
Property Taxes

Qualification Requirements For the Home Owner Grant & Additional Grant

To obtain the grants, you must complete and sign the appropriate application form each year. The homeowner grant application is written on your yearly tax notice and will be mailed to you at your principal residence address. If you qualify for the additional grant and wish to obtain it, you must tick the box that describes your qualification.

To avoid penalty, an owner should apply for a grant prior to the tax due date even if he/she is not paying taxes that are due at that time.

You may qualify for a grant if:

- (a) you are an owner (as defined in the Local Government Act and the Taxation (Rural Area) Act, which includes a lessee under a registered lease of 99 years or more who is required to pay the current year taxes), and
- (b) you are a permanent resident of B.C. (either a Canadian citizen or a landed immigrant), and
- (c) you occupy as your principal residence the dwelling described on your application form.

You and your spouse together may qualify for only one grant on one residence in B.C. in any one calendar year even if you live in separate residences (unless you are legally separated).

If you are the spouse, child, grandchild, parent, brother or sister of a qualifying deceased owner, you may be eligible for the grant in the year of the owner's death if the residence was your principal residence at the time of death and you have not claimed a grant on any other residence.

You may qualify for the additional grant if:

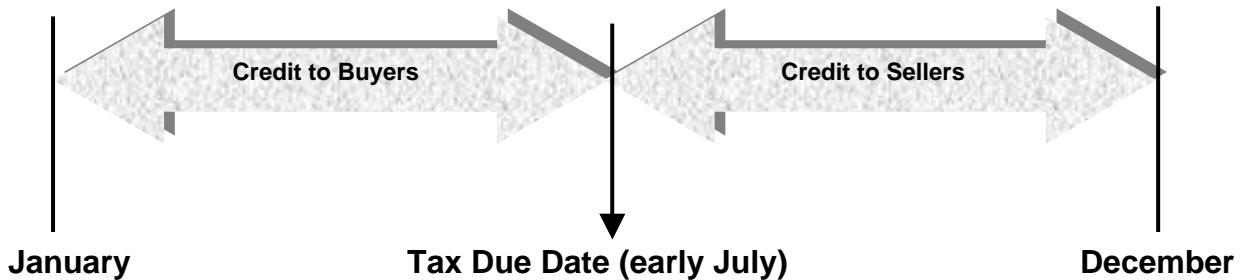
- (a) you are over 65 (your date of birth will be asked for on the form); or
- (b) you have a permanent disability, or are the spouse, child, grandchild, parent, step parent or person standing in the place of a parent, grandparent, brother or sister of a person with a permanent disability who resides in your home.

The amount of the \$570 regular grant is reduced at a rate of \$5 for each \$1,000 of assessed value in excess of \$780,000. Therefore, there is no HOG or portion available for homes above \$894,000. For seniors and the disabled who qualify for the additional grant of \$275, a partial grant will be available for properties valued up to \$949,000.



Will you receive a credit or a debit when you sell/buy a property?

Property taxes are paid for the whole year on the first working day of July of that year. Look at the "Adjustment Date" on your Contract of Purchase & Sale. If the date occurs after July, the Buyer, will have to credit back to the Seller a portion of the already paid taxes. This will be handled at the lawyers and will be shown on the "Statement of Adjustments" that is drawn up for you.



Example One:

The adjustment date is November 28th and the property's gross taxes are \$2,022.

$$\begin{array}{r} \$2,022 \\ - \quad \$ 570 \text{ (Home Owner's Grant)} \\ \hline \underline{\$1,452.} \end{array}$$

$$\frac{\$1,452. \times 34 \text{ days (Nov. 28}^{\text{th}} \text{ to Dec. 31}^{\text{st}})}{365 \text{ days}} = \$135.25$$

The amount of \$135.25 is the amount that will be credited back to the Seller on Completion Day.

Example Two:

The adjustment date is March 31 and the property's gross taxes are \$2,022.

\$2,022
\$ 570 Home Owner's Grant
\$1,452

$\frac{\$1,452 \times 90 \text{ days (January 1 to March 31}^{\text{st}})}{365 \text{ days}}$

\$358.03 is the amount that the Seller will credit back to the Buyer on Completion Day.

Worksheet

Contract Adjustment Date: _____,200
Gross Property Taxes \$ _____
Less Applicable Grant(s) \$ _____
Net Property Taxes \$ _____

Net Property Taxes _____ x Days _____
Divided by 365 days

Buyer Credit \$ _____ January to early July	Seller Credit \$ _____ Early July to December
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Please note: If the property is not your principal residence, then you will not be entitled to the B.C. Home Owner's Grant and therefore, the figures in Example One and Two above will not be correct. Investors pay all the tax on summer cottages, second homes or rental properties.