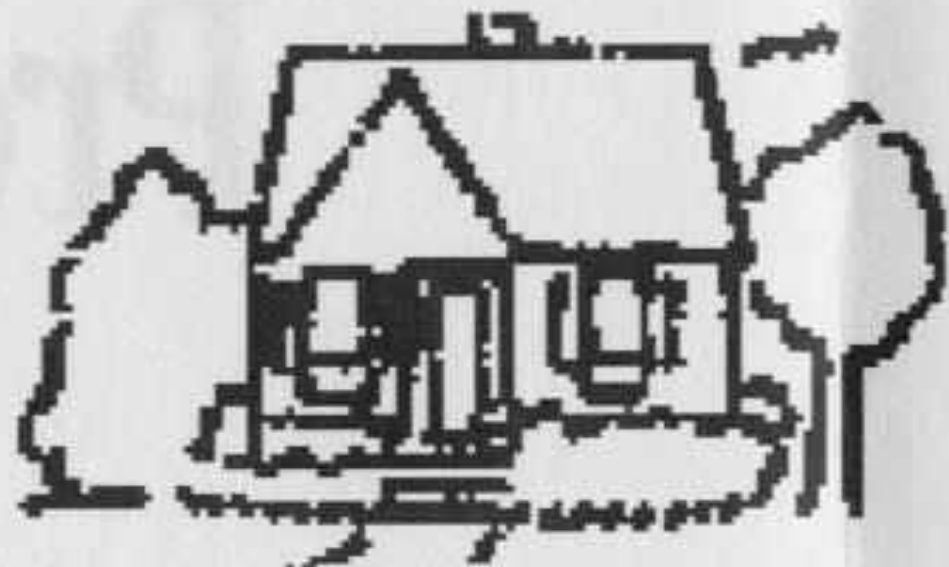


The Property Tax Deferment Program

B.C.'s Property Tax Deferment Program allows you to defer payment of annual property taxes on your home if you are:

- 60 years or older; or
- a surviving spouse; or
- a disabled person as defined in the *Disability Benefits Program Act*;



and if you are:

- a Canadian citizen or landed immigrant who has lived in British Columbia for at least one year immediately prior to applying for tax deferment benefits.

What types of homes qualify for tax deferment?

You can defer taxes on your home where you live and conduct your daily activities. For most applicants, this is the same property on which you claim the home owner grant.

You must have a minimum equity in your home of 25 per cent of the assessed value, as determined by the British Columbia Assessment Authority.

This means your mortgage and any other charges registered against your property can be up to 75 per cent of the assessed value. If your home is a manufactured home, it must be covered by a current fire insurance policy.

If you own your home under a long-term lease, or have a life estate interest in your home, you may also qualify for tax deferment.

What homes do not qualify?

Second residences such as summer cottages or property you have rented out **do not** qualify for tax deferment benefits.

How much of my taxes can I defer?

After deducting the home owner grant you receive on your property, you can defer all or part of the unpaid balance of your home's property taxes for the current year. If you rent out part of your home, you can defer taxes only on the part in which you are living.

Before applying for tax deferment you'll have to pay all property taxes, penalties and interest from previous years. User fees and utility charges on your property tax notice must be paid to your taxing authority as they cannot be deferred.



How long can I defer my property taxes?

You can defer your taxes as long as you own and live in your home.

The deferred taxes must be fully repaid, with interest:

- before your home can be legally transferred to a new owner, other than your surviving spouse; **or**
- upon the death of the agreement holder(s) (repayment is made through the estate).

You may choose to repay all or any part of the deferred taxes and interest at any time without penalty.

What about interest charges?

Simple interest is charged on your deferment account at a rate not greater than two per cent below the prime rate at which the province borrows money. The interest rate is set every six months by the Minister of Finance and Corporate Relations.

You'll be charged deferment interest from the date you apply to defer your taxes, or from the date your property tax is due — whichever is later.

