

City of Mississauga

Corporate Report



<p>Date: December 7, 2020</p> <p>To: Chair and Members of General Committee</p> <p>From: Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer</p>	<p>Originator's files:</p> <hr/> <p>Meeting date: January 13, 2021</p>
---	--

Subject

2021 Interim Tax Levy for Properties on the Regular Instalment Plan

Recommendation

1. That the report of the Commissioner of Corporate Services and Chief Financial Officer dated December 7, 2020 entitled 2021 Interim Tax Levy for Properties on the Regular Instalment Plan be received.
2. That a by-law be enacted to provide for a 2021 interim tax levy for properties on the regular instalment plan.
3. That the 2021 interim taxes be calculated to be 50% of the previous year's annualized taxes on properties that existed on the previous year's tax roll.
4. That assessments added to the tax roll in the current year be levied an amount that approximates 50% of a full year's taxes, had the property been included on the previous year's tax roll, using tax rates set out in Appendix 1 of this report and the current year's phased-in assessment.
5. That the 2021 interim levy for residential properties on the regular instalment plan be payable in three instalments on March 4th, April 1st and May 6th, 2021.
6. That the 2021 interim levy for properties in the commercial, industrial and multi-residential property classes on the regular instalment plan be payable in one instalment on March 4th, 2021.

Background

The *Municipal Act, 2001* provides municipalities with the ability to pass a by-law to levy interim taxes in order to meet financial obligations. A by-law for interim taxes for taxpayers on pre-authorized payment plans was passed by Council on December 9, 2020. This report provides for an interim billing for properties on the regular instalment plan.

Comments

Section 317 of the *Municipal Act, 2001* allows municipalities to levy interim taxes. The amount levied on a property may not exceed 50% of the total amount of taxes levied on the property for the previous year, adjusted for any supplementary taxes or cancellations that applied to only part of the previous year as if the supplementary or cancellation had applied for the entire year. Any impact resulting from reassessment along with budgetary increases are applied on the final bill.

Assessments added to the tax roll for the current year are to be levied an amount that approximates 50% of a full year's taxes, had they been included in the previous year's tax roll, using the interim tax rates set out in Appendix 1 and the current year's phased-in assessment. Interim levies are also made on payment-in-lieu properties such as Canada Post, the Region of Peel and properties owned by the Crown.

An interim levy would allow the City to meet its financial obligations including payment of the levy requirements for the Region of Peel and school boards.

It is proposed that the 2021 interim levy for residential properties with regular instalment due dates be payable in three instalments on March 4th, April 1st and May 6th, 2021 and that the 2021 interim levy for commercial, industrial, and multi-residential properties on the regular instalment plan be payable in a single instalment on March 4th, 2021. These dates reinstate the normal collection schedule compared to the disruption in 2020.

Financial Impact

There is no financial impact for this report. An interim levy allows the City to meet its financial obligations.


Conclusion

A 2021 interim tax levy is required so that the City can meet its financial obligations. The 2021 interim levy for those properties paying through the regular instalment plan will be calculated to be 50% of the annualized taxes levied on the property in the previous year. Interim taxes for assessments added to the tax roll in the current year will be calculated using tax rates set out in Appendix 1 and the current year's phased-in assessment.

The normal instalment dates have been reinstated. Instalment due dates for residential properties paying through the regular instalment plan will be March 4th, April 1st and May 6th, 2021. The instalment due date for commercial, industrial or multi-residential properties paying through the regular instalment plan will be March 4th, 2021.

Attachments

Appendix: 2021 Interim Tax Rates



Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer

Prepared by: Louise Cooke, Manager, Revenue and Taxation