



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: April 28, 2025

Report No: ES-017-25

Subject: 2025 Final Tax Levy By-law and Tax Policy Update

Recommendation: That the final tax rate by-law on today's agenda be considered for approval.

EXECUTIVE SUMMARY

Through this report, staff are recommending Council approve the 2025 local municipal tax rates. These rates are derived from the assessment values as provided by the Municipal Property Assessment Corporation (MPAC), the tax ratios established by the Region of Halton, and the Town's 2025 Budget.

This report also establishes the tax due dates for the remainder of 2025 and summarizes the tax policy approved by Halton Regional Council.

REPORT

Background

The Municipal Act, 2001 provides municipalities with the authority to levy property taxes in order to meet their financial obligations. In accordance with Section 312 of the Municipal Act, the Council of a local municipality is required to pass a by-law to levy a separate local tax rate on the assessment in each property class.

The draft by-law attached to this report as Appendix B, once approved by Council, will provide for a 2025 final tax levy, based on individual tax rate calculations for the upper and lower tiers as well as for the Province's education rate. Although the draft by-law outlines the tax rates for each of these three levels of government, local Council is only required to approve the local tax rates and installment due dates. The education tax rates are prescribed by the Province and the upper tier tax rates are approved by Regional Council.



Discussion

SECTION 1: Local Municipal Tax Rate Setting Overview

- Tax Ratio Overview

The tax ratios indicate the tax burden borne by each tax class within the Region. Reducing a tax ratio in one class shifts the tax burden to all other classes since the annual amount to be raised through taxation has been set through the budget process. The authority to annually review and alter tax ratios falls to the upper tier.

The Region has approved the continuance of the 2024 Tax Ratios for existing tax classes, and introduced the new tax class (aggregate extraction, as discussed further in this report) as follows:

Table with 3 columns: Class, 2024 Tax Ratios, 2025 Tax Ratios. Rows include Residential, Multi Residential, New Multi Residential, Commercial, Commercial Small-scale, Industrial, Industrial Small-scale, Land awaiting development, Pipeline, Aggregate Extraction, Farmland, and Managed Forest.

* Upper and Lower Tier ratio shown for Farmland. Education ratio remains at 0.25.

- 2025 Reduction and Discount Factors

Section 313 of the Municipal Act, 2001 provides for subclasses to be taxed at a lower rate than the full tax rate for the broad class. The tax rates that would otherwise be levied for municipal purposes for the subclasses prescribed by the Assessment Act shall be reduced by percentages prescribed by, or determined in accordance with regulations.

Below are the 2025 discount factors accordingly:

Table with 4 columns: Class, Local, Region, Education. Rows include Farmlands, Managed Forests, and Land awaiting Development.

- 2025 Unweighted Assessment



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The Municipal Property Assessment Corporation (MPAC) is responsible for submitting to the Town the annual assessment roll. The unweighted assessment for 2025 as provided on that returned roll equals:

Class	2025 Unweighted Assessment
Residential	23,957,795,342
Multi-Residential	186,467,118
New Multi-Residential	43,363,800
Commercial	3,822,972,926
Commercial Small-scale	85,200
Industrial	581,162,040
Land awaiting development	4,348,000
Pipelines	115,984,000
Aggregate Extraction	12,590,300
Farmland	380,763,162
Managed Forests	42,357,899
Total	29,147,889,787

- *2025 Weighted Assessment Summary*

Combining the tax ratios from section 1) above with the unweighted taxable assessment described in section 2) results in the weighted assessment utilized for tax rate setting. As shown in the table below, the total 2025 weighted assessment of \$31.4 billion is higher than the 2024 amount as a result of a 2.16% increase in net assessment growth less 0.02% as a result of the establishment of a new tax class and ratio for aggregate extraction. There remains no impact in the current year due to any phase-in of assessment in relation to the re-assessment cycles.

Taxable Weighted Assessment Summary						
Class	2024 Tax Year	2024 Year End (Pre-flip)	% Change for in-Year Growth	% Change for New Tax Class	2025 Tax Year	Total % Change*
Residential	23,470,032,941	23,957,795,342	2.08%	0.00%	23,957,795,342	2.08%
Multi-Residential	328,408,236	372,934,236	13.56%	0.00%	372,934,236	13.56%
New Multi-Residential	43,363,800	43,363,800	0.00%	0.00%	43,363,800	0.00%
Commercial	5,458,768,201	5,568,160,067	2.00%	0.00%	5,568,160,067	2.00%
Commercial Small-scale	31,023	31,023	0.00%	0.00%	31,023	0.00%
Industrial	1,222,346,437	1,241,358,017	1.56%	-2.12%	1,215,035,477	-0.60%



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Land awaiting development	4,525,500	3,261,000	-27.94%	0.00%	3,261,000	-27.94%
Aggregate Extraction	N/A	N/A	N/A	100.00%	21,418,820	100%
Pipelines	118,666,209	123,140,213	3.77%	0.00%	123,140,213	3.77%
Farmland	76,612,825	76,152,632	-0.60%	0.00%	76,152,632	-0.60%
Managed Forests	10,487,025	10,589,475	0.98%	0.00%	10,589,475	0.98%
Total	30,733,242,198	31,396,785,805	2.16%	-0.02%	31,391,882,085	2.14%

* The % change columns may not total due to the use of different bases in each calculation

It should be noted that the 2.16% net assessment growth figure presented above consists of a gross assessment growth of 2.37% less 0.21% in losses of assessment value due to appeals and reconsiderations that occurred in 2024.

