



The Corporation of the Town of Milton

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
Total	30,250,451,178

- *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.

Taxable Weighted Assessment Summary						
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
Total	31,391,882,085	32,619,799,820	3.91	32,619,799,820	0.00	3.91

* 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
Total		30,250,451,178	32,619,799,820	123,723,070	

*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 ¹	153.00	153.00	0.00
Total	826.00	865.15	39.15

Schedule may not add due to rounding.

¹ 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



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.

THE CORPORATION OF THE TOWN OF MILTON

BY-LAW NO. 0XX-2026

BEING A BY-LAW TO PROVIDE FOR THE LEVY AND THE COLLECTION OF RATES OF LEVIES REQUIRED FOR THE TOWN OF MILTON FOR THE YEAR 2026 AND TO PROVIDE FOR THE MAILING OF NOTICES DEMANDING PAYMENT OF TAXES FOR THE YEAR 2026

WHEREAS section 3 of the Assessment Act, R.S.O. 1990, c. A.31, as amended, provides that all real property, with specific exceptions, is subject to assessment and taxation,

WHEREAS Section 312 of The *Municipal Act*, 2001, provides that the Council of a local municipality shall, after the adoption of estimates for the year, pass a by-law to levy a separate tax rate on the assessment in each property class (Appendix A attached hereto),

AND WHEREAS sections 307 and 308 of the said *Act* require tax rates to be established in the same proportion to tax ratios,

AND WHEREAS certain regulations require reductions in certain tax rates for certain classes or subclasses of property.

AND WHEREAS the Council of the Region of Halton shall pass the Regional Rating By-law, directing the Council of the Town of Milton to levy the 2026 tax rates as approved for Regional general and special purposes including Waste Management for leaf/yard services.

AND WHEREAS estimates for the upper and lower tier and for education purposes have been prepared showing the sum of \$308,608,835 is required to be raised for the lawful purpose of the Corporation of the Town of Milton for the year 2026 which estimates are made up as follows:

1. Town of Milton
 - General Municipal Services \$123,723,070
2. Region of Halton
 - General Regional Services \$108,070,076
 - Enhanced Regional Services – leaf/Yard pickup (Urban) \$ 460,373
3. Downtown Business Improvement Area \$ 293,076
4. Education \$ 76,062,240

AND WHEREAS the following is a correct statement of the taxable assessment for the Town of Milton (Appendix B attached hereto):

1. Town of Milton	
• General Municipal Services	30,250,451,178
2. Region of Halton	
• General Regional Services	30,250,451,178
• Enhanced Regional Services–leaf/yard services (Urban)	27,047,624,192
3. Downtown Business Improvement Area	79,734,550
4. Education	30,250,451,178

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF MILTON HEREBY ENACTS AS FOLLOWS:

1. **THAT** from time to time, there may be charges, fees, costs or other expenses added onto the tax roll as set forth in the *Assessment Act* and *Municipal Act* and any other applicable Acts and the By-laws in force in this municipality. Such charges, fees, costs or other expenses shall be deemed to be taxes, collected as taxes, or collected in the same manner as municipal taxes, or dealt with in such fashion as may be specifically authorized by the applicable statute;
2. **AND THAT** the 2026 Interim tax levies, shall be shown as a reduction on the final tax levy;
3. **AND THAT** the 2026 tax rates detailed in Schedule “A” to this By-law be adopted and applied against the whole of the assessment for real property in each of the respective classes as detailed in Schedule “B” to this By-law;
4. **AND THAT** the net amount of taxes levied by this By-law, shall be due and payable in two installments, the first one being the 30th day of June, 2026 and the second one being the 29th day of September, 2026. The 2026 Interim due dates were February 28th 2026 and April 30th, 2026;
5. **AND THAT** the net amount of taxes levied by this By-law for the Pre-Authorized Tax Payment Programs shall be due and payable on the dates set out herein:

Pre-Authorized Month-end Plan: For 2026, June 30, July 31, August 31, September 29, October 30, November 30, December 31, and for the first part of 2027 set as January 29, February 26, March 31, April 30, and May 31.

Due Date Pre-Authorized Plan: For 2026, June 30, September 29, and for the first half of 2027, set as February 26 and April 30.

Pre-Authorized Mid-Month Program: For 2026, June 15, July 15, August 17, September 15, October 15, November 16, December 15 and for the first part of 2027, set as January 15, February 15, March 15, April 15 and May 17.

Pre-Authorized Semi-Monthly Program: For 2026, June 15 and 30, July 15 and 31, August 17 and 31, September 15 and 29, October 15 and 30, November 16 and 30, December 15 and 31 and for the first part of 2027 set as January 15 and 29, February 15 and 26, March 15 and 31, April 15 and 30 and May 17 and 31.

6. **AND THAT** notwithstanding sections 4 and 5, where the total final levy taxes to be imposed on a property would be less than five (5) dollars, the amount of actual taxes payable shall be zero;
7. **AND THAT** any installment or any part of any instalment of rates, taxes and assessments not paid on or before the day prescribed by the respective section of this By-law which sets out payment of such instalments, shall be subject to a penalty which shall be added to and collected with rates, taxes and assessments and which shall be a percentage charge of One and One Quarter per centum (1 ¼%) on the first day of default and a further One and One Quarter per centum (1 ¼%) for each calendar month thereafter in which default continues;
8. **AND THAT** the Treasurer or delegate are authorized to accept part payment from time to time on account of the oldest outstanding interest, then the oldest outstanding taxes, then penalty charges and then current years taxes due, or alternatively is authorized to refuse acceptance of any such part payment;
9. **AND THAT** the Treasurer is hereby authorized to send the notice provided for by Section 343(6) of *The Municipal Act, 2001*, to the address of the property shown on the Tax Roll or an alternate address as directed in writing by the person taxed;
10. **AND THAT** immediately after sending a tax bill, the Treasurer shall create a record of the date on which it was sent and this record is, in the absence of evidence to the contrary, proof that the tax bill was sent on that date;
11. **AND FURTHER THAT** taxes are payable at the Municipal Offices being 150 Mary St., Milton ON L9T 6Z5, or by mail to PO Box 400, Milton ON L9T 4Z1, or by other means that may be introduced from time to time by the Town of Milton.

PASSED IN OPEN COUNCIL ON May 11, 2026.

