

## BC Budget 2016 highlights

The BC government introduced its fourth consecutive balanced budget with a projected surplus of \$377 million on February 16, 2016.

### Highlights include:

#### Property Transfer Tax (PTT)

- a new 3% PTT rate will apply to the portion of all home sales that exceed \$2 million. For homes that sell for below \$2 million, the PTT will continue to apply at a rate of 1% on the first \$200,000 and 2% on the balance;
- a New Housing exemption to the PTT. A full exemption will apply to newly built homes or newly subdivided units priced up to \$750,000, saving buyers up to \$13,000; and
- a partial exemption on newly built homes priced \$750,000 to \$800,000.

#### What qualifies as a newly built home?

- a house built on vacant land;
- a new apartment in a newly built condominium building;
- a manufactured home on vacant land;
- an existing house that's been moved from one parcel of land to a vacant parcel;
- a new house or houses resulting from the subdivision of a lot, as long as the new house(s) haven't been occupied since the subdivision;
- a house converted from an existing improvement on the land. The previous improvement couldn't have been in residential use. For example, a warehouse converted into apartments would qualify.

Qualifying buyers may be eligible for either a full or partial exemption from the PTT.

If you paid the PTT when you bought vacant land and you now have a newly built home on the land, you may be [eligible for a refund or a partial refund](#).

#### Do you qualify for a PTT exemption?

To qualify, the property (land and improvement) must be [registered](#) at the Land Title Office **after February 16, 2016**.

The property owner must be:

- an individual;
- a [Canadian citizen](#) or [permanent resident](#); and
- in BC.

Property owners claiming the exemption must provide their Social Insurance Number (SIN) and birthdate.

The property must:

- be used as your principal residence;
- have a fair market value of \$750,000 or less; and
- be 0.5 hectares (1.24 acres) or smaller.

You may qualify for a partial exemption, if the property:

- has a fair market value greater than \$750,000 and less than \$800,000;
- is larger than 0.5 hectares; or
- has another building on the property other than the [principal residence](#).

If you qualify, find out the [amount of your exemption here](#).

If you don't qualify because you're not a Canadian citizen or permanent resident, but you become one within 12 months of when the [property is registered](#), you may apply for a refund of the tax.

## Apply

To apply for the Newly Built Home Exemption, enter exemption code 49 on the Special Property Transfer Tax Return when you register the [property](#) at the Land Title Office.

## Occupancy Requirements

After you've registered the property, you must meet occupancy requirements during the first year of ownership. To keep the tax exemption you must:

- move into your home **within 92 days** of the date the property was registered at the Land Title Office, and
- continue to occupy the property as your principal residence for the remainder of the first year.

You'll receive a letter at the end of the first year to confirm you meet these requirements. You may keep part of the exemption if you move out before the end of the first year.

If the owner dies, or the property is transferred because of a separation agreement or a court order under the *Family Law Act* before the end of the first year, the exemption may still apply.

## Refund

If you qualify for the exemption, but didn't apply when you registered your home, you may [apply for a refund](#).

## Vacant Land

If you registered a vacant lot and paid the tax, you may [apply for a refund](#) if:

- you have a [newly built home](#) on the land;
- you meet the [qualifications for the Newly Built Home Exemption](#);
- the fair market value of the land plus the cost of the newly built home is:
  - \$750,000 or less for a full exemption
  - \$800,000 or less for a [partial exemption](#); and
- you moved into your home and continued to occupy the property as your [principal residence](#) for the remainder of the first year.

## Moving

If you move out of the home before the end of the first year, you may be eligible for a partial refund of the tax you paid.

## Apply for a refund

To apply for a refund, complete the [Newly Built Home Application for Refund](#) (PDF).

You must apply for a refund after the first anniversary of the registration date and within 18 months from the date you registered the property at the Land Title Office.

If you applied for the [First Time Home Buyers Program](#) after February 16, 2016, but want to apply for the Newly Built Home Exemption instead, contact Finance Ministry staff at 1-888-355-2700 (Toll free).

## Resources

- [Newly Built Home Application for Refund](#) (PDF)
- [Instruction Guide for Completion of General, Special and Electronic Property Transfer Tax Returns](#) (PDF)

## Contact

- 1-888-355-2700 (Toll free) or [pttenq@gov.bc.ca](mailto:pttenq@gov.bc.ca)

Read the [Newly Built Home Exemption fact sheet](#). Read the [Newly Built Home Exemption Amounts bulletin](#).

**Data collection (citizenship and residency)**

Starting this summer, when an owner registers their property at the Land Title Office, they must disclose if they are a Canadian citizen or permanent resident, or their citizenship if not Canadian. Corporations will be required to disclose their directors' citizenship.

Transferees must also disclose if they're holding the land as bare trustees and provide information on the settlor and beneficiaries of the bare trust.

This information was gathered until 1998. Collecting it again will provide the government with factual data on foreign investment and bare trust activity in the marketplace.

The data will be used in a study BC Housing will conduct on the key factors affecting housing affordability.