The Corporation of the City of Cornwall

Regular Meeting of Council

By-law Explanatory Note

Department:	Financial Services
Division:	Tax and Collection
Report Number:	2020-359-Financial Services
Prepared By:	Tracey Bailey, General Manager
Meeting Date:	December 14, 2020
Subject:	Note - By-law 2020-155 Interim Levy

Purpose

An explanatory note to the By-law directing and enacting the manner in which the 2021 interim levy authorized by Section 317 of the Municipal Act, 2001 to be collected.

Background / Discussion

The Municipal Act 2001 prescribes in section 371 that the interim levy cannot exceed 50% for the prior year's levy. The interim levy is levied on the last revised assessment roll, multiplied by current tax rates (2020). The taxes are then multiplied by 50 percent.

Property taxes levied by the Municipality provide the main source of revenue to deliver services supplied by the Municipality and its Boards and Agencies. In addition to collecting its own taxes, the Municipality is also responsible for levying and collecting education taxes on behalf of the Province of Ontario, which are distributed to school boards.

When a budget is not finalized and the tax rate by-law is not passed by the end of the prior year, a tax rate for the year cannot be established for the purpose of levying property taxes. An interim levy by-law is then required in order to levy taxes for the current year.

The interim tax levy is applied to all tax classes based on the prior year's assessment and is due on regular due dates at the end of March and April of the current year.

The collection of the interim taxes is important in order to maintain cash flow for the Municipality to continue operations until the budget is passed.

Report Approval Details

Document Title:	Note - By-law 2020-155 Interim Levy - 2020-359-Financial Services.docx
Attachments:	
Final Approval Date:	Dec 8, 2020

This report and all of its attachments were approved and signed as outlined below:

Tracey Bailey - Dec 8, 2020 - 1:46 PM

Maureen Adams - Dec 8, 2020 - 3:29 PM