Gordon A. Krantz

Mayor

Meaghan Reid

Town Clerk

Schedule "A"
By-law No. XXX-2026
2026 Tax Rates

Description	General Municipal	General Regional	Enhanced Waste Service Regional	Education	Tax Rate	Tax Rate with Enhanced Waste
Residential/Farm	0.00379288	0.00331302	0.00001556	0.00153000	0.00863590	0.00865146
Multi-Residential	0.00758576	0.00662604	0.00003113	0.00153000	0.01574180	0.01577293
New Multi-Residential	0.00379288	0.00331302	0.00001556	0.00153000	0.00863590	0.00865146
New Affordable Rental Housing ¹	0.00246537	0.00215346	0.00001012	0.00153000	0.00614883	0.00615895
Commercial	0.00552433	0.00482542	0.00002267	0.00770552	0.01805527	0.01807794
Commercial Excess and Vacant Land	0.00552433	0.00482542	0.00002267	0.00770552	0.01805527	0.01807794
Commercial Occupied Small-Scale On-Farm	0.00138108	0.00120636	0.00000567	0.00220000	0.00478744	0.00479311
Land Awaiting Development	0.00284466	0.00248477	0.00001167	0.00114750	0.00647693	0.00648860
Aggregate Extraction	0.00645251	0.00563616	0.00002648	0.00511000	0.01719867	0.01722515
Industrial	0.00792977	0.00692654	0.00003254	0.00880000	0.02365631	0.02368885
Industrial Excess and Vacant Land	0.00792977	0.00692654	0.00003254	0.00880000	0.02365631	0.02368885
New Construction Industrial	0.00792977	0.00692654	0.00003254	0.00880000	0.02365631	0.02368885
New Construction Industrial Vacant Land	0.00792977	0.00692654	0.00003254	0.00880000	0.02365631	0.02368885
Pipelines	0.00402690	0.00351744	0.00001652	0.00880000	0.01634434	0.01636086
Farmlands	0.00075858	0.00066260	0.00000311	0.00038250	0.00180368	0.00180679
Managed Forest	0.00094822	0.00082826	0.00000389	0.00038250	0.00215898	0.00216287

Downtown Business Improvement Area	BIA Area 1	BIA Area 2	BIA Area 3
Commercial	0.00517342	0.00310405	0.00206937
Commercial Excess and Vacant Land	0.00517342	0.00310405	0.00206937
Industrial	0.00742606	0.00445564	0.00297043
Industrial Excess and Vacant Land	0.00742606	0.00445564	0.00297043

Schedule "B"
By-law No. XXX-2026
Returned Assessment for 2026 Taxation

Description	2026 Assessment
Residential/Farm	24,833,548,961
Multi-Residential	182,956,618
New Multi-Residential	43,363,800
New Affordable Rental Housing ¹	-
Commercial	4,024,272,114
Commercial Small-Scale On-Farm Business	65,700
Land Awaiting Development	4,348,000
Industrial	613,607,180
Aggregate Extraction	11,426,100
Pipelines	116,626,000
Farmlands	377,024,606
Managed Forests	43,212,099
Total Assessment	30,250,451,178

¹New Affordable Rental Housing Sub-class adopted effective 2026 for new residential units pursuant to building permits issued after January 1, 2026 that meet the eligibility requirements.

Report To:	Regional Chair and Members of Regional Council
From:	Cyndy Winslow, Commissioner, Finance & Regional Treasurer
Date:	April 15, 2026
Report No.:	FN-08-26
Re:	2026 Tax Policy

Recommendation

1. THAT the following tax ratios be adopted for the 2026 taxation year:

Residential	1.000000
Multi-Residential	2.000000
New Multi-Residential	1.000000
New Affordable Rental Housing Subclass	0.650000
Commercial	1.456500
Commercial Small-Scale On-Farm Business Subclass	0.364125
Industrial	2.090700
Industrial Small-Scale On-Farm Business Subclass	0.522675
Aggregate Extraction	1.701216
Pipe Line	1.061700
Farm	0.200000
Managed Forests	0.250000
Landfill	1.456500

2. THAT the 2026 taxation rates for Regional Services as set out in Attachment #1 to Report No. FN-08-26 re: “2026 Tax Policy” be adopted.
3. THAT Halton Region sets the tax ratio for the optional New Affordable Rental Housing Subclass at 0.650000 which reflects a 35% reduction with respect to the New Multi-Residential Property Class.
4. THAT Halton Region continues to provide a full property tax deferral to low-income older adults through the Older Adults Property Tax Deferral Program in accordance with Section 107 of the *Municipal Act, 2001*, with the following changes to the program effective in 2026;
 - a. Maintain the combined income threshold for all registered owners at \$69,500 for 2026.

- b. Limit program eligibility to individuals who are the registered owner of only one property within Halton Region for new applications only.
 - c. Remove the \$50.00 application fee for new applications.
5. THAT Halton Region continues to provide the following tax relief rebates and deferrals:
 - a. Provide a tax rebate for Registered Charitable Organizations under Section 361 of the *Municipal Act, 2001* at a rate of 40% of the current year's taxes applicable to the space occupied;
 - b. Provide a property tax increase deferral on residential properties to low-income older adults and low-income persons with disabilities under Section 319 of the *Municipal Act, 2001*;
 - c. Cost-share with the Local Municipalities for the property tax rebate program in the same proportion as their share of the total current year taxes subject to the rebate being established by a by-law under Section 365 of the *Municipal Act, 2001*;
 - d. Provide a reduction or refund of the Regional portion of property taxes for eligible Heritage Property in the same proportion as that provided for by the Local Municipalities' by-laws established under Section 365.2 of the *Municipal Act, 2001*.
6. THAT Corporate Counsel be authorized to prepare all necessary by-laws to establish the aforesaid 2026 taxation rates, taxation policies, and property tax relief programs.
7. THAT the Regional Clerk forward a copy of Report No. FN-08-26 and the related by-laws to the City of Burlington, Town of Halton Hills, Town of Milton and Town of Oakville.

Report

Executive Summary

- The *Municipal Act, 2001* provides that, Regional Council must annually approve tax policies to set the upper-tier rating by-laws, tax ratios, and any mandatory or discretionary tax relief programs.
- The 2026 approved operating budget includes a combined tax impact of 4.6 % for Regional and Police Services, comprised of 3.3% for Regional Services and 6.4% for Police Services.

- The combined total assessment change for the 2026 taxation year is 2.01% which is comprised of the net in-year assessment growth. The difference between the actual assessment growth of 2.01% and the budgeted assessment growth of 1.80% is \$1,192,930, which has been transferred to the Tax Stabilization Reserve (501020) as approved through Report No. FN-31-25 (re: “2026 Budget and Business Plan and Disposition of 2025 Surplus”).
- Through Report No. FN-19-25 (re: “Adoption of a New Optional Subclass for Affordable Rental Housing”), Council adopted the new affordable rental housing subclass in Halton Region to incentivize the development of new affordable rental housing. It is recommended through this report that:
 - a. The tax ratio for the affordable rental housing subclass be set at 0.650000 which reflects a 35% reduction with respect to the New Multi-Residential Property Class.
 - b. The subclass continues to apply to new residential units only, that are built, or converted from a non-residential use, pursuant to a building permit issued after January 1, 2026 that meet the eligibility requirements.
- It is recommended that Halton Region continues to provide a full property tax deferral to low-income older adults through the Older Adults Property Tax Deferral Program under Section 107 of the *Municipal Act, 2001*, with the following changes to the program effective in 2026;
 - a. Maintain the combined income threshold for all registered owners at \$69,500 for 2026 and review annually in conjunction with the federal income thresholds for low-income older adults.
 - b. Limit program eligibility to individuals who are the registered owner of only one property within Halton Region for new applications.
 - c. Remove the \$50.00 application fee for new applications.
- It is recommended that the Region continues to provide the following rebates and deferrals to be funded through the Council-approved 2026 operating budget:
 - Tax rebate for Registered Charitable Organizations at a rate of 40% of the current year’s taxes applicable to the space occupied;
 - Property tax increase deferral on residential properties to low-income older adults and low-income persons with disabilities;
 - Cost-share with the Local Municipalities for the property tax rebate

program for low-income older adults in the Towns of Halton Hills and Oakville, and low-income older adults and low-income persons with disabilities program in the City of Burlington, in the same proportion as their share of the total current year taxes;

- Reduction or refund of the Regional portion of property taxes for eligible Heritage Property in the same proportion as that provided for by the Local Municipalities' by-laws.

