



# The Corporation of the Town of Milton

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Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: May 11, 2026

Report No: ES-021-26

Subject: 2026 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 2026 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 2026 Budget.

This report also establishes the tax due dates for the remainder of 2026 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 2026 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 2025 Tax Ratios as follows:

Class	2025 Tax Ratios	2026 Tax Ratios
Residential	1.000000	1.000000
Multi Residential	2.000000	2.000000
New Multi Residential	1.000000	1.000000
New Affordable Rental Housing Subclass	N/A	0.650000**
Commercial	1.456500	1.456500
Commercial Small-scale	0.364125	0.364125
Industrial	2.090700	2.090700
Industrial Small-scale	0.522675	0.522675
Land awaiting development	0.750000	0.750000
Pipeline	1.061700	1.061700
Aggregate Extraction	1.701216	1.701216
Farmland	0.200000*	0.200000*
Managed Forest	0.250000	0.250000

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

\*\* New for 2026: Affordable Rental Housing Subclass adopted in Halton through FN-19-25; ratio of 0.650000 approved through Report No. FN-08-26

- *2026 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 2026 discount factors accordingly:

Class	Local	Region	Education
Farmlands	80%	80%	75%
Managed Forests	75%	75%	75%
New Affordable Rental Housing Subclass	35%	35%	0%
Land awaiting Development	25%	25%	25%



**Discussion**

- *2026 Unweighted Assessment*

The Municipal Property Assessment Corporation (MPAC) is responsible for submitting to the Town the annual assessment roll. The unweighted assessment for 2026 as provided on that returned roll equals:

Class	2026 Unweighted Assessment
Residential	24,833,548,961
Multi-Residential	182,956,618
New Multi-Residential	43,363,800
Commercial	4,024,272,114
Commercial Small-scale	65,700
Industrial	613,607,180
Land awaiting development	4,348,000
Aggregate Extraction	11,426,100
Pipelines	116,626,000
Farmland	377,024,606
Managed Forests	43,212,099
<b>Total</b>	<b>30,250,451,178</b>

- *2026 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 2026 weighted assessment of \$32,619,799,820 is higher than the 2025 amount as a result of a 3.91% increase in net assessment growth and no change related to phase-in valuation due to the continue delay in the 2021 reassessment.

Class	2025 Tax Year	2025 Year End (Pre-flip)	% Change for in-Year Growth	2026 Tax Year	% Change related to Phase-in Valuation	Total % Change*
Residential	23,957,795,342	24,833,548,961	3.66	24,833,548,961	0.00	3.66
Multi-Residential	372,934,236	365,913,236	(1.88)	365,913,236	0.00	(1.88)
New Multi-Residential	43,363,800	43,363,800	0.00	43,363,800	0.00	0.00
Commercial	5,568,160,067	5,861,352,334	5.27	5,861,352,334	0.00	5.27
Commercial Small-scale	31,023	23,923	(22.89)	23,923	0.00	(22.89)
Industrial	1,215,035,477	1,282,868,531	5.58	1,282,868,531	0.00	5.58



# The Corporation of the Town of Milton

## Discussion

Aggregate Extraction	21,418,820	19,438,264	100.00	19,438,264	0.00	(9.25)
Land awaiting development	3,261,000	3,261,000	0.00	3,261,000	0.00	0.00
Pipelines	123,140,213	123,821,824	0.55	123,821,824	0.00	0.55
Farmland	76,152,632	75,404,921	(0.98)	75,404,921	0.00	(0.98)
Managed Forests	10,589,475	10,803,025	2.02	10,803,025	0.00	2.02
<b>Total</b>	<b>31,391,882,085</b>	<b>32,619,799,820</b>	<b>3.91</b>	<b>32,619,799,820</b>	<b>0.00</b>	<b>3.91</b>

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

\*\*Schedule may not add due to rounding

It should be noted that the 3.91% net assessment growth figure presented above consists of a gross assessment growth of 4.28% less 0.37% in losses of assessment value due to appeals and reconsiderations that occurred in 2025. The phase-in valuation change of 0.00% reflects that properties reached their full assessed value in 2020, combined with the continued postponement of the province-wide reassessment, as announced in the Province's 2021 Ontario Economic Outlook and Fiscal Review. In a typical year, phase-in assessment changes do not generate additional revenue for the Town rather a redistribution of cost between property owners.

- Town of Milton 2026 Budget*

On December 1, 2025, Milton Council approved the Municipal 2026 levy requirement of \$123,723,070 for Town Services including library (originally approved figure of \$122,994,886 was subsequently adjusted for final assessment growth in accordance with Council direction). As the final assessment growth value of 3.912% was higher than the estimate incorporated into the budget projections, an increase to the levy amount (by way of an increased transfer to the tax stabilization reserve) was utilized to maintain Council's target local tax rate increase of 6.94%. A comparison of the final local levy figures for 2026 relative to 2025 is shown below.

	2026 Final Levy	2025 Final Levy
Assessment Growth	3.912%	2.159%
Tax Increase	6.94%	9.89%
Net Levy Requirement	\$123,723,070	\$111,340,110



**Discussion**

- *Final 2026 Tax Rate Calculation*

Combining the output of each of the above sections, the following table summarizes the calculation of the 2026 tax rates and resulting allocation of the Town’s 2026 net budget requirement by property tax class.