How do I apply for tax deferment?

You can apply for tax deferment when you receive your property tax notice.

- Pick up an Application and Agreement for Deferment of Property Taxes, available from your municipal or government agent office.
- Fill out and sign your home owner grant application and tax deferment application and agreement. All eligible registered owners of your home must sign the agreement.
- Return the completed application and agreement to your municipal or government agent office for processing **before the property tax due date.**

Your tax deferment application and agreement will be forwarded to the tax deferment office in Victoria which will confirm receipt.



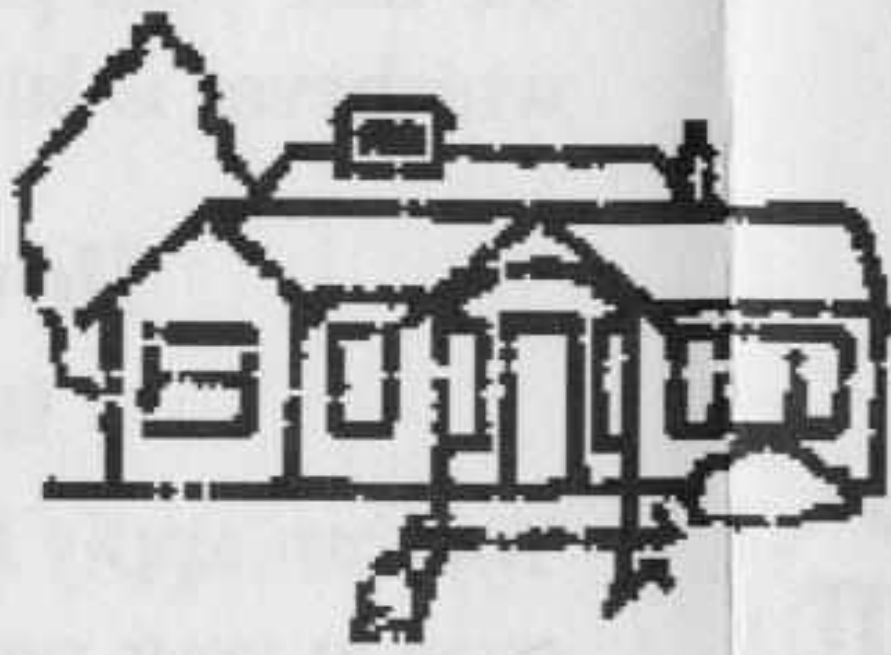
When your application is approved, a certified true copy of your signed agreement will be registered as a lien in the Land Title Office, or in the case of a manufactured home, in the Personal Property Registry. This lien will secure all administration fees and charges, deferred taxes and interest accrued under the agreement. The agreement will remain in effect until the above amounts are paid.

When the lien has been registered, the tax deferral office will pay your current property taxes to the municipal or government agent office. A one-time administration fee of \$50 is added to new tax deferral agreements. The fee does not apply to annual agreement renewals.

NOTE: If for any reason your deferral application is withdrawn, cancelled or denied after the tax due date, your property taxes for the year are overdue and are subject to late payment penalties under the property tax statutes.

You must apply to defer property taxes before December 31 of the year the taxes are first billed.

Agreement renewals are not automatic. A renewal application will be sent to you in April of each new tax year along with your annual account information.



Where do I get an application form and more information?

