

Committee of the Whole (2) Report

DATE: Tuesday, June 17, 2025

WARD(S): ALL

**TITLE: 2025 ADOPTION OF TAX RATES AND ISSUANCE OF
PROPERTY TAX NOTICES – ALL WARDS**

FROM:

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

ACTION: DECISION

Purpose

To provide the background to a By-law as required under Section 312 of the *Municipal Act, S.O. 2001*, to levy and collect property taxes for the City of Vaughan, the Regional Municipality of York and the Province of Ontario for education purposes.

Report Highlights

- The efficient and timely issuance of the final property tax levy is essential by ensuring necessary funds are levied and collected in order for the City to meet its obligations in delivering programs and services to the community. It also provides the necessary cash flow to meet the City's own needs and its financial obligations to the Region of York as well as the Province of Ontario with respect to education purposes.
- 1. The total 2025 levy requirement for the City is approximately \$251 million, net of the portion required by the Region and the Province.
- 2. An interim billing for all accounts was completed February 2025 and will be shown as a reduction on all final tax bills.

Recommendations

1. That a by-law be enacted to adopt Municipal, Regional and Education Property Tax Rates, as submitted in Attachment 1; and

2. That staff be authorized to proceed with the issuance of final property tax bills for 2025.

Background

The City property tax rates, as attached, are based on the levy requirement as per the approved 2025 operating budget and calculated utilizing the 2025 assessment roll as provided by the Municipal Property Assessment Corporation (MPAC). An interim tax levy, pursuant to City of Vaughan By-law 002-2025, was levied and completed in February 2025 and will be shown as a reduction on all final tax bills.

The Region of York has approved their By-laws (2025-29 and 2025-30) which confirm the region wide property tax ratios and sets the uniform tax rates across all municipalities in the Region. Property tax ratios determine how a property classification's tax ratio compares with that of the residential class. From there, revenue neutral tax ratios are calculated such that the same share of tax revenue is collected from each property class as in the prior year. Back in 2017, Region Council approved revenue-neutral tax ratios for the 2017-2020 taxation years. In 2021, property reassessment was postponed, and, as such, Council directed that 2020 taxation year ratios be maintained. As a result of the continued re-assessment freeze, the Region continues to utilize those 2020 tax ratios for the 2025 taxation year, to keep the share of the tax burden borne by each property class consistent.

The Region, through their 2024 Property Tax Policy by-law, adopted the New Multi-Residential subclass as announced by the Province of Ontario through the 2024 Ontario Budget. Municipalities may adopt this new optional subclass and offer a property tax rate discount between 0 per cent and 35 per cent on eligible properties within the subclass for new purpose-built rental buildings. As a result of the review that Regional staff conducted through 2024, the Region has adopted a 35 per cent municipal tax rate discount for the new multi-residential (municipal reduction) subclass for the 2025 taxation year. Any discount offered for new purpose-built rental properties would need to be recovered from other taxpayers. However, only buildings whose permits were issued on or after May 23, 2024, would be eligible for a potential discount. As a result, any future purpose-built rentals that would receive a discount are still under construction and will only become eligible once they are completed.

The Region has also approved a reduction in the municipal tax rate discount for those properties in the commercial and industrial vacant and excess land subclasses; from 30 per cent to 0 per cent for those properties in the commercial class and from 35 per cent to 0 per cent for those properties in the industrial class. Originally introduced to assist in the transition of the change in property assessment and taxation system in 1998, the discounts have been eliminated in most municipalities as well as the education portion of the property tax. Vacant land classified with the farm class will remain unchanged and still receive a 75 per cent discount relative to the residential tax rate.

The Province of Ontario determines education tax rates and has passed Ontario Regulation 420/24 to prescribe the tax rates for all classes for 2025.

It is expected that all property tax bills for all property classes will be mailed in June this year, due in three monthly instalments in July, August, or September or paid through one of the City’s pre-authorized payment plans. It is expected that should there be a strike with Canada Post, there will be a communication plan that informs residents and property owners their bills are still due and payable, and the tax bill will also be available by phone, pick up, and/or email.

The City collects property taxes on behalf of the Region of York and the York Region school boards; therefore, instalment due dates are generally set to accommodate the legislated payment dates to these other levying bodies. However, for the convenience of the ratepayers, approximately one month between each instalment is given. Due dates are generally the same day of each month except where weekends or holidays interfere.

Previous Reports/Authority

[Extract 2024 Adoption of Tax Rates](#)
[By-Law 110-2024](#)

Analysis and Options

The City’s budgetary requirement is \$250,154,557 levied on over \$114 billion in taxable assessment. The 2025 levy requirements for Municipal, Regional, and Educational purposes are shown below:

	2025	
City of Vaughan	\$250,154,557	23.97 per cent
Region of York	\$461,783,749	44.26 per cent
Education-Province of Ontario	\$331,484,186	31.77 per cent
Total	\$1,043,422,492	100.00 per cent

Tax Ratios

The Region of York has the authority to change tax ratios to offset re-assessment tax shifts among the property classes according to tax policy requirements within provincial legislation. Changing the tax ratios assists in maintaining the relative tax burden among the classes thereby providing greater taxpayer equity. For 2025, however, the Province continued its mandate that property assessments used for the 2020 taxation year are to remain in place for 2025. As a result, any new revenue neutral tax ratios are not available for municipalities to adopt. This being the case, York Region will maintain the same tax ratios as approved in 2024 and this will allow York Region municipalities to retain approximately the same distribution of taxes between property classes that existed in the 2024 taxation year. This is a hybrid model in that there is no change to the ratios for

Pipelines, Farm and Managed Forest as they remain at Status Quo (same as the 2024 tax year).

The 2025 property tax ratios are as follows:

Property Class	2025 Tax Ratio	Ranges of Fairness
Residential	1.000000	1.0000
Multi-Residential	1.000000	1.0 to 1.1
Commercial	1.332100	0.6 to 1.1
Industrial	1.643200	0.6 to 1.1
Pipelines	0.919000	0.6 to 0.7
Farm	0.250000	0.2500
Managed Forest	0.250000	0.2500

The tax rates shown in Attachment 1, have been established using the above noted levies, tax ratios and the final assessment roll as returned for 2025.

Financial Impact

The total 2025 levy requirement for the City, is approx. \$250,154,557 net of the portion required by the Region and Province. An interim billing was completed in February 2025 and will be shown as a reduction on the final tax bill.

Operational Impact

Staff from all affected departments (Financial Services, Financial Planning and Development Finance) have reviewed and provided input for this report.

Broader Regional Impacts/Considerations

The City of Vaughan will be collecting approx. \$461,783,749 in property taxes on behalf of the Region of York.

Conclusion

A by-law enacted to adopt the Municipal, Regional and Provincial (education) tax rates and levies for 2025 will permit staff to proceed with the issuance of the final property tax bills. The issuance of the final property tax levy supports the strategic priorities established by the Service Excellence Strategy Map, in particular to ensure “Financial Sustainability”.

For more information, please contact: Maureen Zabiuk, Senior Manager, Property Tax, Assessment and Utility Billing, ext. 8268.

Attachments

1. 2025 Tax Rate Schedule

Prepared by

Maureen Zabiuk, A.I.M.A., CMRP

Senior Manager, Property Tax, Assessment and Utility Billing, ext. 8268