Background

The purpose of this report is to provide Regional Council with recommendations regarding property taxation for 2026 and to obtain approval for the 2026 Regional property tax ratios and tax rates.

In accordance with the *Municipal Act, 2001*, the Region is required to pass by-laws and/or implement programs as follows:

- Upper-tier tax ratio setting
- Upper-tier rating by-law(s)
- Relief program for low-income older adults and low-income persons with disabilities
- Rebate program for charitable organizations

The “2026 Current Value Assessment (CVA) and Tax Policy Reference Manual” is provided under separate cover as Attachment #3 to this report to assist members of Regional Council and the public in understanding assessment and property tax in Ontario, and specifically in Halton. This manual will also be available to the public through Halton Region’s website ([Halton - Property Taxes](#)).

Discussion

The final Regional tax rates are calculated by taking the assessment information from the Municipal Property Assessment Corporation (MPAC), weighting the assessment based on the tax ratios and dividing the 2026 Regional levy requirement by the weighted assessment. The following section provides information on each of these components.

Assessment Changes

As shown in Table 1 below, the combined total assessment change for the 2026 taxation year is 2.01%, which is the change in the weighted taxable assessment from the tax roll used for the 2025 taxation year to the tax roll used for the 2026 taxation year.

Table 1: 2026 Combined Total Assessment Change

Taxable Weighted Assessment					
Class	2025 Tax Year	2025 Year End	% Change for In-Year Growth	2026 Tax Year	Total % Change
Residential	\$ 137,080,354,492	\$ 140,055,849,392	2.17%	\$ 140,055,849,392	2.17%
Multi-Residential	6,519,562,388	6,450,822,788	-1.05%	6,450,822,788	-1.05%
New Multi-Residential	435,268,176	480,199,376	10.32%	480,199,376	10.32%
Commercial	26,975,612,794	27,627,028,537	2.41%	27,627,028,537	2.41%
Industrial	6,570,041,730	6,552,276,123	-0.27%	6,552,276,123	-0.27%
Aggregate Extraction	81,940,600	77,046,201	0.00%	77,046,201	-5.97%
Pipelines	340,351,292	342,250,674	0.56%	342,250,674	0.56%
Farmlands	195,956,243	195,084,464	-0.44%	195,084,464	-0.44%
Managed Forests	19,482,846	19,997,571	2.64%	19,997,571	2.64%
Total	\$ 178,218,570,560	\$ 181,800,555,127	2.01%	\$ 181,800,555,127	2.01%

Taxable Weighted Assessment					
Municipality	2025 Tax Year	2025 Year End	% Change for In-Year Growth	2026 Tax Year	Total % Change
Burlington	\$ 53,262,764,683	\$ 53,406,477,265	0.27%	\$ 53,406,477,265	0.27%
Halton Hills	15,967,026,883	16,180,937,672	1.34%	16,180,937,672	1.34%
Milton	31,391,882,085	32,619,799,820	3.91%	32,619,799,820	3.91%
Oakville	77,596,896,910	79,593,340,370	2.57%	79,593,340,370	2.57%
Total	\$ 178,218,570,560	\$ 181,800,555,127	2.01%	\$ 181,800,555,127	2.01%

The net in-year assessment growth of 2.01% for 2025 incorporates all additional assessment generated from new development that has been valued by MPAC during the year. The increase in assessment is offset by reduced assessment values resulting from Assessment Review Board appeal settlements and Requests for Reconsideration settlements. The net in-year assessment growth results in a reduction to the tax impact, which supports the costs of maintaining levels of service in a growing community. In contrast, valuation changes based on MPAC’s reassessment do not generate any additional tax revenue but rather result in a redistribution of the relative tax share among the property classes.

Postponement of the Reassessment

Property taxation is based on the assessed value of properties, and in Ontario those assessments are reviewed and updated every four years by MPAC. The next property valuation update, known as a reassessment, was scheduled to be completed by MPAC in 2020 for the 2021 taxation year. However, due to the unique and unforeseen challenges of the COVID-19 pandemic during 2020, the Province announced that it was postponing the reassessment to maintain stability in the context of the emerging pandemic. The reassessment was also postponed for the 2022 to 2025 taxation years.

On December 5, 2025, the Province filed O. Reg. 296/25 which extended the current value assessment base year as at January 1, 2016 to apply to the 2026 taxation year, and reaffirmed that the property tax reassessments would continue to be postponed for the 2026 tax year. With the postponement of the reassessment in 2026, the valuation date of a property’s current value assessment remains as at January 1, 2016, and, excluding any in-year changes to a property, the current value assessment used for 2026 taxation is the same as that used for 2025 taxation.

Through the *2025 Ontario Budget*, the Province provided an update on the review of the property assessment and taxation system. On November 6, 2025, the Province delivered its *2025 Fall Economic Statement* which provided an update on this review, with a focus on fairness, affordability, business competitiveness, and modernization of administration tools. Through consultations, the Province received feedback from stakeholders which has informed the implementation of initiatives such as the introduction of the optional affordable rental housing subclass, consistent property tax treatment for university-operated student housing, and enhanced information sharing and new digital solutions of MPAC’s data. The Province is continuing to consider additional initiatives to ensure the effectiveness of the property assessment and taxation system, and confirmed that the province-wide property tax reassessment will continue to be deferred until this work is complete.

Regional Levy Requirement

Regional Council approved the net levy requirement of \$605,180,674 for Regional Services and Police Services, through Report No. FN-31-25, which assumed 2025 in-year assessment growth of 1.80%.

The final assessment information from MPAC was finalized in December 2025. The actual 2025 assessment growth was 2.01%, which is 0.21% higher than the budgeted assessment growth of 1.80%. To reflect the higher than budgeted assessment, an adjustment to the 2026 net levy requirement is required to increase it by \$1,192,930 from \$605,180,674 to \$606,373,604, as shown in Table 2 below. A transfer to the Tax Stabilization Reserve (501020), approved through Report No. FN-31-25, of \$1,192,930 will be made for this surplus.

Table 2: 2026 Actual Assessment Growth

	2026 Budget	2026 Levy	Difference
Assessment Growth	1.80%	2.01%	0.21%
Tax Increase	4.59%	4.59%	0.0%
Net Levy Requirement	\$605,180,674	\$606,373,604	\$1,192,930

Tax Ratios

One of the limited tools provided by the Province to municipalities in setting tax rates is the ability to adjust tax ratios to address tax shifts created through reassessments. Regional staff are proposing no changes to the 2026 tax ratios, with the exception of the ratio for the new affordable rental housing subclass, as shown in Table 3 below.

