



The Corporation of the Town of Milton

Appendix A - Tax Policy Overview with Milton Context

In addition to setting tax ratios and upper tier tax rates, Regional Council also establishes tax policies and tax relief programs. Regional report FN-08-26 was approved on April 15, 2026, incorporating such policies and programs for 2026.

Halton Regional Report FN-08-26 outlines in detail the key areas that impact the 2026 tax policies. FN-08-26 is attached as an appendix to this report, with relevant references related to tax policy noted below (with associated page references):

Postponement of the Reassessment (page 5 of FN-08-26)

In March 2020, the Provincial government announced the delay of the 2021 reassessment to provide municipal governments with the capacity to focus on the COVID-19 pandemic. As per Ontario Regulation 296/25, which was approved in December 2025, the valuation date of a property's current value assessment will remain at January 1, 2016 for the 2026 taxation year, which is consistent with the values that have been used for the 2022 to 2025 taxation years.

Through the 2025 Ontario Budget and the November 6, 2025 Fall Economic Statement, the Province provided updates on the ongoing review of the property assessment and taxation system focusing on fairness, affordability and modernization. The Province confirmed that while additional initiatives are being considered, the province-wide reassessment will continue to be deferred.

Optional New Affordable Rental Housing Subclass (page 7-9 of FN-08-26)

Setting the Municipal Property Tax Rate Reduction for the optional New Affordable Rental Housing Property Subclass effective January 1, 2026

On October 30, 2024 the Province announce plans to allow municipalities to lower property tax rates for certain affordable rental housing initiatives. The 2025 Ontario Budget confirmed that, beginning in 2026 municipalities may reduce municipal (local and regional) tax rate by up to 35% for eligible rental units. Regulation establishing the optional new affordable rental housing subclass was released on May 26, 2025.

Halton Region adopted a New Optional Affordable Rental Housing subclass through Report FN-19-25 to support the development of new affordable rental units. This subclass was effective January 1, 2026 and applies to the multi-residential units that meet the criteria outlined in the FN 19-25 report. Furthermore, the optional subclass eligibility will only apply to the eligible affordable rental units and not the entire building. Halton Region subsequently approved the maximum 35% municipal property tax

reduction for the new affordable rental housing subclass to align with provincial and regional goals to increase housing supply and affordability.

Housing services and the funding thereof fall within the mandate of Halton Region. Through the utilization of this new subclass and discount, a portion of the cost of this financial incentive will be borne by the local municipality.

Full detail with respect to how the new subclass will be administered between MPAC, the Region, the Town and the property owner(s) is not available at this time. Town staff will work to ensure that appropriate information is provided to MPAC to support the implementation of the subclass for eligible residential units constructed, or converted from a non-residential use, pursuant to building permits issued after January 1, 2026.

Small-Scale On-Farm Business Subclass (page 13 of FN-08-26)

In 2018, the Province amended O.Reg.282/98 under the Assessment Act to provide for prescribed optional subclasses for small-scale on-farm business for industrial and commercial property classes. To qualify for the subclass, the industrial or commercial parcel on the property must satisfy the following requirements:

- For an industrial property, the land is primarily used to process or manufacture products produced from the land of the farming business.
- For a commercial property, the land is primarily used to sell farm products or derivatives of farm products produced from the land of the farming business.
- The industrial or commercial parcel would be in the farm property class if not for the activities occurring that are described above.
- The assessment of the commercial or industrial parcel cannot be equal to or greater than \$1.0 million.

There are currently 5 properties in Milton that qualify for these subclasses within the commercial property class. There are no industrial properties with these subclasses. Regional council approved the adoption of both the commercial and industrial subclasses for Tax Policy 2020 and onwards. The first \$50,000 of assessment within the commercial subclass, C7, will receive a 75% reduction in the municipal tax rate.

Beginning in 2022, municipalities had the option to adopt a second subclass that would increase the eligible assessment amount to \$100,000 from the current \$50,000. Regional Council has approved the expansion of these measures through FN-11-24. Based on the returned roll for the 2026 tax year, there are no properties that have been identified as eligible for this additional subclass in Halton Region.

Rebate for Charitable Organization Program (page 18 of FN-08-26)

In alignment with the requirements of Section 361 of the Municipal Act, a rebate is provided for eligible charitable organizations. For 2026, the Region has approved a continuation of the existing program that provides a rebate of 40% of the current year's Commercial taxes, with no change in eligibility criteria. The cost of the charity rebate in 2025 for the Town of Milton was \$30,144.

Relief for lower income seniors and low-income persons with disabilities (page 19-20 of FN-08-26)

The Town of Milton currently offers a program to assist low-income older adults and low-income persons with disabilities with their property taxes by allowing the 'year over year' tax increase to be deferred. This program is mandated by the Province through S.319 of the Municipal Act and is offered to both low income senior and low income persons with disabilities. The deferral is registered as a lien on title and must be paid back to the Municipality with interest at such time the applicant no longer owns the property. This mandatory deferral program has been in effect since 1998 and to date; the Town has not received any applications.

A second deferral program was introduced in 2016 and approved by the Region of Halton and is being offered in addition to, and mutually exclusive of, the existing year over year deferral program referred to above. This program is referred to as the Older Adults Property Tax Deferral Program (OATDP).

Key highlights of the OATDP:

- Full deferral of the annual taxes levied.
- All registered owners of a property must apply and to qualify must be 65 years of age by the end of the current year, the combined annual gross income must not exceed \$69,500 and the property must be the principal property of at least one of the registered owners
- If the registered owners elect to participate in the OATDP they are precluded from participating in the Town's current program.
- The deferral is interest free to the registered owner. Interest is paid by the Region to the participating municipality.
- When the owner of the property becomes ineligible, there is a one year grace period whereby taxes are deferred and the region continues to pay the interest.
- Full amount of deferred taxes is owing either at the end of the grace period or on the sale of the property, whichever is earlier.
- The program is administered by each participating local municipality.
- Annual renewal applications must be submitted.



The Corporation of the Town of Milton

To date, the Town of Milton has two active enrollments in this full tax levy deferral program.

The Region has approved the following changes to the OATDP:

- Eligibility shall be limited to registered owners of a single property within Halton. Existing program participants will remain unaffected and continue in the program.
- To further support low-income seniors, effective 2026, the \$50.00 up-front application fee for new applications is eliminated.