

Property Transfer Tax Glossary

Additional Transfer Tax - Effective August 2, 2016, a 15% additional property transfer tax applies only to residential property transfers to foreign purchasers. The residential properties must be located in the [Metro Vancouver Area \(click link for map\)](#). The tax is in addition to the property transfer tax.

BC Assessment: BC Assessment (BCA) maintains real property assessments in compliance with the [Assessment Act](#) which requires that properties be assessed as of July 1st each year. BC Assessment produces assessment information annually to provide tax authorities with a tax base and other information collected about property. For more details visit the [website](#).

BCA Property Classes and Actual Property Use

Class 1- Class 9 : for detailed description of each Property Class, visit [BC Assessment website](#)

Class 1, **Residential** ; Class 2, **Utilities**; Class 3, **Supportive Housing**; Class 4, **Major Industry**; Class 5, **Light Industry**; Class 6, **Business Other**; Class 7, **Managed Forest Lands**; Class 8, **Recreational Land**; Class 9, **Farm**.

BCA Actual Property Use: BCA identifies the primary purpose or activity for which a property is being held or used and the categories are grouped according to the BCA Property Classes. For more details and codes labels [BC Assessment website](#).

Canadian citizen - A Canadian citizen is a person who is **Canadian by birth** or who has applied for Canadian citizenship through *Citizenship and Immigration Canada* and has **received a citizenship certificate**.

Development Region- An aggregation of all the BC Regional Districts. The 8 Development Regions in BC have the same boundaries as Economic Regions as described by Statistics Canada. [BC Stats website](#)

Fair market value - Fair market value is the price that would be paid by a willing purchaser to a willing seller for a property in the open market on the date of registration.

Foreign corporation – The [Property Transfer Tax Act \(PTTA\)](#) defines a foreign corporation as a corporation which was not incorporated in Canada or its stocks are not listed on a Canadian stock exchange.

For the purposes of the property transfer tax, a foreign corporation includes also a Canadian incorporated corporation with stocks on the Canadian stock exchange, but which is controlled by foreign entities (i.e., a foreign national or a foreign corporation, or both).

Foreign entity – The [Property Transfer Tax Act \(PTTA\)](#) defines foreign entity to mean foreign national individuals (i.e., individuals who are not Canadian citizens or permanent residents of Canada) or a

foreign corporation.

Foreign involvement – Transactions in which all or some of the parties involved are foreign purchasers, i.e., purchasers who are not Canadian citizens or permanent residents of Canada.

Land Title Survey Authority and Land Title Office - The Land Title and Survey Authority (LTSA) of British Columbia is a publicly accountable, statutory corporation with a unique governance structure responsible for the administration of the land title and survey systems in BC.

LTSA has several locations and these offices are called Land Title Offices (LTO). For more information on LTSA and the LTO locations see [link](#).

Permanent residence – Permanent residence of Canada is **a status of a person** who is **not a Canadian citizen**, but who **has been granted permission to live and work** in Canada without any time limit on their stay. Once the status is received these individuals become permanent residents of Canada.

Property Transfer tax - Property transfer tax is the tax payable on the fair market value of a property when the title change is registered at the Land Title Office. The rates of the tax are: 1% on the first \$200,000, 2% on the portion of the fair market value greater than \$200,000 and up to and including \$2,000,000, and 3% on the portion of the fair market value greater than \$2,000,000. For more information see [link](#).

Regional district - The Province of British Columbia is partitioned into regional districts, as a means to better enable municipalities and rural areas to work together at a regional level. Regional districts are governed by boards of directly and indirectly elected directors. For more details access the [website](#).

Registration – Ownership or changes of ownership are registered by registrars and examiners of title at the Land Title Survey Authority's land title offices. Once the examination of the application for registration is complete, a title is issued to the new registered owner.