Table 3: 2026 Tax Ratios

Property Class	Ranges of Fairness (O. Reg. 386/98)	Halton Region Tax Ratios		Threshold Ratios (O. Reg. 73/03)
		2025	2026	
Residential ¹	1.00	1.000000	1.000000	
Multi-Residential	1.00 - 1.10	2.000000	2.000000	2.0000
New Multi-Residential	1.00 - 1.10	1.000000	1.000000	
New Affordable Rental Housing Subclass ⁵	1.00 - 1.10	N/A	0.650000	
Commercial	0.60 - 1.10	1.456500	1.456500	1.9800
Commercial - Small-Scale On-Farm Business Subclass	0.60 - 1.10	0.364125	0.364125	1.9800
Industrial	0.60 - 1.10	2.090700	2.090700	2.6300
Industrial - Small-Scale On-Farm Business Subclass	0.60 - 1.10	0.522675	0.522675	2.6300
Aggregate Extraction ⁴	0.60 - 1.10	1.701216	1.701216	2.6300
Pipe Line	0.60 - 0.70	1.061700	1.061700	
Farm ²	0.0 - 0.25	0.200000	0.200000	
Managed Forests ³	0.25	0.250000	0.250000	
Landfill	0.60 - 1.10	1.456500	1.456500	25.0000

¹Section 308 of the *Municipal Act, 2001* sets the tax ratio for Residential as 1.0

²Section 308.1 of the *Municipal Act, 2001* restricts the tax ratio for Farm to be 0.25 or lower

³Section 308.1 of the *Municipal Act, 2001* sets the tax ratio for Managed Forests as 0.25

⁴Ontario Regulation 510/24 set the 2025 tax ratio for Aggregate Extraction at 1.701216

⁵New for 2026: New Affordable Rental Housing Subclass adopted in Halton through FN-19-25; ratio of 0.650000 recommended through Report No. FN-08-26

Optional New Affordable Rental Housing Subclass

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 released the *2024 Ontario Economic Outlook and Fiscal Review: Building Ontario For You* and announced that it would provide municipalities with the ability to reduce municipal property tax rates on certain affordable rental housing. The 2025 Provincial Budget confirmed that starting in 2026, municipalities will have the option to reduce the municipal property tax rate (local and regional taxes) for certain affordable rental housing units by up to 35%. On May 26,

2025 regulations were released to effect these changes related to the optional new affordable rental housing subclass.

Through Report No. FN-19-25, Halton Region adopted the new optional Affordable Rental Housing Subclass to incentivize the development of new affordable residential units in Halton. The optional subclass was effective January 1, 2026 for newly built multi-residential units that meet the required conditions, including:

- that they have been built, or converted from a non-residential use, pursuant to a building permit that is issued after January 1, 2026
- are required by legislation, or have an agreement in place, to offer affordable units and;
- meet the definition of affordable residential unit in the *Development Charges Act, 1997*.

Eligibility under the regulation is determined based on the rent charged for each individual unit i.e. the subclass will only apply to the eligible affordable rental housing units and not the entire building.

O. Reg. 74/25 prescribes a range for the affordable rental housing subclass reduction to be between 0% and 35%, inclusive. Staff recommend that a municipal property tax rate reduction of 35% be applied to the new affordable rental housing subclass with respect to the new multi-residential property class based on the following:

- Halton Region has a shared goal with the Province to increase housing supply and affordability. Providing the maximum municipal property tax rate reduction of 35% incentivizes development of new affordable rental units in Halton Region.
- The municipal property tax rate reduction will be applied to new units that meet the criteria with building permits issued after January 1, 2026, and as such it will not impact or cause tax shifts in the existing property assessment base. It is important to note however, providing a discount with a tax ratio of less than 1.0 does impact the distribution of new assessment growth (i.e. new eligible units in the subclass would pay a reduced tax ratio of 0.65 compared with the residential / new multi-residential tax ratio of 1.0)
- The reduction demonstrates Halton Region's support for provincial tools/legislation that align with the objectives of Halton Regional Council and its tax/rate payers.

As Halton Region advances the Comprehensive Housing Strategy (CHS), a key priority is the development of new assisted and supportive housing to ensure vulnerable residents have access to safe, stable, and appropriate homes. This focus reflects the Region's commitment to building inclusive communities and addressing the growing

need for affordable housing options. Staff continue to meet with developers interested in delivering rental units at assisted rates. In these discussions, developers consistently highlight that the municipal property tax discount for new affordable residential units will be making their projects more financially viable, strengthening project pro formas by reducing operating costs to offer units at lower rents while still moving projects forward. This tool will therefore become an important lever in supporting the creation of new affordable housing across the Region.

On February 26, 2026, MPAC sent a communication to municipalities indicating implementation of the subclass for the 2026 taxation year will be delivered through an MPAC data collection campaign, supported by an online solution and in-year assessment notices, to update the classification of properties with eligible units. This data collection campaign will be particularly important for municipalities who have adopted this subclass for existing properties. For Halton, the Region and the Local Municipalities will work together, leveraging the tri-party agreements entered through Report No. FN-05-25 (re: “Affordable Housing Development Charges Exemption under the *Development Charges Act, 1997*”) to ensure the appropriate information is provided to MPAC to implement the subclass for eligible residential units that have been built, or converted from a non-residential use, pursuant to a building permit that is issued after January 1, 2026. While the full details of the administration of the subclass between MPAC, the municipalities, and the property owner have not been provided yet, MPAC is prioritizing the provision of affordable rental housing data to municipalities that have adopted an affordable rental housing by-law before September, 30, 2025, which includes Halton Region. In addition, the Region will continue to work with the Local Municipalities to support Local and Regional affordable housing strategies.

Approving recommendation #3 of this report will provide a municipal property tax rate reduction of 35% effective January 1, 2026 for newly built multi-residential units that meet the required conditions, setting the tax ratio at 0.65 for eligible affordable rental housing units in Halton Region. Making this reduction effective for the 2026 taxation year will give the development community the certainty it needs to plan new, affordable, purpose-built residential rental projects in the Region. To date, there have been no tri-party agreements entered into for an affordable residential unit development charges exemption under Section 4.1 of the *Development Charges Act, 1997*.

Existing Multi-Residential Properties in Halton Region

Multi-Residential Property Class – Tax Ratio 2.0

The multi-residential property class consists of residential rental properties that have seven or more self-contained units, with a building permit issued on or before October

30, 2002. Halton Region's tax ratio for the multi-residential property class has been maintained at 2.0 since 2017 and based on the 2026 final assessment roll from MPAC, there are 398 properties in the class with a total taxable weighted current value assessment of \$6.5 billion.

New Multi-Residential Property Class – Tax Ratio 1.0

The new multi-residential property class consists of residential rental properties that have seven or more self-contained units, with a building permit issued after the by-law adopting the new multi-residential property class was passed (in Halton Region's case, after October 30, 2002).

Effective April 20, 2017, the Province mandated the new multi-residential property class with a transition ratio of 1.0, which required Halton Region to lower its tax ratio from 2.0 to 1.0 for the 2017 taxation year. Since 2017, Halton Region's tax ratio for the new multi-residential property class has been maintained at 1.0, which is aligned with the tax ratio of the residential class. Based on the 2026 final assessment roll from MPAC, there are 20 properties in the new multi-residential property class with a total taxable weighted current value assessment of \$480.2 million.

