



## **Administrative Report**

**To:** Warden MacDonald and Members of Essex County Council

**From:** Melissa Ryan, CPA, Director, Financial Services/Treasurer

**Date:** Wednesday, August 6, 2025

**Subject:** Tax Deferral Program Discussion

**Report #:** 2025-0806-FIN-R24-MR

---

### **Purpose**

To provide County Council with an update regarding the motion directing the County Treasurer to explore options for municipal property tax relief for businesses affected by recently imposed international tariffs, in consultation with local municipal Treasurers.

### **Background**

On May 7, 2025, County Council passed the following motion:

*"That the County Treasurer discuss targeted municipal property tax relief with the Treasurers of the local lower-tier municipalities, in order to make suggestions to provide relief to businesses impacted by recently imposed tariffs, and report back to County Council regarding same."*

This motion was introduced in connection with Council Report 2025-0507-FIN-R12-MR–Canada First Strategy, as a response to the continued economic pressures local businesses are facing due to trade tariffs.

### **Discussion**

As directed, the County Treasurer consulted with local lower-tier Treasurers to examine the feasibility of implementing a property tax deferral program for businesses affected by tariffs. While there was strong empathy for the challenges faced by the business community, the collective view was that a local deferral program would not be the most effective or practical tool at this time. This conclusion was reached for the following reasons:

- **Robust Federal and Provincial Supports Are in Place**  
Businesses impacted by tariffs currently have access to a broad and well-resourced suite of relief programs delivered by the federal and provincial governments. These include duty relief and remission, corporate tax deferrals, working capital loans, and targeted sector supports. A detailed summary is provided in *Appendix A*.
- **Timing Within the Taxation Year**  
At this point in the year, most municipalities have issued or collected the final 2025 tax bills. Introducing a deferral program mid-year would present significant administrative and logistical challenges, particularly with respect to recalculating bills and payment schedules.
- **Limited Local Uptake Elsewhere**  
To date, Toronto is the only known Ontario municipality to implement a tariff-related industrial tax deferral program. Their program is narrowly scoped, temporary in nature, and ends in November 2025. Further detail is included in *Appendix B*.
- **Administrative and Operational Complexity**  
A municipal deferral program would require intake, eligibility screening, revised billing processes, and potential collections and enforcement procedures. Municipal Treasurers expressed concern that this would place considerable strain on existing staffing resources, particularly in smaller municipalities.
- **Short-Term Cash Flow Impact**  
While a deferral program would not reduce tax revenue, it would delay cash inflows to municipalities at a time when other financial pressures are ongoing.
- **Uncertainty of Impact**  
Existing provincial and federal debt programs have been unattractive to some local businesses because they create a financial obligation that needs to be repaid at some point in the uncertain future. Similarly, a tax deferral program will not eliminate the obligation to pay property taxes. It will defer taxes to the future. If in the future, a property owner remains unable to pay their taxes, there is a risk that the property would trigger tax sale thresholds and entering a tax deferral program may exacerbate the financial hardships facing the business.

In light of these factors, and recognizing the supports already available to businesses through other orders of government, Administration is not recommending a County led deferral program at this time. However, we

remain committed to working with our municipal and economic development partners to monitor impacts and identify other tools that may support business resiliency.

## Financial Implications

A tax deferral program would not reduce overall municipal revenues but would delay the timing of collection. For most municipalities, this would result in short term cash flow constraints. Additionally, the administrative resources required to launch and manage such a program would be significant, especially for municipalities with lean financial teams. These costs must be weighed carefully against the value added by such a local initiative, particularly when higher level supports are already active and accessible.

## Consultations

Local Municipal Treasurers

## Strategic Plan Alignment

Working as Team Essex County	Growing as Leaders in Public Service Excellence	Building a Regional Powerhouse
<input type="checkbox"/> Scaling Sustainable Services through Innovation  <input type="checkbox"/> Focusing “Team Essex County” for Results  <input type="checkbox"/> Advocating for Essex County’s Fair Share	<input type="checkbox"/> Being an Employer with Impact  <input type="checkbox"/> A Government Working for the People  <input checked="" type="checkbox"/> Promoting Transparency and Awareness	<input type="checkbox"/> Providing Reliable Infrastructure for Partners  <input type="checkbox"/> Supporting Dynamic and Thriving Communities Across the County  <input type="checkbox"/> Harmonizing Action for Growth  <input type="checkbox"/> Advancing Truth and Reconciliation

## Recommendation

That Essex County Council receive report number 2025-0806-FIN-R24-MR, Tax Deferral Program Discussion as information and that no further action be taken regarding a municipal property tax deferral program at this time.

## Approvals

Respectfully Submitted,

*Melissa Ryan*

Melissa Ryan, CPA, Director, Financial Services/Treasurer

Concurred With,

*Sandra Zwiers*

Sandra Zwiers, MAcc, CPA, CA, Chief Administrative Officer

Appendix	Title
A	Summary of Available Federal and Provincial Relief Programs for Tariff Impacted Businesses
B	Overview of the City of Toronto's Industrial Tax Deferral Program