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The Regional Municipality of Durham Information Report

From: Commissioner of Finance
Report: #2025-INFO-22
Date: April 11, 2025

Subject:

2025 Provincially Mandated Municipal Tax Ratio for the New Aggregate Extraction Property Class

Recommendation:

Receive for information

Report:

1. Purpose

1.1 The purpose of this report is to advise Regional Council of the 2025 municipal tax ratio for the new provincially mandated aggregate extraction property class and the property tax shifts associated with this provincially mandated tax ratio.

2. Background

2.1 On October 3, 2024, the Ministry of Finance announced that, starting in 2025, the province would be creating a new property tax class for aggregate extraction sites within the broad industrial property class.

2.2 The Ministry of Finance also announced that, following the return of the roll for 2025, they would be setting a municipal tax ratio and education tax rates for this new property class to provide a tax reduction to this sector.

2.3 On December 18, 2024, through [Report #2024-COW-52](#), Regional Council approved the 2025 property tax ratios. At the time of drafting the report, the province had not yet announced the 2025 property tax ratio for the new aggregate extraction property class, Council approved that the ratio be set at the provincial maximum and that staff report back on the final municipal tax ratio and the resulting property tax shifts once the regulation was released and the analysis completed.

3. Previous Reports and Decisions

- 3.1 Through the 2025 Strategic Property Tax Study ([Report #2024-COW-52](#)), Regional Council set the 2025 municipal tax ratio for the new provincial mandated aggregate extraction property class at the provincial maximum. Sections 5.20 to 5.30 of the 2025 Strategic Property Tax Study provide additional background on the property tax appeals for the aggregate extraction properties within the Region and the provincial establishment of the aggregate extraction property class.

4. 2025 Aggregate Extraction Municipal Tax Ratio and the Resulting Property Tax Shifts

- 4.1 As a result of municipally initiated property tax appeals of aggregate properties, it was estimated that the 2023 Municipal Property Assessment Corporation (MPAC) year-end adjustments for the aggregate extraction properties resulted in a Regional property tax increase of \$650,000. This increase was the result of both an increase of approximately 50 per cent in the MPAC determined land value as well as considerable shifts of acreages from the residential property class to the industrial property class.
- 4.2 On December 10, 2024, the Province published Ontario Regulation 510/24 which defined the maximum 2025 municipal tax ratio for the Region of Durham for the aggregate extraction property class to be 1.646535.
- 4.3 The Durham Region ratio of 1.646535 is below the provincial-wide budgetary levy restriction threshold of 2.63 which means the ratio will not be forced down over time by annual budgetary increases. The ratio is above the provincial-wide range of fairness which means Durham is not permitted to increase the ratio except where permitted by legislation to address reassessment class shifts.
- 4.4 Prior to the provincial establishment of the aggregate extraction property class, property parcels included in this new property tax were in the industrial tax class. The provincially mandated maximum municipal tax ratio for the aggregate extraction property class is 18.6 per cent lower than the municipal tax ratio for the industrial property tax (industrial municipal tax ratio of 2.0235 compared to the aggregate extraction municipal tax ratio of 1.646535).
- 4.5 The municipal ratio reduction of 18.6 per cent for the aggregate extraction class and the reduced provincial education tax rate has resulted in an estimated 2025 total property tax decrease of \$445,000 for the 81 regional properties included in the new aggregate extraction property class. This reduction includes an estimated \$150,000 in regional property taxes, \$83,000 in lower-tier property taxes and \$212,000 in education property taxes.
- 4.6 The 2025 ratio reduction results in a loss of approximately one quarter of the Regional property tax increases from the 2023 year-end adjustment. The ratio reduction results in a property tax shift from properties in the new aggregated extraction property class to all other properties in the Region. The impacts of this

property tax shift are different for the Regional (upper-tier) portion of the property tax bill and the lower-tier portion of the property tax bill.

- 4.7 The estimated annual increase on the Regional portion of the property tax bill is \$0.54 for a residential property with a 2025 current value assessment (CVA) of \$483,100.
- 4.8 The estimated increase on the lower-tier portion of the property tax bill varies depending on the share of the assessment within the aggregate extraction property class in each local municipality. The following are the estimated impacts on the lower-tier portion of the property tax bill for an average residential home:
- a. In Pickering, Ajax, Whitby and Oshawa the impact is less than \$0.01;
 - b. In the Municipality of Clarington the estimated annual impact is \$0.40 (0.02 per cent on an average residential home with a CVA of \$424,700);
 - c. In the Township of Scugog, the estimated annual impact is \$0.50 (0.03 per cent on an average residential home with a CVA of \$437,400);
 - d. In the Township of Brock, the estimated annual impact is \$2.70 (0.18 per cent on an average residential home with a CVA of \$300,200); and
 - e. In the Township of Uxbridge the estimated annual impact is \$4.40 (0.23 per cent on an average residential home with a CVA of \$572,000).
- 4.9 The Province reduced the education tax rate on the aggregate extraction property class by 42 per cent, from 0.88 per cent to 0.511 per cent. It is worth noting that this is one of very few exceptions to the common province-wide business education tax rates established in 2021.

5. Relationship to Strategic Plan

- 5.1 This report aligns with/addresses the following Strategic Direction and Pathway in Durham Region's 2025-2035 Strategic Plan:
- a. Strong Relationships
 - S5. Ensure accountable and transparent decision-making to serve community needs, while responsibly managing available resources.

6. Conclusion

- 6.1 Through Ontario Regulation 510/24, the province set the maximum municipal tax ratio for the new aggregate extraction property tax class at 1.646535 for the Region of Durham. This new ratio has resulted in a property tax shift from properties in the new aggregate extraction property tax class to all other properties in the Region. The estimated increase in the Regional portion of the property tax bill for the average residential home in the Region is \$0.54 (0.02 per cent). The estimated annual increase in the lower-tier portion of the property tax bill for an average residential property ranges from less than \$0.01 in Pickering, Ajax, Whitby and Oshawa to \$4.40 (0.23 per cent) in Uxbridge.

6.2 The overall property tax benefit to the aggregate extraction properties within Durham Region is \$445,000 with a resulting tax impact to the rest of the Regional tax base.

Respectfully submitted,

Original Signed By

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