



Submit your tax deferment application to the address shown on your property tax notice. Applications sent directly to the Property Tax Deferment Office will not be accepted.

PROGRAM DESCRIPTION

Tax deferment is a low interest loan program that helps qualified BC homeowners pay their annual property taxes.

BEFORE YOU APPLY

- ✓ Make sure you meet all program qualifications (applicant, property and equity – see below). If your application is not approved and it is past the property tax due date, you will be charged a late penalty on your property tax account.
- ✓ Pay any overdue property taxes from previous years, outstanding penalty and interest charges, and utility fees. Do NOT pay your current year residential (class 1) or residential and farm (class 1 and 9) taxes.
- ✓ Claim your home owner grant (if eligible).
- ✓ Contact your bank or tax office to cancel any automatic payments being made to your property tax account to ensure your current year taxes remain unpaid at the time of deferment.
- ✓ Ensure your property title is up to date by removing any deceased owners, old charges (such as paid off mortgages) or restrictive liens.

Note: If you are unsure of the state of your property title, contact the Land Title Office or the Personal Property Registry (if you own a manufactured home).

It can take us several months to process your application after we receive it from your property tax office. We process applications in the order they are received. If we need more information, we will notify you by mail or email.

DO NOT SUBMIT AN APPLICATION IF

- your bank does not allow you to apply for tax deferment (contact your bank for further details)
- your property taxes have been paid in full
- your property is not classified as residential (class 1) or residential and farm (class 1 and 9)
- you have a restrictive lien on title, such as a Certificate of Pending Litigation, Caveat, Injunction or Judgment
- the property is taxed by a First Nation
- the property is held entirely in trust or in the name of an executor/administrator of the will of a deceased owner
- the property is held entirely in the name of a business
- you do not meet ALL program qualifications

PROGRAM QUALIFICATIONS

1. Applicant Qualifications

To qualify for this program you must:

- be a Canadian citizen or permanent resident of Canada
- be a registered owner of the property or hold a registered life estate or right to purchase
- have lived in BC for at least one year prior to applying

And you must also be:

- age 55 or older (only one owner must be 55 or older any time during the current calendar year), or
- a surviving spouse of any age (a surviving spouse is a person who lost their spouse by death and who is not currently the spouse of another person), or
- a person with disabilities (see below for the supporting document you must provide)

Person with Disabilities Supporting Documents

If you are applying as a person with a disability, you must attach one of the following documents to your application:

- a completed *Consent for Release of Information (FIN 81)* from the Ministry of Social Development and Social Innovation confirming your Persons with Disabilities designation, or
- a *Physician Certification (FIN 58)*, completed and signed by your physician

2. Property Qualifications

To be eligible for the tax deferment program, your property must be:

- your principal residence (where you live and conduct your daily activities)
- taxed as residential (class 1) or residential and farm (class 1 and 9)

3. Equity Qualifications

You must have and maintain a minimum of 25% equity in your property to qualify for this tax deferment program.

This means that all charges registered against your property plus the tax amount you want to defer cannot be more than 75% of the current BC Assessment value. Charges may include your outstanding mortgage balance or the credit limit amount for any lines of credit you may have.

Example

| | | |
|--|---|---|
| BC Assessment value of your home = | \$ 500,000 | |
| BC Assessment value X 75% = | \$ 500,000 X 0.75 = \$375,000 | A |
| Current year property taxes plus the total of all registered charges = | \$2,000 (property taxes) + \$215,000 (mortgage) + \$20,000 (credit limit for a line of credit) = \$237,000 | B |
| The amount in Box B MUST BE LESS THAN the amount in Box A to qualify. | | |

If we do not have enough information to verify your home's equity, we will send you a letter requesting information from your financial institution by a given due date.

Note: If you do not have current fire insurance on your home and all other buildings on your land, equity will be based on the assessed value of your land only.

To learn more about how equity is calculated, visit our website at gov.bc.ca/propertytaxdeferral and go to our Understanding Equity page.

HOW TO APPLY

1. Wait until you receive your annual property tax notice from your property tax office
2. Complete the *Property Tax Deferment Program Application (FIN 51)*. This form has 2 parts:
 - Page 1 (Form 1) is the application and has to be completed by only one qualified applicant
 - Page 2 (Form 2) is the agreement and must be signed by all registered owners of the property. The names must match the names registered on title
3. Before your tax due date, submit your tax deferment application, any supporting documents and home owner grant application (if eligible) to the address shown on your property tax notice

Note: The last date you may submit your tax deferment application to your property tax office is December 31 of the current year. However, if you apply after the property tax due date, a late penalty charge will be added to your property tax account. Penalties are not deferrable and must be paid before your property tax office submits your application to our office for processing.

AFTER YOU APPLY

- Your property tax office will complete their portion of your application and forward it to us for processing.
- We receive your application and determine your eligibility. We may request further information to support your application.
- If your application is approved, it becomes a signed agreement and is registered as a restrictive lien with the Land Title Office or the Personal Property Registry (if you own a manufactured home).

- Once the lien is registered, we will pay your current property taxes directly to your property tax office on your behalf and notify you by mail of your approval. The lien remains in effect until the account is paid in full.

ANNUAL RENEWAL

If your application is approved, you must apply to renew your agreement each year if you want us to continue to pay your property taxes on your behalf. Find out more about the renewal process and fee on our website.

PENALTIES

Your property tax office will charge you a late penalty if:

- you apply for tax deferment after the tax due date
- your application is not approved and it's past the tax due date
- you do not provide our office with required information by the date requested on our letter (if after the tax due date)
- you cancel or withdraw your application for any reason after the tax due date

FEES AND INTEREST

An administration fee of \$60 is added to new approved tax deferment agreements. Administration fees are added to your loan balance. Do not send your fee with your application.

Simple interest is charged at a rate not greater than 2% below the bank prime rate and is set every April and October. Interest begins from your property tax due date or the date you apply to defer your taxes, whichever is later. Interest is not charged on interest or fees. Visit our website for the current interest rate.

CONTACT INFORMATION

For general information on the tax deferment program, contact the tax deferment office below or your property tax office.

In Victoria: 250 387-0555

Toll-free elsewhere in BC: 1 888 355-2700

Email: taxdeferral@gov.bc.ca

Website: gov.bc.ca/propertytaxdeferral

The information in this guide is for your convenience and is not a replacement for the legislation. The *Land Tax Deferment Act* and regulations are available on our website.