The tax policy ratio framework strives to achieve fairness and equity and since 2017, staff have looked at opportunities through the annual tax policy process to lower the multi-residential property class tax ratio from 2.0 to 1.0. To reduce the multi-residential tax ratio to 1.0 and align it with the residential and new multi-residential ratio, there would be an estimated tax shift of approximately \$24.1 million, with the most significant impact reflected in the residential property class (based on the 2025 final roll). The tax impact for residential properties is estimated to range from approximately \$8.03 to \$22.62 per \$100,000 CVA for total Municipal Services (Region and Local). As such, staff do not recommend reducing the multi-residential ratio to 1.0 at this time, as a tax impact of this magnitude is better addressed when there is a province-wide reassessment, so impacts can be coupled together at one time and phased over many years, spreading out the financial impact on taxpayers.

Optional Affordable Rental Housing Property Subclass on Existing Multi-Residential Units

Municipalities may adopt the optional affordable rental housing subclass for existing multi-residential units that meet required conditions. However, when doing so any reduction in tax ratios for properties within the current tax assessment base shifts the property tax burden to other property classes, primarily the residential property class.

Staff worked with the Local Municipalities to review the impact of applying the optional affordable rental housing property subclass to existing properties in the multi-residential and new multi-residential property classes. At this time, staff do not recommend adopting the subclass for existing multi-residential units based on the following:

- MPAC is currently working to develop a data collection process to support the optional affordable rental housing subclass, however at this time, an inventory of existing properties/units that may be eligible for the subclass based on the required eligibility criteria is not available.
- Without information on the properties that would be eligible for the subclass, it is not possible to provide the estimated impact of applying the reduction to existing properties in Halton at this time. Based on data available from the Canada Mortgage and Housing Corporation (CMHC) [Rental Market Report, Fall 2025](#) (excluding social or assisted housing units), it is estimated that approximately 55% of rental units in Halton are considered affordable. This estimate equates to approximately \$3.8 billion in taxable weighted current value assessment that may shift to other property classes, with the largest burden placed on the residential property class.
- Offering a reduction in municipal property taxes to existing residential units does not achieve the goals of incentivizing the development of new affordable rental housing in Halton Region and meeting the objectives of increasing housing supply and affordability.

Staff recommend maintaining the optional subclass for newly built multi-residential units that meet the required conditions with building permits issued after January 1, 2026. As new information becomes available, staff will continue to work with MPAC and the Local Municipalities to review the option of applying the subclass to existing multi-residential and new multi-residential units with building permits issued before January 1, 2026. As part of the next province-wide reassessment process, staff will also review opportunities to lower the multi-residential ratio to 1.0 to align it with the residential / new multi-residential ratio.

Optional New Multi-Residential Subclass

The 2024 Provincial Budget announced flexibility for municipalities to offer a reduced municipal property tax rate (local and region taxes) on new multi-residential rental properties through the creation of a new optional subclass, to encourage the development of purpose-built rental properties. O. Reg. 140/24 and 141/24, both released on March 27, 2024, provide single and upper-tier municipalities the flexibility to pass a municipal by-law to adopt the optional new multi-residential subclass and provide a reduction of up to 35% in the municipal property tax rate for the subclass. For

properties to qualify for the new optional subclass, the land would need to be classified as new multi-residential and the first building permit would need to be issued after the municipal by-law came into effect.

As reported through Report No. FN-10-25 (re: “2025 Tax Policy”), staff do not recommend adopting the optional new multi-residential subclass, as it cannot be directed towards affordable rental housing and would raise concerns of fairness and equity. For this subclass, eligibility would simply be based on the property class and building permit date, meaning that all new multi-residential developments would be entered into the subclass pursuant to a building permit issued on or after an effective date specified in the by-law, thereby providing the municipal tax rate reduction to all purpose-built rentals including those at or above market rent (including luxury).

Regional staff confirmed with the Ministry of Finance that municipalities are not permitted to adopt eligibility criteria or stipulations through the by-law, for example requiring a certain percentage of the units to be affordable, as eligibility would simply be based on the property class. Some municipalities have adopted this broader municipal tax rate reduction subclass with a reduction up to 35% for any properties with building permits issued after the subclass is in effect, which does impact the distribution of new assessment growth. The optional new affordable rental housing subclass adopted through Report No. FN-19-25 provides a better tool to incentivize the development of new affordable rental housing in Halton.

Staff continue to monitor provincial updates and information, meet with the development community and the Local Municipalities to advance housing, and monitor these policy decisions at other municipalities. A municipal scan based on the latest information available on the adoption of the two new optional property subclasses is provided below.

Municipality	New Multi-Residential Property Tax Subclass Municipal reduction for all new multi-residential properties based on building permit date as adopted through by-law	Affordable Rental Housing Property Tax Subclass Municipal reduction for eligible affordable rental housing
Halton Region	Not Adopted	Adopted Recommending 35% reduction through Report No. FN-08-26
Peel Region	Adopted; 35% reduction	Not Adopted

Municipality	New Multi-Residential Property Tax Subclass Municipal reduction for all new multi-residential properties based on building permit date as adopted through by-law	Affordable Rental Housing Property Tax Subclass Municipal reduction for eligible affordable rental housing
York Region	Adopted; 35% reduction	Not Adopted
City of Toronto	Adopted; 15% reduction	Not Adopted
City of Sudbury	Adopted; 0% reduction	Not Adopted
City of Ottawa	Not Adopted	Adopted at 0%; Reduction to be set through tax policy process
City of Guelph	Not Adopted	Adopted at 0%; Planned reduction of 35% to be set through tax policy process

Small-Scale On-Farm Business Subclass

In 2018, the Province amended O. Reg. 282/98 under the *Assessment Act* to create optional subclasses for Small-scale On-farm business for each of the industrial and commercial property classes. Since 2018, municipalities have had the option to adopt the new subclass, which provides a 75% reduction on municipal taxes for the first \$50,000 of assessment. The Region adopted the subclass in 2020 through Report No. FN-12-20 (re: “2020 Tax Policy”).

Since 2022, municipalities have had the option to adopt a second subclass that would increase the eligible assessment amount to \$100,000. Offering a second subclass with a property tax reduction based on a higher threshold would shift the tax burden to other properties. The Province will apply a reduced business education tax rate to this increased \$100,000 threshold for all eligible properties, regardless of whether municipalities adopt the subclass.

Based on the returned assessment roll for the 2026 tax year, there are no properties that have been identified as eligible for this additional subclass in Halton. Staff will continue to monitor the assessment roll annually and report back with an update, including potential impacts and recommendations.

Tax Rate

The Regional Levy is comprised of a levy for Regional General Services, a levy for Enhanced Waste Services, and a levy for Police Services. Regional General Services includes basic waste, recycling and organics, and this levy, as well as the Police Services levy, are funded by the entire assessment base. The Enhanced Waste Services levy, which includes the collection of yard waste, Christmas trees etc., is calculated on an area rating specific to each Local Municipal assessment base under Section 326 of the *Municipal Act, 2001*, as service levels vary by Local Municipality. In Halton, Enhanced Waste Services are provided to urban properties in each of the Local Municipalities. Rural properties do not receive these services. Regional staff continue to review waste management services for harmonization opportunities to move toward a region-wide waste management tax rate in future years.

As shown in Table 4 below, the 2026 final tax rates are calculated based on the assessment changes, 2026 levy requirements, and the tax ratios as presented in recommendation #1. The blended Regional residential urban tax rate is 0.00333652.