2026 Local Municipal Tax Rate Calculation Summary					
Class	2026 Tax Ratio (Section 1)	2026 Unweighted Assessment (Section 2)	2026 Weighted Assessment (Section 3)	2026 Net Budget Requirement (Section 4)* \$	2026 Tax Rate (Net Budget / Unweighted Assessment)
Residential	1.000000	24,833,548,961	24,833,548,961	94,190,748	0.00379288
Multi-Residential	2.000000	182,956,618	365,913,236	1,387,866	0.00758576
New Multi-Residential	1.000000	43,363,800	43,363,800	164,474	0.00379288
Commercial	1.456500	4,024,272,114	5,861,352,334	22,231,407	0.00552433
Commercial Small-scale	0.364125	65,700	23,923	91	0.00138108
Industrial	2.090700	613,607,180	1,282,868,531	4,865,770	0.00792977
Land awaiting development	0.750000	4,348,000	3,261,000	12,369	0.00284466
Pipelines	1.061700	116,626,000	123,821,824	469,641	0.00402690
Aggregate Extraction	1.701216	11,426,100	19,438,264	73,727	0.00645251
Farmland	0.200000	377,024,606	75,404,921	286,003	0.00075858
Managed Forests	0.250000	43,212,099	10,803,025	40,975	0.00094822
<b>Total</b>		<b>30,250,451,178</b>	<b>32,619,799,820</b>	<b>123,723,070</b>	

\*May contain differences due to rounding.

**Consolidated Final 2026 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).



**Discussion**

The following table compares the total cost per \$100,000 of CVA for residential properties based on the final 2026 tax rates against the 2025 notional tax rate calculations. The \$865.15 cost per \$100,000 of residential assessment for 2026 represents a 4.74% increase over 2025. Of this amount, the local municipal share is \$379.29 per \$100,000 of residential assessment, which is an increase of 6.94% over the Town’s 2025 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.

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

	<u>2025 Taxes (Notional)</u>	<u>2026 Tax</u>	<u>Difference</u>
Local Services	354.68	379.29	24.61
Regional Services			
General & Waste Management	187.59	194.02	
Police	130.73	138.84	
Subtotal	318.32	332.86	14.54
Education <sup>1</sup>	153.00	153.00	0.00
<b>Total</b>	<b>826.00</b>	<b>865.15</b>	<b>39.15</b>

Schedule may not add due to rounding.

<sup>1</sup> Education reflects only final education rate prescribed in O.Reg.400/98 as updated on December 10, 2025 and aligns with figures presented in FN-08-26.

**SECTION 2: Tax Policy Overview**

In addition to setting tax ratios and upper tier tax rates, Regional Council also establishes tax policies and 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, is attached as an appendix to this report and outlines in detail the key areas that impact the 2026 tax policies. Also provided as Appendix A is an overview of tax policies, with specific Milton context and figures provided.

**SECTION 3: Property Tax Relief Programs**

Between the Province of Ontario, Halton Region and the Town, several forms of financial relief are available with respect to property taxes. Programs available include:



## Discussion

Program	Brief Description
Ontario Energy and Property Tax Credit (OEPTC)	A rebate of up to \$1,461 for individuals with low to moderate income
Ontario Senior Homeowners' Property Tax Grant (OSHPTG)	A rebate of up to \$500 for seniors with low to moderate income
Deferral of Property Taxes for Low- Income Seniors or Low Income Persons with Disabilities	Deferral of property tax increases, with interest
Halton Region Older Adult Property Tax Deferral Program (OAPTDP)	Full deferral of annual property taxes, interest free
Improvements for Seniors and persons with a disability	Exempts assessment where alterations are made to accommodate
Additional Residential units for Seniors	Exempts garden suites
New Affordable Rental Housing Subclass	35% tax rate discount for eligible units
Affordable Housing meeting the requirements of Section 3(1)(12)(iii) of the Assessment Act	Exemptions for charitable, non-profit philanthropic corporation organized for the relief of the poor if the corporation is supported in part by public funds
Sickness or Extreme Poverty	Consideration via Assessment Review Board decision
Section 357 and 358 Tax Appeals	Includes fire, demolition, renovation, etc.
Charity Rebate	40% reduction to commercial tax rate

## Financial Impact

The Town of Milton's 2026 tax levy is \$123,723,070 and the 2026 Business Improvement Area tax levy is \$293,076. To meet financial obligations, staff are preparing to initiate the billing process for the 2026 final taxes. The installment due dates for the final 2026 billing are to be set and pre-authorized payment plan programs withdrawals as follows:

Regular Billing Program: June 30, 2026; September 29, 2026

Pre-Authorized Plans:

- Monthly End of Month: June 30, 2026; July 31, 2026; August 31, 2026; September 29, 2026; October 30, 2026
- Monthly Mid-Month: June 15, 2026; July 15, 2026; August 17, 2026; September 15, 2026; October 15, 2026
- Semi-Monthly: June 15 and 30, 2026; July 15 and 31, 2026; August 17 and 31, 2026; September 15 and 29, 2026; October 15 and 30, 2026