Contact your **municipal office** or nearest **government agent office**, or:

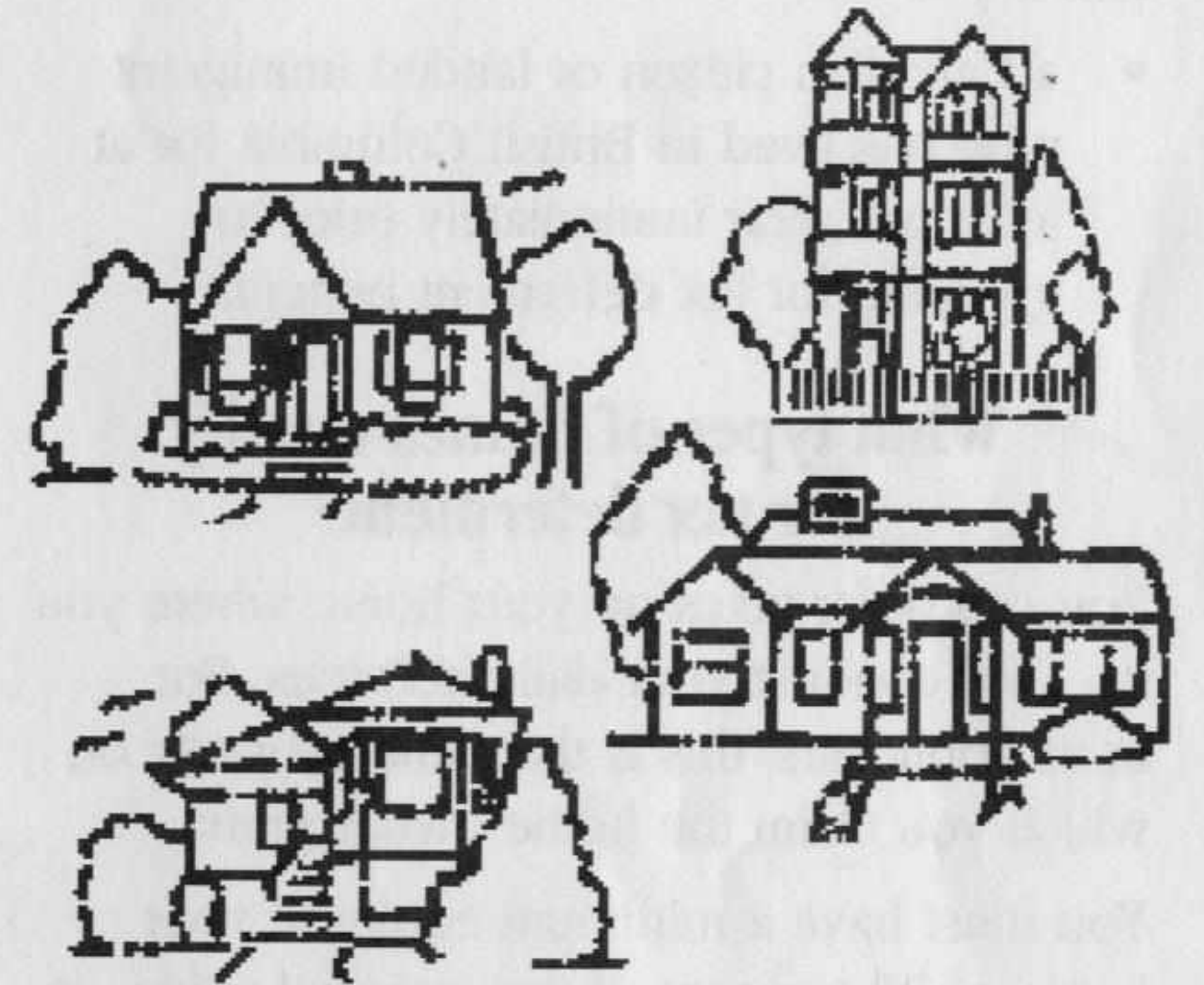
Tax Deferment Office
Ministry of Finance and Corporate Relations
PO Box 9446 Stn Prov Govt
Victoria, British Columbia
V8W 9V6
Telephone (250) 387-0540

The Tax Deferment Office is located at 1802 Douglas Street in Victoria.



This pamphlet is for general guidance only and is subject to the provisions in the Land Tax Deferment Act.

The Property Tax Deferment Program



BRITISH COLUMBIA

Ministry of Finance and Corporate Relations