Table 4: 2026 Final Tax Rates

2026 Regional Residential Tax Rates		
Regional Services	2026 Levy	Urban Residential Tax Rate
General	\$ 349,906,838	0.00192467
Police	252,402,191	0.00138835
Enhanced Waste Services		
Burlington	1,491,888	0.00002873
Halton Hills	462,052	0.00003886
Milton	460,373	0.00001556
Oakville	1,650,262	0.00002073
Total *	\$ 606,373,604	0.00333652

Schedule may not add due to rounding

*Total Tax Rate based on combined Enhanced Waste rate

Attachment #1 to this report contains the Regional tax rates for 2026 for all property classes.

2026 Provincial Property Tax Decisions

On December 10, 2025, the Province released the 2026 Property Tax Decisions letter which set out the business education and railway rights-of-way property tax rates for the 2026 taxation year, and confirmed the education property tax rates for 2026.

Education Tax Rates

The Region received the final Education tax rates for 2026 from the Province through O. Reg. 420/24 which amended O. Reg. 400/98 of the *Education Act*. The education property tax rates for 2026 remain unchanged from the previous year as assessments continue to be based on January 1, 2016, which is the same valuation date used for 2025. Table 5 below summarizes the 2026 education rates by property class applicable for Halton.

Table 5: Final Education Tax Rates

Property Class	2026 Tax Year
Residential	0.00153000
Multi-Residential	0.00153000
New Multi-Residential	0.00153000
Affordable Rental Housing Subclass*	0.00153000
Commercial	0.00770552
Commercial - Small-Scale On-Farm Business Subclass	0.00220000
Industrial	0.00880000
Industrial - Small-Scale On-Farm Business Subclass	0.00220000
Aggregate Extraction	0.00511000
Pipe Line	0.00880000
Farm	0.00038250
Managed Forests	0.00038250
Landfill	0.00864766

* Affordable Rental Housing Subclass adopted in Halton through FN-19-25

Tax Impact

The 2026 combined tax impact of Regional and Police Services is 4.6%. Table 6 provides a summary of the combined Regional tax impact by municipality for an urban residential property per \$100,000 of CVA.

Table 6: Combined Regional Tax Impact

Residential Tax Impacts per \$100,000 CVA					
2026 Taxes	Combined				Blended Regional Tax Only
	Burlington	Halton Hills	Milton	Oakville	
Regional Services:					
General & Enhanced Waste	\$ 195.34	\$ 196.35	\$ 194.02	\$ 194.54	\$ 194.82
Police	138.83	138.83	138.83	138.83	138.83
Sub-total	\$ 334.18	\$ 335.19	\$ 332.86	\$ 333.38	\$ 333.65
Local Municipal Services:					
General	528.11	515.79	379.29	364.49	
Education	153.00	153.00	153.00	153.00	
Total	\$ 1,015.28	\$ 1,003.98	\$ 865.15	\$ 850.87	\$ 333.65
2025 Taxes	Combined				Blended Regional Tax Only
	Burlington	Halton Hills	Milton	Oakville	
Regional Services:					
General & Enhanced Waste	\$ 188.74	\$ 189.65	\$ 187.59	\$ 188.05	\$ 188.29
Police	130.73	130.73	130.73	130.73	130.73
Sub-total	\$ 319.47	\$ 320.38	\$ 318.32	\$ 318.78	\$ 319.03
Local Municipal Services:					
General	499.12	482.11	354.68	362.85	
Education	153.00	153.00	153.00	153.00	
Total	\$ 971.59	\$ 955.50	\$ 826.00	\$ 834.63	\$ 319.03
Dollar Impact of Total Regional Taxes	\$ 14.70	\$ 14.80	\$ 14.54	\$ 14.59	\$ 14.64
Percentage Impact of Total Regional Taxes	4.6%	4.6%	4.6%	4.6%	4.6%
Dollar Impact of Local Taxes	\$ 28.99	\$ 33.67	\$ 24.61	\$ 1.64	
Percentage Impact of Local Taxes	5.8%	7.0%	6.9%	0.5%	
Dollar Impact of Total Taxes	\$ 43.69	\$ 48.48	\$ 39.15	\$ 16.24	\$ 14.64
Percentage Impact of Total Taxes	4.5%	5.1%	4.7%	1.9%	4.6%

Schedule may not add due to rounding

Tax Allocation

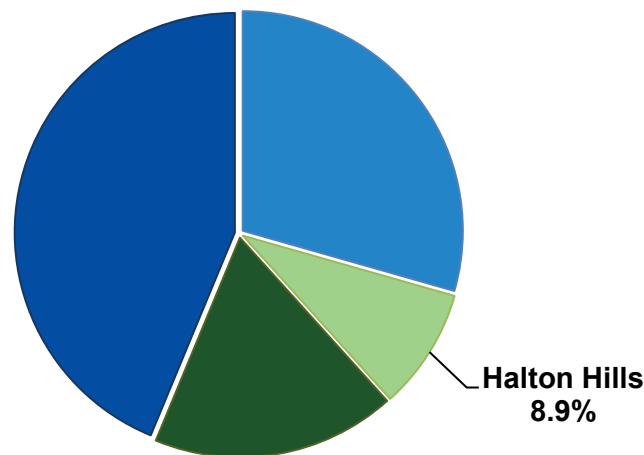
The percentage breakdown of the final 2026 taxes for Regional, Local and Education taxes for an urban residential property in each of the Local Municipality is shown in Table 7 below.

Table 7: Share of Residential Taxes by Municipality

Percentage Share of Residential Taxes by Municipality				
	Burlington	Halton Hills	Milton	Oakville
Region General & Waste	19.2%	19.6%	22.4%	22.9%
Police	13.7%	13.8%	16.0%	16.3%
Region Total	32.9%	33.4%	38.5%	39.2%
Local	52.0%	51.4%	43.8%	42.8%
Education	15.1%	15.2%	17.7%	18.0%
	100.0%	100.0%	100.0%	100.0%

Chart 1 below illustrates the percentage share of the total Regional levy, which includes the levy for Regional General Services, the levy for Enhanced Waste Services, and the levy for Police Services, by each of the Local Municipalities.

Chart 1: Local Municipal Share of Total Region Levy



Optional Vacant Homes Tax

On October 23, 2024, Council was provided with the findings of the study that was completed by Ernst & Young LLP on an optional vacant homes tax Program in Halton through Report No. FN-26-24 (re: “Halton Regional Optional Vacant Home Tax Program”). Through Report No. FN-26-24, Council also received the requests from the City of Burlington, the Town of Halton Hills and the Town of Milton which had approved resolutions that they be excluded from any potential by-laws that would implement a vacant home tax within their respective municipalities.

On January 27, 2025, the Town of Oakville approved a recommendation that staff proceed with a plan to implement a vacant home tax within the municipality. At this time, no further details have been provided by the Town of Oakville regarding a vacant homes tax program.

Regional staff will bring forward an update on the Town of Oakville’s program when further details become available. Should the Council of the Town of Oakville approve to implement a vacant homes tax, it will be required to provide a supportive statement to Halton Region indicating its participation in the program. To proceed with

implementation of a vacant homes tax in the Town of Oakville, a Regional By-law would need to be approved to provide the Town with the authority to impose the vacant home tax, specify in which lower-tier the VHT applies, and set out the tax rate and vacancy definition.

Tax Relief Programs in Halton Region

The Region offers the following mandatory and discretionary property tax relief rebate and deferral programs, funded through the 2026 operating budget.

