

Mayor's Report **The Provincial Taxman Cometh!**

The news since the beginning of the year has been full of stories regarding the new property taxes that are being introduced by the Provincial government. In this regard, Belcarra property owners need to be aware of these new taxes and their impacts, particularly the property tax surcharge that will come into effect next year.

Property Transfer Tax – The amount of property transfer tax is based on the fair market value of the land and improvements on the date of registration. The property transfer tax rate is:

- 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;
- 3% on the portion of the fair market value greater than \$2,000,000; and
- if the property is residential, a further 2% on the portion of the fair market value greater than \$3,000,000 (effective February 21st, 2018).

Property Speculation Tax – The speculation tax applies to residential property in B.C.'s largest urban centres such as Metro Vancouver. **Primary residences of British Columbians are exempt from the tax, but vacant properties pay.** In 2018, the tax rate for all properties subject to the tax is 0.5% on the property value. In 2019 and subsequent years, the tax rates will be as follows:

- 2% for foreign investors and satellite families;
- 1% for Canadian citizens and permanent residents who do not live in B.C.; and
- 0.5% for British Columbians who are Canadian citizens or permanent residents (and not members of a satellite family).

Property Tax Surcharge – Strangely, the Province calls it a “School Tax Surcharge” on residential properties that have assessments over \$3 million. The reality is that the “surcharge” has nothing to do with funding schools and goes directly into the Province’s general revenue fund. **In other words, it is purely and simply a new “asset tax”.** Keep in mind that the “surcharge” is over and above the Province’s “School Tax” — also a provincial property tax that goes directly into the Province’s general revenue fund — that already increases based on assessed property values. An analysis of Belcarra’s 2018 BCAA assessment values shows that 58 property owners (17.5%) will be impacted by the surcharge next year:

2018 Assessments †			2019 Impacts	
Assessed Value Ranges	Number of Properties	Percent of Properties	B.C. Property Tax Surcharge (%)	B.C. Property Tax Surcharge (\$)
< \$2 million	208	62.8%	----	----
\$2 – \$3 million	65	19.6%	----	----
\$3 – \$4 million	33	10.0%	0.20%	Up to \$1,999
\$4 – \$5 million	19	5.7%	0.40%	\$2,000 – \$7,999
\$5 – \$6 million	4	1.2%	0.40%	\$8,000 – \$11,999
\$6 – \$7 million	1	0.3%	0.40%	\$12,000 – \$15,999
> \$7million	1	0.3%	0.40%	Greater than \$16,000
Total	331	100%		

† Assessment data does not include recreational water lots, MV properties, BC Hydro & Telus properties.

Ralph Drew
Mayor

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