

Table 3.1 Provincial Taxes (as of July 2020)

Type and Statute Reference	Tax Base	Tax Rate	Characteristics and Exemptions
Income — <i>Income Tax Act</i>	Taxable Income: <ul style="list-style-type: none"> Corporate Personal 	General rate: 12% Small business rate: 2%. Tax rates of 5.06%, 7.7%, 10.5%, 12.29%, 14.7%, 16.8% and 20.5% corresponding to the following tax brackets: up to \$41,725, \$41,725.01 to \$83,451, \$83,451.01 to \$95,812, \$95,812.01 to \$116,344, \$116,344.01 to \$157,748, \$157,748.01 to \$220,000, and over \$220,000.	The Canada Revenue Agency administers B.C.'s personal and corporate income taxes under the Tax Collection Agreement between the province and the federal government. Corporate tax credits include the scientific research and experimental development tax credit, the book publishing tax credit, the interactive digital media tax credit and the film tax credits. In addition, the farmers' food donation tax credit, political contributions tax credit, mining exploration tax credit, logging tax credit, training tax credits and venture capital tax credits are available to both individuals and corporations. B.C. provides a set of non-refundable credits similar to most federal non-refundable credits. Personal tax credits include the B.C. climate action tax credit, B.C. sales tax credit, the B.C. early childhood tax benefit and other credits available to individuals who meet specific eligibility criteria.
Payroll — <i>Employer Health Tax Act</i>	B.C. remuneration	1.95%. Rate is reduced if annual B.C. remuneration is between \$500,000 and \$1.5 million. Tax does not apply if B.C. remuneration is less than \$500,000.	Employers with annual B.C. remuneration less than \$500,000 are exempt from the tax. The exemption amount is shared by all associated employers. The tax rate is phased in for employers with annual B.C. remuneration between \$500,000 and \$1.5 million. Special rules exist for charities. Charities receive an exemption of \$1.5 million per qualifying location, and charities with B.C. remuneration between \$1.5 million and \$4.5 million per qualifying location pay a reduced rate.
Real property transfers — <i>Property Transfer Tax Act</i>	Fair market value of property based on the percentage of interest in the property.	1% on the first \$200,000 of the fair market value transferred, 2% of the fair market value that exceeds \$200,000 but does not exceed \$2,000,000 and 3% of the fair market value that exceeds \$2,000,000. For residential class property and farm land associated with a farmers' dwelling, the 3% rate becomes 5% for the fair market value above \$3,000,000. Foreign nationals and foreign corporations purchasing residential class property in certain areas pay an additional 20% of fair market value. These areas are Metro Vancouver Regional District except Tsawwassen Lands, and Capital, Central Okanagan, Fraser Valley and Nanaimo Regional Districts.	Eligible first time home-buyers are fully exempt from tax on transfers of eligible properties up to \$500,000. Similarly, eligible purchasers of newly constructed homes are fully exempt if the fair market value is \$750,000 or less. Other exemptions include: some intergenerational transfers or transfers to a spouse of principal residences, recreational residences and family farms; transfers of property between spouses pursuant to written separation agreements or court orders; transfers of property to local governments, registered charities and educational institutions; transfers of property to veterans under the <i>Veterans' Land Act</i> (Canada); transfers of land to be protected, preserved, conserved or kept in a natural state; and transfers of leases 30 years or less in duration. A number of technical exemptions are also provided. Foreign nationals who become citizens or permanent residents of Canada within a year of purchase may be eligible for a refund of the additional 20% tax. Foreign nationals who are in the Provincial Nominee Program process for immigration to Canada may be exempt from the additional 20% tax.