Mandatory Rebate and Deferral Programs

- Rebates for Charitable Organizations
- Deferral of property tax increase program for low-income older adults and low-income persons with disabilities

Discretionary Rebate and Deferral Programs

- Full property tax deferral program for low-income older adults
- Cost-share local tax rebates for low-income older adults and low-income persons with disabilities
- Cost-share local tax rebates for Eligible Heritage Property

The total cost of the property tax rebate and deferral programs was \$667,000 in 2025, and the 2026 operating budget includes a total of \$628,000.

Rebates for Charitable Organizations

A rebate program for registered charitable organizations occupying (owned or rented) commercial or industrial properties has been Provincially mandated under section 361 of the *Municipal Act, 2001* since 1998 with the introduction of CVA. The Region's program was approved and implemented through By-law No. 12-25. The mandatory program includes the following discretionary options:

- May provide rebates to organizations that are similar to eligible charities
- May include eligible organizations occupying property in other property classes
- May provide rebates between 40% and 100% and
- May have different rebates for different organizations or charities.

The current program offered in Halton provides a rebate of 40% of the current year's taxes for eligible organizations. This level has remained constant since the introduction of the program. This program is administered by the Local Municipalities through an annual application process. The deadline for charitable organizations to apply for these rebates is the end of February in the following year.

Staff recommend that Council continue with the existing rebates for charitable organizations program.

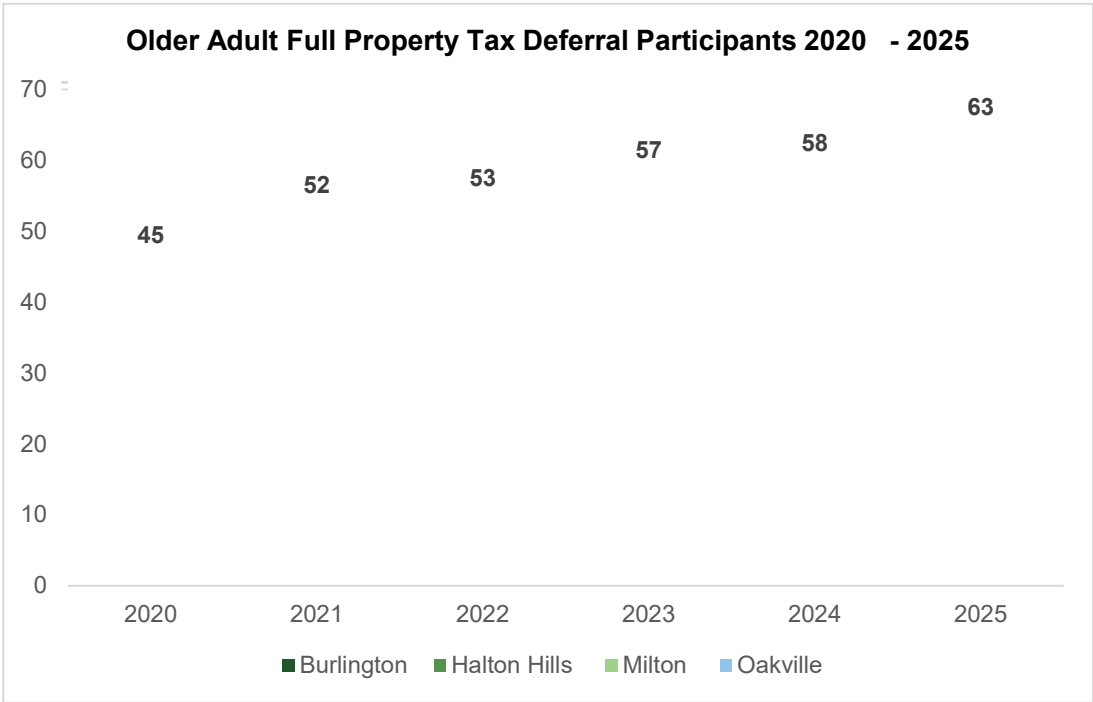
Deferral of Property Tax Increase

A mandatory tax relief program for low-income older adults and low-income persons with disabilities was introduced as part of the 1998 property tax reform under section 319 of the *Municipal Act, 2001*. The eligibility criteria for this program are established by the Region and the program is administered by the Local Municipalities. The eligibility criteria are reviewed as part of the annual tax policy process. The program allows for an interest-free deferral of all annual property tax increases for eligible low-income older adults and low-income persons with disabilities, and all four Local Municipalities participate in this program. For 2026, Regional staff recommend that Council continue with the existing program.

Full Property Tax Deferral Program for Low-Income Older Adults

In March 2016, Council approved the implementation of the Older Adult Full Property Tax Deferral Program through Report No. FN-06-16 (re: “Implementation of Older Adults Property Tax Deferral Program”), and By-law No. 20-16, as amended, which was established to assist eligible low-income older adults to remain in their homes by providing a full property tax deferral interest-free to the homeowner.

In 2025, a total of 63 households participated in the full property tax deferral program as shown in the chart below.



Through Section 107 of the *Municipal Act, 2001*, the Region provides grants to the Local Municipalities to fund the interest cost of the deferral at a 15% interest rate.

The program was established with the following eligibility criteria;

Property Ownership:

- All registered owners of the property must be aged 65 or older as of December 31 of the application year and the property must be the principal residence of at least one of the registered owners
- At least one registered owner has resided in the home in the Local Municipality for the last four years
- Only eligible if the registered owners are not participating in another local senior tax rebate, grant or property tax deferral program

Property Tax Account & General Administration

- Total accumulated deferral value cannot exceed 50% of the current value assessment of the property
- All previous year(s) taxes and interest owing are to be paid in full to be eligible for the program
- Requires annual renewal application (no fee charged) to remain in the program

Income Threshold

- The combined gross income of all registered owners must be less than the Region's Assisted Housing Income Threshold as reported annually through the Halton Region State of Housing Report (\$69,500 for 2025)

Fees

- There is a one-time application fee of \$50, and a one-time administration fee of \$200 to perform a title search. Both fees are paid to the Local Municipality. The \$50 application fee is due up-front with the application to the program, and the \$200 administration fee is added to the deferral amount and due once the participant exits the program. There is no fee for annual renewal applications.

The Region's tax rebate and deferral programs are reviewed annually as part of the tax policy process, to ensure that the objectives of the programs continue to be met, and that the programs are fair, equitable, and financially sustainable.

Recommended Changes to the Older Adult Full Property Tax Deferral Program

Income Threshold

The current income threshold is based the Region's Assisted Housing Income Threshold as reported annually through the Halton Region State of Housing Report

(\$69,500 for 2025). With the changes to the Region's role related to Planning Services, and the Region no longer preparing an annual State of Housing Report, the income threshold for assisted housing is no longer being calculated and reported by the Region. It is recommended that the current income threshold of \$69,500 be maintained for 2026 and reviewed annually in conjunction with the federal thresholds for low-income older adults, including the Guaranteed Income Supplement (GIS) which is used as the income threshold for the local tax rebate programs for older adults in the City of Burlington, the Town of Halton Hills and the Town of Oakville.