- *Town of Milton 2025 Budget*

On December 2, 2024, Milton Council approved the Municipal 2025 levy requirement which represented an estimated 9.89% increase on the local tax rate. Based on the final assessment growth figure of 2.16%, this translated into a 2025 levy requirement of \$111.3 million for Town Services including library. These figures are compared to the prior year in the following table.

	2025 Final Levy	2024 Final Levy
Assessment Growth	2.159%	2.555%
Tax Increase	9.89%	9.88%
Net Levy Requirement	\$111,340,110	\$99,180,872

Consistent with prior years and the Council resolution passed in December, impacts associated with assessment growth were managed through adjustments to the levy (with related transfers to the stabilization reserve), whereas minor impacts related to tax policy affect the final estimated average tax rate change as shown later in this report.

- *Final 2025 Tax Rate Calculation*

Combining the output of each of the above sections, the following table summarizes the calculation of the 2025 tax rates and resulting allocation of the Town's 2025 net budget requirement by property tax class.



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2025 Local Municipal Tax Rate Calculation Summary					
Class	2025 Tax Ratio (Section 1)	2025 Unweighted Assessment (Section 2)	2025 Weighted Assessment (Section 3)	2025 Net Budget Requirement (Section 4)* \$	2025 Tax Rate (Net Budget / Unweighted Assessment)
Residential	1.000000	23,957,795,342	23,957,795,342	84,973,022	0.00354678
Multi-Residential	2.000000	186,467,118	372,934,236	1,322,715	0.00709356
New Multi-Residential	1.000000	43,363,800	43,363,800	153,802	0.00354678
Commercial	1.456500	3,822,972,926	5,568,160,067	19,749,058	0.00516588
Commercial Small-scale	0.364125	85,200	31,023	110	0.00129147
Industrial	2.090700	581,162,040	1,215,035,477	4,309,462	0.00741525
Land awaiting development	0.750000	4,348,000	3,261,000	11,566	0.00266008
Pipelines	1.061700	115,984,000	123,140,213	436,751	0.00376562
Aggregate Extraction	1.701216	12,590,300	21,418,820	75,967	0.00603384
Farmland	0.200000	380,763,162	76,152,632	270,098	0.00070936
Managed Forests	0.250000	42,357,899	10,589,475	37,559	0.00088669
Total		29,147,889,787	31,391,882,085	111,340,110	

*May contain differences due to rounding.

Consolidated Final 2025 Tax Rate

The local municipal tax rates calculated above are combined with the Regional and Education rates set by Halton Region and the Province, respectively. Appendix B presents tax rates for each property class for each of the Town, Region and Province along with the tax rates required to raise the approved budget levy of the DBIA (Downtown Business Improvement Area).

The following table compares the total cost per \$100,000 of CVA for residential properties based on the final 2025 tax rates against the 2024 tax rate calculations. The \$826 cost per \$100,000 of residential assessment for 2025 represents a 6.5% increase over 2024. Of this amount, the local municipal share is \$354.68 per \$100,000 of residential assessment, which is an increase of 9.9% over the Town's 2024 cost. These percentage changes capture both the result of the changes in the budgeted levy as well as the results of the changes in tax policy.



Discussion

Cost per \$100,000 of CVA for Residential Properties

	<u>2024 Taxes</u>	<u>2025 Tax</u>	<u>Difference</u>
Local Services	322.72	354.68	31.96
Regional Services			
General & Waste Management	183.34	187.59	
Police	116.43	130.73	
Subtotal	299.77	318.32	18.55
Education ¹	153.00	153.00	0.00
Total	775.48	826.00	50.52

Schedule may not add due to rounding.

¹ Education reflects final education rate prescribed in O.Reg.400/98 as updated on November 1, 2024.

SECTION 2: Tax Policy Overview

In addition to setting tax ratios and upper tier tax rates, Regional Council also establishes tax policies, the capping program and the tax relief programs. Regional report FN-10-25 was approved on April 16, 2025, incorporating such policies and programs for 2025.

Halton Regional Report FN-10-25, is attached as an appendix to this report and outlines in detail the key areas that impact the 2025 tax policies. Also provided as Appendix A is an overview of tax policies, with specific Milton context and figures provided.

Financial Impact

The Town of Milton’s 2025 tax levy is \$111,340,110 and the 2025 Business Improvement Area tax levy is \$284,539. To meet financial obligations, staff are preparing to initiate the billing process for the 2025 final taxes. The installment due dates for the final 2025 billing are to be set and pre authorized payment plan programs withdrawals as follows:

Regular Billing Program: June 30, 2025; September 29, 2025

Pre-Authorized Plans:

- Monthly End of Month: June 30, 2025; July 31, 2025; August 29, 2025; September 29, 2025; October 31, 2025
- Monthly Mid-Month: June 16, 2025; July 15, 2025; August 15, 2025; September 15, 2025; October 15, 2025



Financial Impact

- Semi-Monthly: June 16 and 30, 2025; July 15 and 31, 2025; August 15 and 29, 2025; September 15 and 29, 2025; October 15 and 31, 2025
- Due Date: June 30, 2025; September 29, 2025

At a cost of \$354.68 per \$100,000 of residential assessment, the Town's local municipal tax rate remains amongst the lowest in the province and significantly lower than our peers within Halton Region and the GTA.

Respectfully submitted,

Glen Cowan
Chief Financial Officer / Treasurer

For questions, please contact: Nina Do, Supervisor, Tax Phone: Ext. 2120

Attachments

Appendix A – Tax Policy Overview with Milton Context
Appendix B – 2025 Final Tax Rate By-law
Appendix C – Halton Regional Report FN-10-25

Approved by CAO
Andrew M. Siltala
Chief Administrative Officer

Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.