Table 3.1 Provincial Taxes (as of July 2020) – Continued

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Retail sales tax — <i>Provincial Sales Tax Act</i>	Purchase and lease of tangible personal property. Purchase of software, accommodation, related services, telecommunication services and legal services. Gifts of vehicles, boats and aircraft.	General rate: 7% Liquor: 10% Vapour products: 20% Accommodation: 8% Vehicles: 7% to 20% Boats and aircraft: 7% or 12% Manufactured buildings: reduced rate of tax.	Paid by purchasers and lessees and primarily collected through businesses required to be registered under the Act. Major consumer exemptions include, but are not limited to: <ul style="list-style-type: none"> • food for human consumption (all food including prepared food), • residential energy, • children’s clothing and footwear (child-sized clothing and adult-sized clothing for children under 15 years of age), • basic cable and residential land-line telephone services, and • vitamins, drugs and household medical aids. Major business exemptions include, but are not limited to: <ul style="list-style-type: none"> • goods acquired solely for re-sale or re-lease, • goods purchased to be incorporated into goods for sale or lease, • certain production machinery and equipment purchased by major industries (manufacturers, logging, mining, oil and gas) for qualifying activities at qualifying locations, and • electricity.
Tobacco — <i>Tobacco Tax Act</i>	By cigarette, cigar retail price, and weight on other tobacco products.	29.5 cents per cigarette or tobacco stick and 39.5 cents per gram of loose tobacco; 90.5% of taxable price on cigars to a maximum tax of \$7 per cigar.	Tax is payable on tobacco by purchasers at the time of retail purchase. Tobacco is subject to a security scheme. Security is payable by wholesale dealers registered under the Act when tobacco is delivered to them.
Carbon dioxide equivalent emissions from combustion of fuels and combustibles — <i>Carbon Tax Act</i>	Purchase, use, or, in certain circumstances, transfer or importation of: <ul style="list-style-type: none"> • Aviation Fuel • Gasoline • Heavy Fuel Oil • Jet Fuel • Kerosene • Light Fuel Oil • Methanol (not produced from biomass) • Naphtha • Butane • Coke Oven Gas • Ethane • Propane • Natural Gas • Refinery Gas • High Heat Value Coal • Low Heat Value Coal • Coke • Petroleum Coke • Gas Liquids • Pentanes Plus • Also combustion of peat and tires (whole or shredded) to produce heat or energy (combustibles). 	Tax rates vary by type of fuel or combustible based on carbon dioxide equivalent emitted by each fuel or combustible. Tax rates are equivalent to \$40 per tonne of carbon dioxide equivalent.	Tax is payable on fuels by purchasers at the time of retail purchase. Fuels, other than natural gas, are subject to a security scheme similar to the security scheme under the <i>Motor Fuel Tax Act</i> . Security is payable by collectors registered under the Act when fuel is sold in British Columbia for the first time after manufacture or importation. Tax on the purchase of natural gas is collected and remitted at the retail level. Tax on use, transfer and import is self-assessed. Tax on the burning of combustibles is self-assessed. Exemptions include: <ul style="list-style-type: none"> • fuels which are exported for use outside of British Columbia, • fuel used for certain non-energy purposes, • fuel used for eligible inter-jurisdictional transportation, • coloured gasoline and coloured diesel purchased by farmers solely for listed farm purposes, and • minor exemptions similar to exemptions in other consumption tax acts for administrative and technical reasons. Tax rates were scheduled to reach \$45 per tonne of carbon dioxide equivalent on April 1, 2020 but are temporarily held at \$40 per tonne under the COVID-19 Action Plan. This pause also temporarily relieves additional forms of combustible waste, added in <i>Budget 2020</i> , from carbon tax.



