

An isometric illustration of a city street scene. On the left, there are three buildings of varying heights and colors (light blue, medium blue, and dark blue). A person in a brown suit is walking on the sidewalk in front of the buildings. To the right, there is a tree with a red canopy. In the foreground, two people are sitting on the ground, one of whom appears to be pushing a stroller. The background is a light blue sky.

# BC's Speculation & Vacancy Tax

Register to claim your exemption by March 31<sup>st</sup>, 2019

# What is the Speculation & Vacancy Tax?

Payment is due by July 2, 2019

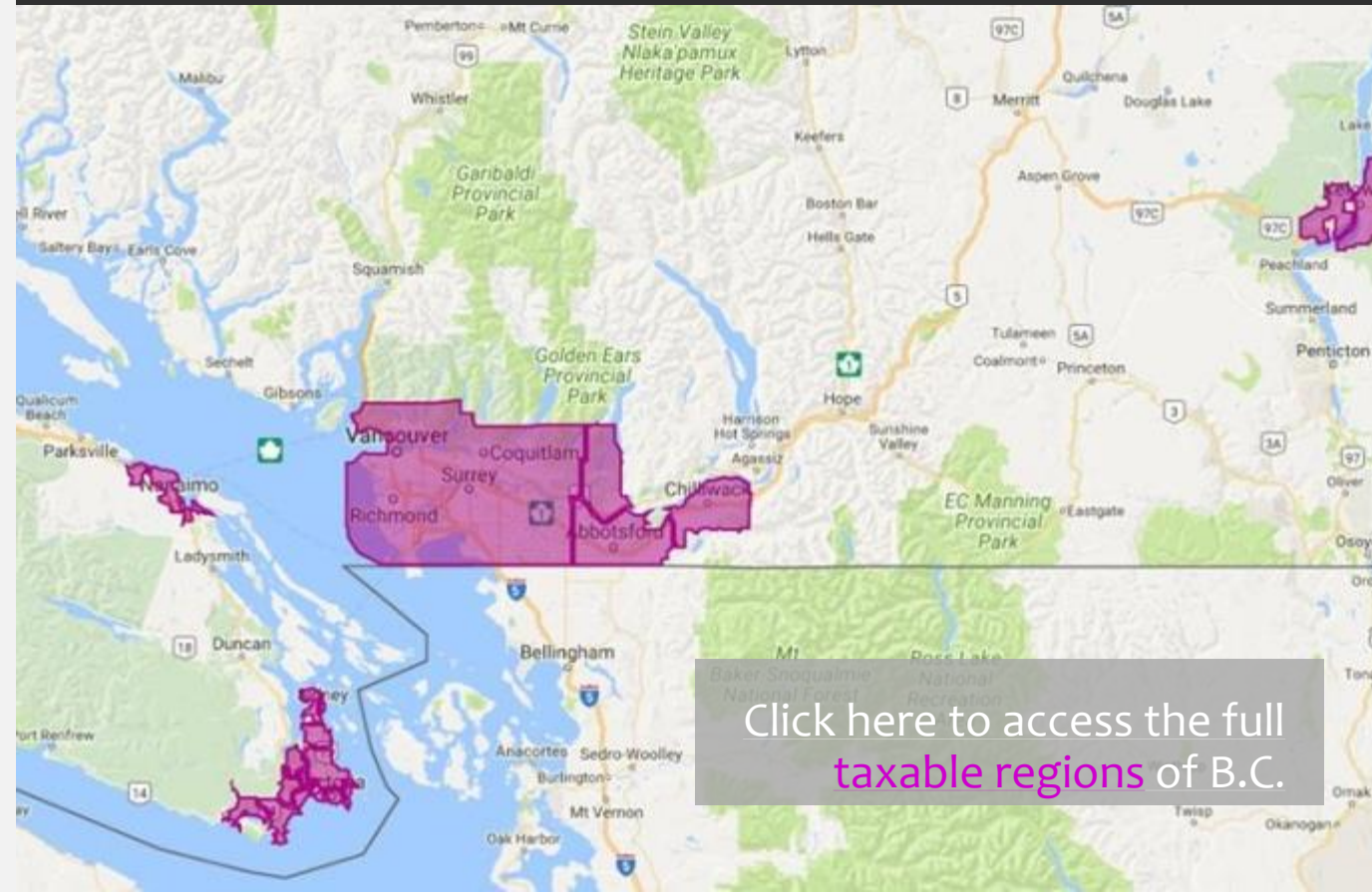
- Annual tax paid by some owners of residential properties in designated [taxable regions](#) of B.C. to make housing more affordable for people in B.C.
- Government 30-Point Plan to tackle the housing crisis where rents have skyrocketed out of reach for residents
- Designed to discourage housing speculation and turn vacant homes to good housing in BC's major urban centres
- All residential property owners in the taxable regions must complete a declaration, even if they're eligible for an exemption

