

**COMMUNICATION 131139**

Received from: Trisa McConkey, CPA, CGA, Treasurer  
Addressed to: Committee of the Whole  
Date: November 24, 2020  
Topic: 2021 Interim Tax Levy

**SUMMARY:**

A By-law is required to allow for billing an interim tax levy on properties in 2021 until adoption of final tax rates can occur in the spring of 2021 once County and Education rates have been received and after Council approves the 2021 Budget.

**COMMENT:**

Section 317 of the Municipal Act, 2001 (The Act), allows a local municipality to levy on all taxable properties, an interim tax levy prior to the adoption of the final budget for each tax year. The maximum allowable interim levy is 50% of the prior year's annualized taxes. Annualized taxes reflect taxes levied against the property at final billing, including all tax adjustments due to supplementary assessment and resulting from assessment appeals. For properties that are new to the assessment roll for the current year, and were not assessed in the prior year, 50% of the previous year's tax rate for the property's applicable tax class will be applied to the property's assessed value to generate an interim levy.

The Act requires that an interim tax levy by-law be passed in the year to which it applies or in November or December of the previous year, provided that the by-law does not come into effect until a specified day in the applicable year.

Interim Tax Bills will be mailed to customers by the end of January or early February 2021. These amounts will be due in two (2) equal installments on March 1<sup>st</sup> and June 1<sup>st</sup>, 2021.

**FINANCIAL IMPLICATIONS**

An interim tax levy permits the municipality to collect some taxes so it can function operationally. It provides cash flow while avoiding the need to use an overdraft borrowing facility. It also allows property taxes to be spread over a minimum of four (4) payments for taxpayers making each instalment easier to accommodate from a cash flow perspective.

If they do not already have one in place, taxpayers can arrange to pay their taxes via a monthly payment plan by contacting the Finance Department.

**STAFF RECOMMENDATION**

THAT Council authorize the passing of an interim tax levy by-law for 2021 based on 50% of the prior year's annualized taxes.