Table 3.1 Provincial Taxes (as of July 2020) – Continued

Type and Statute Reference	Tax Base	Tax Rate	Characteristics and Exemptions
<p>Motor fuel — <i>Motor Fuel Tax Act</i></p>	<p>Purchase, use, or in certain circumstances, transfer or importation of fuels:</p> <ul style="list-style-type: none"> <li data-bbox="358 499 630 1087">• Clear gasoline <li data-bbox="358 1108 630 1675">• Motive fuel <li data-bbox="358 1696 630 1774">• Alternative motor fuels (natural gas, hydrogen and methanol (M85+)) 	<p>General rate: 14.5 cents per litre (includes 6.75 cents per litre collected on behalf of the BC Transportation Financing Authority).</p> <p>South Coast BC Transportation Service Region: 27 cents per litre (includes 6.75 cents per litre collected on behalf of the BC Transportation Financing Authority and 18.5 cents per litre collected on behalf of TransLink).</p> <p>Victoria Regional Transit Service Area: 20 cents per litre (includes 6.75 cents per litre collected on behalf of the BC Transportation Financing Authority and 5.5 cents per litre collected on behalf of BC Transit).</p> <p>General rate: 15 cents per litre (includes 6.75 cents per litre collected on behalf of the BC Transportation Financing Authority).</p> <p>South Coast BC Transportation Service Region: 27.5 cents per litre (includes 6.75 cents per litre collected on behalf of the BC Transportation Financing Authority and 18.5 cents per litre collected on behalf of TransLink).</p> <p>Victoria Regional Transit Service Area: 20.5 cents per litre (includes 6.75 cents per litre collected on behalf of the BC Transportation Financing Authority and 5.5 cents per litre collected on behalf of BC Transit).</p> <p>Exempt.</p>	<p>Tax generally applies to all fuels purchased for use, or used in internal combustion engines. Tax is payable on fuels by purchasers at the time of retail purchase. Most fuels are subject to a security scheme similar to the security scheme under the <i>Carbon Tax Act</i>. Security is payable by collectors registered under the Act when fuel is sold in British Columbia for the first time after manufacture or importation. The additional tax collected in the South Coast BC Transportation Service Region, on behalf of TransLink, helps fund regional transportation costs. The additional tax collected in the Victoria Regional Transit Service Area, on behalf of BC Transit, helps fund the public transit system.</p> <p>Tax applies to diesel fuel but does not include alternative motor fuels or coloured fuels.</p> <p>Natural gas, when used as a motor fuel, is exempt from tax. Certain hydrogen is exempt from tax. Fuels comprised of at least 85% methanol are also exempt from tax.</p>



Table 3.1 Provincial Taxes (as of July 2020) – Continued

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Motor fuel — <i>Motor Fuel Tax Act</i> (continued)	<ul style="list-style-type: none"> Coloured fuel, marine diesel fuel Locomotive fuel Propane Aviation fuel Jet fuel Natural gas used in stationary engines, other than listed below. Natural gas used in pipeline compressors to transmit marketable gas. Natural gas used in pipeline compressors to extract and transmit raw gas from wells to processing plants. Natural gas used in compressors to re-inject sour gas into depleted wells. Marine bunker fuel Marine gas oil 	<p>3 cents per litre.</p> <p>3 cents per litre.</p> <p>2.7 cents per litre.</p> <p>2 cents per litre.</p> <p>2 cents per litre.</p> <p>1.1 cents per 810.32 litres.</p> <p>1.9 cents per 810.32 litres.</p> <p>Exempt.</p> <p>Exempt.</p> <p>Exempt.</p>	<p>Coloured fuel may be used in all vehicles not licensed to operate on a highway and in specific industrial vehicles. Farmers are exempt from paying the tax when fuel is used solely for listed farm purposes. Farm trucks are allowed to use tax-exempt coloured fuel for farming purposes on a highway. Marine diesel fuel used in interjurisdictional cruise ships and ships prohibited from coasting trade under the <i>Coasting Trade Act</i> is exempt from tax.</p> <p>Tax applies to fuel specifically for use in locomotives.</p> <p>Propane tax applies to all uses of propane. There are exemptions for propane used as residential energy in a residential dwelling, for propane used by qualifying farmers solely for a farm purpose, and for small containers of propane.</p> <p>Aviation fuel tax applies to fuel produced specifically for use in a non-turbine aircraft engine.</p> <p>Jet fuel tax applies to fuel produced specifically for use in a turbine aircraft engine. Jet fuel used for international flights is exempt.</p> <p>Exemption applies to bunker fuel used as fuel in a ship.</p> <p>Exemption applies to marine gas oil when used in primary gas turbine engines to propel passenger and cargo vessels.</p>
Natural resources — <i>Logging Tax Act</i>	Net income from logging in B.C.	10% (fully recoverable against federal and provincial corporation and personal income tax).	Tax is calculated as net income from logging after deducting a processing allowance.
— <i>Mineral Land Tax Act</i>	Assessed value of freehold mineral land and production areas.	Undesignated mineral land — \$1.25 to \$4.94 per hectare. Designated production areas — \$4.94 per hectare.	Rates of tax set on sliding scale, dependent on size and designation of land. No tax is payable if the mineral land is less than 16.2 hectares, owned by a registered charity or if the administrator has classified the mineral lands as agricultural.
— <i>Mineral Tax Act</i>	<p>Cash flow from individual metal and coal mines (other than placer gold mines).</p> <p>Volume of production of limestone, dolomite, marble, shale, clay, volcanic ash, diatomaceous earth, sandstone, quartzite and dimension stone.</p> <p>Value of minerals sold by placer gold mines.</p>	<p>2% of net current proceeds (NCP). 13% of net revenue (NR).</p> <p>\$0.15 per tonne removed from all quarries operated.</p> <p>0.5% of value of minerals sold.</p>	<p>Tax calculated for each operator on a mine-by-mine basis. NCP tax paid on current operating cash flow until all current and capital costs, plus any investment allowance, are recovered. Then NR tax paid on cumulative cash flow. NCP tax creditable against NR tax.</p> <p>An operator may deduct 25,000 tonnes from the total number of tonnes removed from all quarries operated by that operator. However, the amount deducted from any one quarry by all operators of that quarry must not exceed 25,000 tonnes.</p>