**Note:** The speculation and vacancy tax is distinct from the [empty homes tax in the City of Vancouver](#).



# Taxable Regions of B.C.

Those who own residential property located in a designated taxable region in BC **must** complete a declaration



Click here to access the full **taxable regions** of B.C.

- Municipalities within the [Capital Regional District](#). This excludes Salt Spring Island, Juan de Fuca Electoral Area and the Southern Gulf Islands
- Municipalities within the [Metro Vancouver Regional District](#), excluding Bowen Island, the Village of Lions Bay and Electoral area A, but including UBC and the University Endowment Lands
- The [City of Abbotsford](#)
- The [District of Mission](#)
- The [City of Chilliwack](#)
- The [City of Kelowna](#)
- The [City of West Kelowna](#)
- The [City of Nanaimo](#)
- The [District of Lantzville](#)
- Reserve lands, treaty lands and lands of self-governing Indigenous Nations are not part of the taxable regions.
- Islands that are accessible only by air or water are not part of the taxable regions.
- Some residential properties are excluded from the speculation and vacancy tax, even though they are located within a taxable region. These include residential properties owned by:
  - An Indigenous Nation
  - Municipalities, regional districts, governments and other public bodies
  - Registered charities
  - Housing co-ops
  - Certain not-for-profit organizations

If you're not sure if the residential property is in a taxable region, please email to [spectaxinfo@gov.bc.ca](mailto:spectaxinfo@gov.bc.ca) or call 1 (833) 554-2323



# DOES BC'S NEW SPECULATION TAX APPLY TO YOU?



## What is the speculation tax?

BC's new speculation tax is designed to help make housing in overheated markets more affordable and available. With it, we're telling speculators to free up homes they're keeping vacant so they can be used by British Columbians desperate for housing.

Our approach means 99% of British Columbians – even if they own vacation homes – will not have to pay this tax.

Do you own at least one home in BC?

YES

No? Stop here. Pay no tax.

Do you own one or more homes in the urban centres of Vancouver, the Capital Regional District (excluding the Gulf Islands and Juan de Fuca), Kelowna and West Kelowna, Nanaimo, Lantzville, Abbotsford, Chilliwack or Mission?

YES

No? Stop here. Pay no tax.

Are any of these homes left vacant?

("Vacant" is defined as either: not your primary residence; or, not rented out for at least six months of the year in periods of 30 days or longer; for 2018, it must be for at least three months)

YES

No? Stop here. Pay no tax.

## The \$400,000 exemption

Here's where it gets tricky. Please read both statements.

I only own one empty home and its value is \$400,000 or higher

OR

I have 2 or more empty homes

If you answered No to both, stop here. Pay no tax.

If you answered yes to either, continue

Are you exempt due to special circumstances?

(The owner: is undergoing medical care or residing in a hospital, long-term care or supportive care facility; is temporarily absent for work purposes; is deceased and the estate is being administered.)

Yes? Stop here. Pay no tax.

