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FAMILIES WITH CHILDREN PROPERTY TAX DEFERMENT PROGRAM



February 2012

The Families with Children Property Tax Deferment Program

The Families with Children Property Tax Deferment Program is a loan program available to assist families. This program allows you to defer the annual property taxes on your home if you meet certain criteria as outlined below.

Qualifications

To qualify for the program, you must meet the following criteria:

- you are a Canadian citizen or permanent resident who has lived in British Columbia for at least one year immediately prior to applying for tax deferment,
- you are financially supporting, at the time of application, a dependent child who is under the age of 18 at any time in the calendar year in which you apply, and who
 - lives with you full time in your home,
 - lives with you at least part time under a shared custody arrangement, or
 - does not live with you, but you pay support for the child, or are responsible for fees and/or living costs if they are attending school, and
- you must have, and maintain, a minimum equity of 15% of the current BC Assessment value (other appraised values are not accepted), after deducting the upper limit of all outstanding mortgages, lines of credit and other charges on your home. Your assessed property value for this calculation must exclude any improvements that are not covered by a current fire insurance policy.

Please note: You may be required to provide proof that you are financially supporting, at the time of application, a dependent child who is under age 18 during the calendar year.

Taxes paid to a First Nation are not eligible for the deferment program. You can only defer property taxes paid to a municipality or the province.

Homes That Qualify for Tax Deferment

You may defer taxes on your home where you live and conduct your daily activities.

If you have a life estate interest in your home, you may also qualify for tax deferment.

Second residences, such as summer cottages or rental properties, do not qualify for the tax deferment program. Properties registered solely in the name of a business, an executor or executrix, an estate or in trust, also do not qualify.

How to Apply

Once you receive your property tax notice, follow the steps below to apply for the program.

- Pick up a *Families with Children Property Tax Deferment Program Application* form (**FIN 28**), from your municipal office or Service BC Centre, or through our website at www.sbr.gov.bc.ca/individuals/property_taxes/property_tax_deferment/forms.htm
- Complete your home owner grant and tax deferment application forms, ensuring **all** registered owners of the home sign the deferment application.
- **Before** your tax due date, send your property tax notice, home owner grant and tax deferment application forms to:
 - if you reside in a municipality, the taxing authority that issued your tax notice,
 - if you live in a rural area, the Service BC Centre in your area, or send directly to the Tax Deferment Office in Victoria.

If you wish to continue to defer taxes in subsequent years, you must apply each year for tax deferment. For example, deferral of your 2011 taxes will not automatically result in the deferral of your 2012 taxes. If you miss the property tax due date, you have until December 31 of the current taxation year to apply; however, penalties will apply.

Before applying for tax deferment, you must pay all penalties, interest, previous years' property taxes, user fees and utility charges, as these cannot be deferred. You must also complete any land title ownership changes, such as adding or removing owners, subdivisions or refinancing. If you make land title ownership changes after applying for tax deferment, other than adding your spouse, you will have to repay your tax deferment account.

The Property Tax Deferment Program office receives your application and determines your eligibility. If your application is approved, it becomes a signed agreement and a lien is registered in the land title office or, if your home is a manufactured home, in the Personal Property Registry. The tax deferment office then pays your current property taxes for you. The lien remains in effect until the account is paid in full.

You must pay late payment penalty charges if, after the property tax due date, you:

- are found ineligible for the program,
- cancel or withdraw your application for any reason before the tax deferment office pays the taxes on your behalf,
- apply for deferment after the property tax payment due date, or
- sell your home before the taxes have been paid on your behalf.

Please note: The Families with Children Property Tax Deferment Program is a multi-step process that includes several offices within the municipal and provincial governments; therefore, applications that require additional information may take several months to complete.

Interest

Simple interest is charged on your tax deferral account and is based on the bank prime rate. The interest rate is set every six months. Interest begins from the date your property tax is due or the date you apply to defer, whichever is later. For the current interest rate, please see our website at www.sbr.gov.bc.ca/individuals/Property_Taxes/Property_Tax_Deferment/interest_rates.htm

There are no fees for the Families with Children Property Tax Deferral Program.

When You Must Repay the Deferred Taxes

You can defer your taxes as long as you own and live in your home and continue to qualify for the program. You will receive a *Statement of Account* and *Renewal Application* each year. If you wish to continue deferring your property taxes in subsequent years, you must complete and submit the *Renewal Application* for each year. If you choose not to renew, you will be responsible for paying your property taxes.

The deferred taxes must be fully repaid, with interest:

- before your home can be legally transferred to a new owner, other than adding your spouse, or
- upon the death of the agreement holder(s).

You may repay all, or a part of, the deferred taxes, fees and interest at any time without penalty. If you refinance your home, your mortgage holder may require full repayment of the deferred taxes upon refinancing.

Other Property Tax Deferral Programs

The Financial Hardship Property Tax Deferral Program was in place for the 2009 and 2010 tax years; however, it is no longer available.

A Property Tax Deferral Program is available for seniors, surviving spouses and people with disabilities. Program details and qualification requirements are available on our website at www.sbr.gov.bc.ca/individuals/Property_Taxes/Property_Tax_Deferment/ptd.htm

More Information

Contact your municipal office or nearest Service BC Centre, listed in the blue pages of your telephone directory, or:

Tax Deferral Program
Ministry of Finance
PO Box 9475 Stn Prov Govt, Victoria BC V8W 9W6
Phone: 250 387-0555 in Victoria
E-mail: taxdeferment@gov.bc.ca

www.sbr.gov.bc.ca/individuals/Property_Taxes/Property_Tax_Deferment/ptd.htm

Enquiry BC

604 660-2421 in Vancouver, or
1 800 663-7867 elsewhere in British Columbia and request a transfer to 250 387-0555