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Insurance — <i>Insurance Premium Tax Act</i>	B.C. premiums.	4.4% for vehicle and property insurance, 2% for life, sickness, personal accident and loss of salary and wages insurance, 4% for other insurance and 7% for all contracts with unlicensed insurers.	Exemptions: fraternal benefit societies; mutual corporations with 50% of income from farm or 100% from religious, educational or charitable institutions; marine, except pleasure craft; approved medical or hospitalization plans; professional liability insurance from the Law Society of B.C.; liability insurance with the Real Estate Errors and Omissions Insurance Corporation; and assessments for the Real Estate Special Compensation Fund.																										
Real property — <i>Taxation (Rural Area) Act</i>	Assessed value of land and improvements in rural areas (outside municipalities). Assessment determined under the <i>Assessment Act</i> .	Rates are set annually expressed as \$/\$1000 of taxable assessed value. For residential properties the rates are set to increase average residential rural taxes by the rate of inflation. For non-residential property classes, the rates are set so that total non-residential rural tax revenues increase by inflation plus tax on new construction. <table border="0"> <tr> <td>Class</td> <td>Rate \$/\$1000</td> </tr> <tr> <td>1 residential:</td> <td>0.47</td> </tr> <tr> <td>2 utilities:</td> <td>3.83</td> </tr> <tr> <td>3 supportive housing:</td> <td>0.10</td> </tr> <tr> <td>4 major industry:</td> <td>6.77</td> </tr> <tr> <td>5 light industry:</td> <td>2.72</td> </tr> <tr> <td>6 business and other:</td> <td>2.72</td> </tr> <tr> <td>7 managed forest land:</td> <td>0.46</td> </tr> <tr> <td>8 recreation/non-profit:</td> <td>0.89</td> </tr> <tr> <td>9 farm land:</td> <td>0.55</td> </tr> </table> In Peace River Regional District, tax rates are the same as above except <table border="0"> <tr> <td>2 utilities:</td> <td>4.20</td> </tr> <tr> <td>4 major industry:</td> <td>7.14</td> </tr> <tr> <td>5 light industry:</td> <td>3.09</td> </tr> </table>	Class	Rate \$/\$1000	1 residential:	0.47	2 utilities:	3.83	3 supportive housing:	0.10	4 major industry:	6.77	5 light industry:	2.72	6 business and other:	2.72	7 managed forest land:	0.46	8 recreation/non-profit:	0.89	9 farm land:	0.55	2 utilities:	4.20	4 major industry:	7.14	5 light industry:	3.09	Some exemptions apply under various statutes.
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Basic residential class school property tax — <i>School Act</i> section 119	Assessed value of class 1 residential land and improvements. Assessment determined under the <i>Assessment Act</i> .	Rates are set annually to increase average residential taxes by the rate of inflation. The rates vary by school district. For 2020, rates range from about \$0.87/\$1000 to \$4.5/\$1000.	Basic rates are calculated using a formula to moderate effects of varying average assessments on school district taxes. Amendments to the <i>School Act</i> in 2002 allow the Minister of Finance to apply different tax rates within a school district. Tofino is the only municipality with a rate that differs from the rest of the school district. School districts may levy additional tax on residential class property if authorized by local referendum. None do. The Home Owner Grant Program and the Land Tax Deferral Program can reduce or postpone the tax liability for Canadian citizens and permanent residents of Canada who live in their own home as a principal residence.																										
Additional school tax on homes over \$3 million. — <i>School Act</i> section 120.1	Assessed value of “dwelling property”. Tax began in 2019.	Tax is 0.2% on the value of the dwelling property between \$3,000,000 and \$4,000,000 and 0.4% on the value above \$4,000,000.	Dwelling property is most residential class property where there is between one and three dwelling units. Properties with four or more units, such as apartment buildings, are not taxed. Vacant land in residential class is taxed unless it is in the Agricultural Land Reserve.																										



