes is retained by the municipality.

Education tax rates as set by the province through regulation are shown in Appendix 1 for information.

### Levy Due Dates

It is proposed that the due dates for the 2025 final levy for residential properties with regular instalment due dates to be payable in three instalments on July 3, August 7 and September 4, 2025, and for non-residential properties with regular instalments to be payable in one instalment on August 7, 2025. The recommended final levy due dates are consistent in time and number of instalments with previous years.

For properties enrolled in the City's pre-authorized tax payment plan, the 2025 final levy will be payable based on their chosen withdrawal dates.

### Levy Adjustment

Assessment growth is monitored throughout the year and with an estimated growth being incorporated into the budget each year. The 2025 budget included an estimated assessment growth of 0.6 percent. The final assessment growth based on the 2025 assessment roll has been calculated at 0.84 percent. Because the budget was approved before the final growth numbers were calculated, it is necessary to amend the budget and the 2025 levy by \$1,666,505 to reflect the final assessment growth. It is proposed that the additional funds be allocated to the Fiscal Stability Reserve Fund.

### BIA Budgets and Levy

The 2025 budget submissions for the Clarkson, Cooksville, Malton, Port Credit and Streetsville BIA's have been approved by City Council. The BIA tax rates have been calculated as indicated in Appendix 2 using the CVA provided by the Municipal Property Assessment Corporation (MPAC) for the 2025 taxation year for the properties within each of the BIA boundaries in order to raise the required revenues.

### Heads and Beds Levy

Section 323 of the *Municipal Act, 2001* provides that local municipalities may by by-law levy an annual PILT on provincial institutions such as public hospitals, universities, community colleges and correctional facilities. The current rate as established in O. Reg. 384/98 is \$75 per hospital bed, full time student enrolled or resident place. The levy calculation is based on institution capacity information for the previous year as provided by the Ministry of Municipal Affairs and Housing.

As previously noted, this rate has not changed since 1987. This current underfunding adds a financial burden on the City for providing municipal services to these properties. All Ontario municipalities with facilities that qualify for the Heads and Beds Levy are affected by this underfunding. While these facilities provide economic benefit and contribute to the community, updating the Heads and Beds levy would more accurately reflect the municipal costs associated with demand placed on local infrastructure by these facilities, increase demand for public transit and other municipal services. Advocacy to the Provincial government to increase this rate by inflation has been ongoing for many years and continues to be a key ask of all impacted municipalities. To date there has been no commitment from the province to review this rate.

Minimum tax

In accordance with Section 355 of the *Municipal Act, 2001* the municipality may pass a by-law providing that where the total final tax levy to be imposed on a property would be less than the tax amount specified by the municipality, the amount of actual taxes payable shall be zero. Therefore, it is recommended that where the total final levy taxes to be imposed on a property would be less than twenty-five dollars (\$25), the amount of actual taxes shall be zero.

**Financial Impact**

Adjusting the 2025 operating budget to reflect the final assessment growth will result in an increase of \$1,666,505. It is proposed that the additional funds be allocated to the Fiscal Stability Reserve Fund.

The tax levy changes affecting a typical single-family home assessed at \$730,000 (assessment value as of January 1, 2016) are as follows:

2024 Taxes	\$6,914.35
Increase in City taxes	\$221.62
Increase in Region of Peel taxes	<u>\$411.23</u>
2025 Taxes	\$7,547.20

The increase in Region of Peel taxes includes \$92.29 general services and \$318.94 Peel Police services.

**Conclusion**

The 2025 tax rates have been calculated, as shown in Appendix 1, to raise the required property tax revenue for City and Region of Peel services. Appendix 1 also reflects the tax rates established by the Province of Ontario for funding education. The proposed final levy due dates are consistent with prior years.

The 2025 BIA tax rates have been calculated as shown in Appendix 2 to raise the required revenue for the purposes of the BIA Boards of Management.

**Attachments**

Appendix 1: 2025 Final Tax Rates

Appendix 2: 2025 Business Improvement Area Tax Rates



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