# Exemption Summary

2018

- Live in their home as their principal residence or rent it for at least 3 subsequent months of the year
- Short-term rentals for periods of less than 1 month do not count towards the 3 month total

2019

- A home that is not a principal residence must be rented for at least 6 months per year
- Short-term rentals for periods of less than 1 month do not count towards the 6 month total

January 18, 2019



Declaration Code: 00000  
Letter ID: L0000000000



JANE DOE  
1234 MAIN STREET  
ANYWHERE BC V8W 9W6

**Declare Now**  
[gov.bc.ca/spectax](http://gov.bc.ca/spectax)

Dear JANE DOE,

The Speculation and Vacancy Tax is a new annual tax **requiring all property owners in the taxable regions to complete a declaration**. The tax is designed to ensure that foreign owners and satellite families are fairly contributing to B.C.'s tax system. It also encourages those with empty properties in urban areas to put them back into the housing market.

**The B.C. government expects over 99% of British Columbians will be exempt from this tax. To claim your exemption, or to determine the amount of tax you owe, you will need to follow a simple process to make a declaration.**

As you own property in a taxable region, **you must complete your declaration by March 31, 2019.**

If your property has more than one owner, even if the other owner is your spouse, **a separate declaration must be made for each owner.**

**1. GET READY - You will need:**

- Declaration Code: 00000
- Letter ID: L0000000000
- Property address: Please see reverse for a list of applicable properties.
- Your Social Insurance Number (SIN)

**2. DECLARE:**

- The easiest way to declare is to do so online, at [gov.bc.ca/spectax](http://gov.bc.ca/spectax)
- You may also declare by calling toll-free at **1 833 554-2323**, 8:00 a.m. to 8:00 p.m. PST, 7 days a week. **Translation services are available.**

**For more information, read the enclosed insert, visit our website at [gov.bc.ca/spectax](http://gov.bc.ca/spectax) or call toll-free at 1 833 554-2323, 8:00 a.m. to 8:00 p.m. PST, 7 days a week.**

If you do not declare by March 31, 2019, you will receive a tax notice and may be taxed at 0.5% of your property's assessed value.

Yours truly,

Steven Emery  
Administrator, Speculation and Vacancy Tax

# Claiming your Exemption

Must register your property by March 31<sup>st</sup>, 2019

Information necessary to register found in declaration letter mailed by mid-February:

- Declaration Code
- Letter ID
- Property Address
- Your Social Insurance Number (SIN)

**YOU PROBABLY WON'T  
HAVE TO PAY IT**

**BUT YOU DO HAVE  
TO REGISTER**





Properties owned by December 31<sup>st</sup>, 2018, the tax rate is the same for everyone:

- 0.5% of the BC assessed value of your residential property as of July 1<sup>st</sup>, 2018 as determined by the BC Assessment
- BC owners are eligible for a tax credit of up to \$2,000 on secondary properties to offset their tax payable (The credit is limited to \$2,000 per owner & \$2,000 per property in the case of multiple owners per year)
- Applied based on ownership as of December 31<sup>st</sup> each year
- If a residential property has multiple owners, the tax is divided among each owner based on their ownership share.  
For example, if you and your spouse are equal owners, you'll owe tax on 50% of the home's assessed value
- A corporation, trustee or partner will pay tax at the highest rate that would be applicable to any of the corporate interest holders, beneficial owners or partnership interest holders if they held the residential property individually.

# How the tax will be charged if you're eligible



For **2019** and onwards, it will vary based on your residency and where you pay income tax:

- 2% for foreign owners & [satellite families](#)
- 0.5% for British Columbians & other Canadian citizens or permanent residents who are not members of a [satellite family](#)
- The Speculation & Vacancy Tax applies based on ownership as of December 31<sup>st</sup> each year

# How the tax will be charged if you're eligible

- If a residential property has multiple owners, the tax is divided among each owner based on their ownership share. For example, if you and your spouse are equal owners, you'll owe tax on 50% of the home's assessed value
- A corporation, trustee or partner will pay tax at the highest rate that would be applicable to any of the corporate interest holders, beneficial owners or partnership interest holders if they held the residential property individually.