Property Ownership

Current program eligibility requires that the property must be the principal residence of at least one of the registered owners, however it is possible for applicants who own multiple properties to be eligible for the program. For new applicants starting in 2026, to ensure the program continues to meet its objectives and supports those most in need—while maintaining fairness, equity, and financial sustainability, it is recommended that eligibility be limited to registered owners of only one property within Halton. Existing participants in the program will not be affected by this change and will remain in the program.

Fees

In order to provide additional financial support to low-income older adults, staff are recommending the removal of the \$50 up-front application fee for new applications beginning in 2026. There is no fee for annual renewal applications. Staff are recommending that the \$200 administration fee be maintained to fund costs related to reviewing, searching property information and agreements, including title searches. The \$200 administration fee is added to the deferral amount, and only payable when a homeowner exits the program.

The updated details, including eligibility criteria of the Older Adults Property Tax Deferral program are set out in Attachment #2 to this report.

An updated scan of municipalities offering full property tax deferral programs for low-income older adults can be found below. Based on the information currently available, in Ontario these programs are only offered by Halton Region, the City of Ottawa and the City of Hamilton. The programs vary by municipality; some notable differences include a Current Value Assessment limit of \$498,000 to be eligible in the City of Ottawa, and both the City of Ottawa and City of Hamilton do not offer this program interest free, rather interest is calculated annually, added to the deferral amount and due once the participant exits the program.

Low-Income Older Adult Full Property Tax Deferral Programs			
	City of Ottawa	City of Hamilton	Halton Region Current Program
	<u>Full Program Details</u>	<u>Full Program Details</u>	<u>Full Program Details</u>
Income Threshold	Combined income of \$59,398 or less (2026)	Combined income of \$43,704 or less (2025)	Combined income of \$69,500 or less (2025)
Age*	65 years of age, or 60-64 years of age and in receipt of an Allowance under the Old Age Security Act, or Spouses Allowance if widowed, or 55 years of age or older and receiving a pension or pension annuity under the Income Tax Act	Applicant or spouse must be at least 65 years old	All registered owners of the property must be age 65 or older as of December 31 of the application year
Current Value Assessment Limit	Not to exceed \$498,000	N/A	N/A
Fees	Application fee (\$181) Annual renewal fee (\$64) Applicants are responsible for all legal costs (title searches etc.) which will be added to the deferral amount	Application fee (\$200) Annual renewal fee (\$100)	Application fee (\$50) No fee for annual renewal applications Administration fee (\$200) which is added to the deferral amount and due once the applicant exits the program. No interest paid by the resident;
Interest	5% (2025) calculated annually and added to the deferral amount	4% (2025) calculated annually and added to the deferral amount	15% interest paid annually by Halton Region to the Local Municipalities

* The City of Ottawa & the City of Hamilton also offer full property tax deferral programs for eligible low-income persons with disabilities

Approving Recommendation #4 of this report will implement the changes outlined above and allow the program to continue supporting the objectives of the Older Adult Full Property Tax Deferral Program while ensuring equity and fairness to taxpayers.

Staff will continue to review and monitor the effectiveness, financial sustainability, equity and fairness of the program through the annual tax policy process.

Local Tax Rebate for Low-Income Older Adults and Low-Income Persons with Disabilities

Section 365 of the *Municipal Act, 2001* allows lower-tier municipalities to provide for the cancellation, reduction, or refund of taxes for municipal and school purposes for an eligible property of any person whose taxes are considered to be unduly burdensome. The lower-tier municipality may establish the definition of “unduly burdensome” and set

the rebate criteria. Upper-tier municipalities may cost share in the rebate programs in the same proportional share as the tax revenues. A by-law passed by the upper-tier municipality is required to establish the cost-sharing arrangements. If the upper-tier does not cost share in the program, then the lower-tier is responsible for the portion of the costs relating to the upper-tier municipality.

The Towns of Halton Hills and Oakville offer tax rebate programs for low-income older adults, and the City of Burlington offers a tax rebate program for low-income older adults and low-income persons with disabilities.

The Region has participated in cost-sharing the low-income older adults' tax rebates since 2008. The proportion of the rebate for education taxes is automatically shared with the school boards. Applications are submitted annually through the Local Municipal tax office or websites of each participating municipality. Below is a summary of the rebate programs offered:

- The Town of Halton Hills offers a rebate program based on participants receiving a monthly guaranteed income supplement under Part II of the *Old Age Security Act*. The Town's rebate is \$500 as set out in the Town's By-law No. 2018-0015.
- For 2025, the Town of Oakville's rebate was \$500 for older adults. The Town's By-law to approve the 2026 rebate program is expected to be presented to Town Council later in April, 2026.
- The City of Burlington offers a property tax rebate program for low-income seniors and low-income persons with disabilities. For the 2026 taxation year, the City's rebate remains unchanged at \$575 under the City's By-law No. 29-2025.

Staff recommend that the Region continue to cost-share in the local rebate programs with the City of Burlington and the Towns of Halton Hills and Oakville for the 2026 taxation year. The Regional By-law to authorize the cost sharing of Tax Rebates to eligible owners of real property in the Town of Oakville will be presented for Council's approval in May following approval of the Town's By-law which is expected later in April, 2026.

Local Tax Rebate for Eligible Heritage Property

Pursuant to section 365.2 of the *Municipal Act, 2001*, a Local Municipality may establish a program to provide tax reductions or refunds to eligible heritage properties. Currently, the City of Burlington and the Town of Halton Hills have established local programs.

In 2015, Regional Council approved to cost share in the Local Municipal Heritage Property Tax Rebate programs for eligible properties through Report No. FN-45-15 (re: “Heritage Properties Tax Rebate Program”) and Report No. FN-52-15 (re: “2016 Budget and Business Plan and Disposition of the 2015 Surplus”), and passed By-law No. 133-15, as amended.

Under the Heritage Property Tax Rebate program, the Region provides a reduction or refund of the Regional portion of property taxes for an eligible heritage property that is equal to that provided by the Local Municipality.

The City of Burlington offers a 40% rebate to residential properties and a 20% rebate to commercial properties. The Town of Halton Hills offers a 20% rebate to eligible residential, multi-residential, commercial, industrial, or farm properties.

For 2026, the following rebates will be provided by the Region:

- In the City of Burlington, a total rebate of 40% for eligible residential properties, and 20% for eligible commercial properties of taxes levied for upper-tier purposes.
- In the Town of Halton Hills, a total rebate of 20% for eligible properties of taxes levied for upper-tier purposes.

Staff recommend that the Region continue to provide a reduction or refund of the Regional portion of property taxes for eligible Heritage Property in the same proportion as that provided for by the Local Municipalities for the 2026 taxation year as outlined above.

Financial/Program Implications

The financial impacts of this report are accommodated within the Region's 2026 Budget and Business Plan.

Respectfully submitted by,

Debbie Symons
Director, Budgets and Tax Policy

Cyndy Winslow
Commissioner, Finance and
Regional Treasurer

Approved by,

Andrew Farr, P.Eng.
Chief Administrative Officer

If you have any questions about the content of this report, please contact:
Debbie Symons, Director, Budgets and Tax Policy

Attachments:

Attachment #1 – 2026 Regional Tax Rates

Attachment #2 – Older Adults Full Property Tax Deferral Program Update

Attachment #3 – 2026 Current Value Assessment (CVA) and Tax Policy Reference Manual

Additional Information:

None