



**City of Kingston
Report to Council
Report Number 26-045**

To: Mayor and Members of Council
From: Desirée Kennedy, Chief Financial Officer & City Treasurer
Resource Staff: Lana Foulds, Director, Financial Services
Jeff Walker, Manager, Taxation and Revenue
Date of Meeting: January 13, 2026
Subject: 2026 Interim Tax Levy

Council Strategic Plan Alignment:

Theme: Financial measures/budget

Goal: See above

Executive Summary:

The [Municipal Act, 2001](#), as amended, allows municipal councils to pass by-laws for the purpose of levying an interim tax levy, prior to the adoption of the estimates for the year. The interim tax amount to be levied shall not exceed 50% of the total amount of taxes levied on the property in the previous year. This levy will provide funds to assist in financing daily operations and reduce reliance on short-term borrowings prior to setting tax rates and issuing the final tax bill.

Staff are recommending that the By-Law to Provide for a 2026 Interim Tax Levy; Payment of Taxes by Instalment; Penalty and Interest at One and One Quarter Percent Monthly on Tax Arrears, being presented as Exhibit A to this report be given three readings at the same Council meeting in order to allow interim tax bills to be mailed by February 6, 2026 with a due date of February 27, 2026.

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Recommendation:

That the by-law, attached to Report Number 26-045 as Exhibit A, be presented to Council for all three readings to provide for the levying and collecting of 2026 interim property taxes, including the following provisions:

- a. the 2026 interim tax bill be no greater than 50% of the 2025 taxes levied;
- b. the rates be as specified in Schedule A to the by-law attached hereto;
- c. the due date for interim taxes be February 27, 2026;
- d. various payment options be provided; and
- e. late payment charges be added to taxes that are in default.

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Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF

FINANCIAL OFFICER & CITY TREASURER

Desiree Kennedy, Chief
Financial Officer & City
Treasurer

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

Lanie Hurdle, Chief
Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Growth & Development Services	Not required
Jennifer Campbell, Commissioner, Community Services	Not required
Neil Carbone, Commissioner, Corporate & Emergency Services	Not required
David Fell, President & CEO, Utilities Kingston	Not required
Jenna Morley, City Solicitor	Not required
Ian Semple, Commissioner, Transportation & Infrastructure Services	Not required

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Options/Discussion:**Background**

The interim tax levy by-law is required in order to provide funds to assist in financing daily operating requirements until the final tax rates are set and the final tax bills are issued later in 2026.

Analysis

The [Municipal Act, 2001](#), as amended, (the Act) provides that the amount to be levied shall not exceed 50% of the total amount of taxes levied on the property in the previous year. For properties where assessment was added to the collector's roll during 2025 as supplementary tax levies, the 2026 interim taxes will be based on 50% of an annualized 2025 amount. Where new assessment has been added to the 2026 roll, the interim tax levy will apply to the new assessment. For these properties, an interim billing adjustment will be applied to ensure the levies do not exceed the maximum amounts allowable under the Act.

To provide for the February 27, 2026 due date, tax bills must be mailed no later than February 6, 2026 to allow for the required 21 days' notice.

The draft interim tax levy by-law is being presented to Council to provide for the interim property tax billing.

Payment methods, as provided for in the draft by-law, include:

- in person at City Hall (216 Ontario Street)
- at any financial institution in the City of Kingston area having payment arrangements with the City of Kingston
- through banks offering telephone and internet payment plans registered with the City of Kingston
- by using one of the 24-hour drop boxes located at City Hall and 1211 John Counter Boulevard
- by mail
- at Canada Post outlets where MoneyGram Bill payment services are offered
- by pre-authorized payment under the City's pre-authorized property tax payment program and
- by **Visa or MasterCard** online or over the telephone through Paymentus Corporation, a third-party bill payment service (Paymentus charges the payor a separate convenience fee per transaction).

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The draft by-law also provides for the imposition of late payment charges, at a rate of 1¼ per cent per month, for the non-payment of taxes. Penalty charges are imposed for the non-payment of taxes on the first day of default and interest will be charged on unpaid taxes on the first day of each month thereafter.

Existing Policy/By-Law

[Municipal Act, 2001](#), as amended, which allows Council to pass by-laws for the purpose of levying an interim tax levy before the adoption of the estimates for the year.

Financial Considerations

The interim tax levy, for municipal and school purposes, will provide revenues of approximately \$181M. This revenue will assist in financing daily operations and payment of education levies, reduce reliance on short-term borrowings, and maximize investment income. In order to provide the necessary cash flow, and as provided for in the *Municipal Act, 2001*, as amended, the interim tax bill represents 50% of the previous year's total tax levy.

Contacts:

Jeff Walker, Manager, Taxation and Revenue, 613-546-4291 extension 2484

Other City of Kingston Staff Consulted:

None

Exhibits Attached:

Exhibit A - A By-Law to Provide for a 2026 Interim Tax Levy; Payment of Taxes by Instalment; Penalty and Interest at One and One Quarter Percent Monthly on Tax Arrears, including Schedule A: City of Kingston - 2026 Interim Tax Rates