## Here's how the tax affects you.

### For British Columbians

The tax will apply on homes they own but remain vacant within the designated urban areas – Metro Vancouver, the Capital Regional District (excluding the Gulf Islands and Juan de Fuca), Kelowna and West Kelowna, Nanaimo, Lantzville, Abbotsford, Chilliwack and Mission.

Tax Rate: 0.5% of property value

**99%** of British Columbians will NOT pay this tax

The tax rates for Foreign Speculators & Satellite Families:  
**2%**

The tax rates for Canadians in other provinces:  
**1%**

# What other exemptions could I be eligible for?

You may be eligible for other exemptions, even if your residential property isn't your principal residence and you do not rent it out for the minimum number of months per year.

If you are not exempt, you will receive a tax notice with the amount you owe

## Individuals Exemptions

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<https://www2.gov.bc.ca/gov/content/taxes/property-taxes/speculation-and-vacancy-tax/exemptions-speculation-and-vacancy-tax/individuals>

## Land Under Development Exemptions

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<https://www2.gov.bc.ca/gov/content/taxes/property-taxes/speculation-and-vacancy-tax/exemptions-speculation-and-vacancy-tax/land-under-development>

## Corporations, Trustees & Partners Exemptions

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<https://www2.gov.bc.ca/gov/content/taxes/property-taxes/speculation-and-vacancy-tax/exemptions-speculation-and-vacancy-tax/corporations-trustees-partners>



# Not eligible for an exemption

## → you may qualify for a **tax credit!**

### BC Owners

- Eligible for a tax credit up to \$2,000 on a secondary property  
This means an owner of a home assessed at up to \$400,000, who would otherwise pay the tax, will be exempt, since the value of the tax credit is equal to or more than the amount they would owe. This also means an owner of a home assessed at above \$400,000 will only pay tax on the amount over \$400,000 (for example, for a \$500,000 property, the owner will only pay tax on \$100,000).
- The credit is limited to \$2,000 per owner and \$2,000 per property (in the case of multiple owners) per year.
- The tax credit cannot be carried forward or transferred to a spouse.

### Other Canadians

- Eligible for a tax credit based on that income claimed in B.C. The tax credit cannot reduce the tax rate below the [tax rate](#) for an equivalent B.C. resident.
- Unused tax credits may be carried forward for up to two years or transferred to a spouse.
- The tax credits are pro-rated in 2018, when the tax rate is 0.5% for all owners

### Foreign Owners & Satellite Families

Foreign owners and [satellite families](#) can claim a tax credit equal to 20% of their B.C. income to reduce the 2% speculation and vacancy tax owing. The tax credit cannot reduce the [tax rate](#) below the rate for an equivalent B.C. resident (zero on a principal residence or 0.5% on other properties). Unused B.C. income may be carried forward for up to two years or transferred to a spouse. The tax credits are pro-rated in 2018, when the tax rate is 0.5% for all owners.

## Acceptable methods of payment

- Online Payment System
- Pay through your financial institution
- By cheque
- In person at a Service BC Centre