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Non-residential class school property tax — <i>School Act</i> section 119	Assessed value of non-residential land and improvements. Assessment determined under the <i>Assessment Act</i> .	<p>Rates are set annually and expressed as \$/\$1000 of taxable assessed value.</p> <p>For 2020, as a COVID-19 response, school tax rates for classes 4-8 were reduced by 70% to 100% compared to both 2019 rates and rates that would have applied using the policy set out in Budget 2020.</p> <p>For classes 5,6 and 8, this results in a province-wide average tax cut of 25% of total property taxes. For classes 4 and 7, it effectively removes the school tax.</p> <p>For 2020 the rates are:</p> <table border="0"> <tr> <td>Class</td> <td>Rate \$/\$1000</td> </tr> <tr> <td>2 utilities:</td> <td>13.03</td> </tr> <tr> <td>3 supportive housing:</td> <td>0.1</td> </tr> <tr> <td>4 major industry:</td> <td>0.0001</td> </tr> <tr> <td>5 light industry:</td> <td>1.0561</td> </tr> <tr> <td>6 business and other:</td> <td>1.1070</td> </tr> <tr> <td>7 managed forest land:</td> <td>0.0001</td> </tr> <tr> <td>8 recreation/non-profit:</td> <td>0.7844</td> </tr> <tr> <td>9 farm land:</td> <td>7.05</td> </tr> </table>	Class	Rate \$/\$1000	2 utilities:	13.03	3 supportive housing:	0.1	4 major industry:	0.0001	5 light industry:	1.0561	6 business and other:	1.1070	7 managed forest land:	0.0001	8 recreation/non-profit:	0.7844	9 farm land:	7.05	<p>Some exemptions apply under various statutes.</p> <p>An industrial property tax credit reduces provincial school property tax by 60% on major industrial (class 4) properties.</p> <p>A 50% provincial farm land property tax credit reduces the provincial school property tax on farm land (class 9).</p>
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Police tax — <i>Police Act</i>	Assessed value of land and improvements in municipalities under 5,000 population and in rural areas. Assessment determined under the <i>Assessment Act</i> .	Rates are set annually to raise up to 50% of the provincial cost of rural and small community policing. Rates are set for each of the nine property classes in each municipality under 5,000 population, in each electoral area of the province and in the area of the province outside a regional district.	Basic rates are calculated using a formula that includes assessed value and population. Tax rate reductions are embedded in the rates to reflect the contribution taxpayers in the rural areas make to policing costs through the provincial rural area property tax, and to account for traffic fine revenue sharing and for payments in lieu of taxes from the federal and provincial governments.																		
Speculation and Vacancy tax — <i>Speculation and Vacancy Tax Act</i>	Tax is based on the assessed value of the residential property. Assessment determined under the <i>Assessment Act</i> .	For the 2019 tax year the tax rate is 2% for foreign owners and untaxed worldwide earners (satellite families). The tax rate for other owners is 0.5%.	<p>The tax is intended to capture foreign and domestic speculators who own residential property in designated taxable areas.</p> <p>Different exemptions and credits are available depending on owner type.</p> <p>The principal residence of a resident of British Columbia is exempt from tax. Residential property that is rented out is exempt. Property that is under construction or development is exempt. There are also a variety of hardship exemptions available.</p> <p>Residents of B.C. are entitled to an up to \$2,000 tax credit. Other categories of owners are entitled to a tax credit based on reported B.C. income and the use of the property.</p>																		