## What if I don't pay all or part of what I owe?

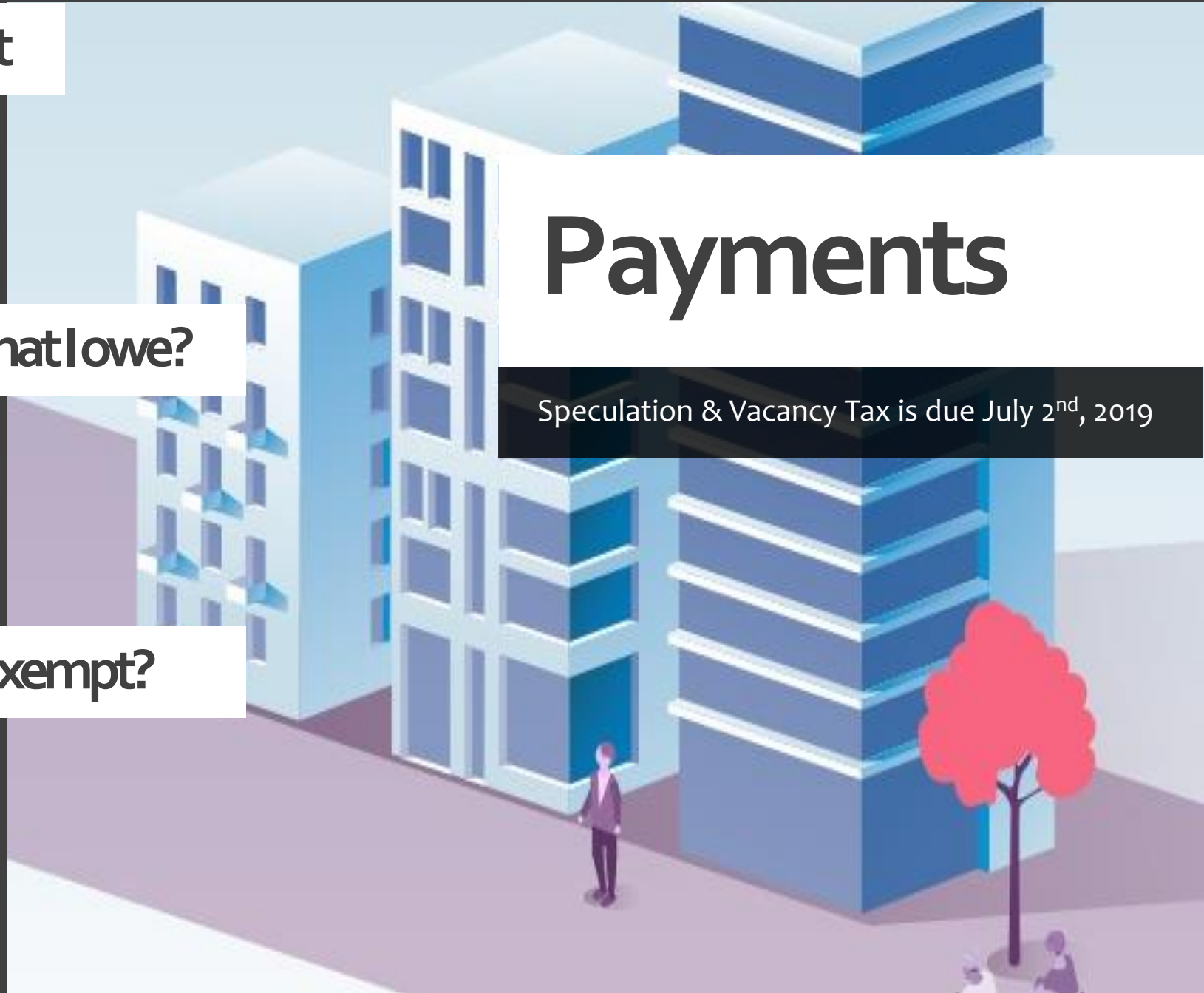
If you are charged but don't pay what you owe, you may be charged a penalty & interest in addition to the amount of tax you already owe

## What if I pay & later find out I'm exempt?

You can get a refund if you already paid the speculation & vacancy tax. You must contact 1.833.554.2323 to request either a refund or credit which will be applied to your next year's speculation & vacancy tax.

# Payments

Speculation & Vacancy Tax is due July 2<sup>nd</sup>, 2019



# BC's Speculation and Vacancy Tax

All information can be found by visiting:

<https://www2.gov.bc.ca/gov/content/taxes/property-taxes/speculation-and-vacancy-tax>



1 833 554 2323



1 604 660 2421



[spectaxinfo@gov.bc.ca](mailto:spectaxinfo@gov.bc.ca)



[gov.bc.ca/spectax](https://gov.bc.ca/spectax)



## Contact Info