



# FAMILIES WITH CHILDREN PROPERTY TAX DEFERMENT PROGRAM APPLICATION AND AGREEMENT GUIDE

under the *Land Tax Deferral Act*

**Submit your tax deferral application to your property tax office at the address shown on your property tax notice. Applications sent directly to the Property Tax Deferral Office will not be accepted.**

## PROGRAM DESCRIPTION

Tax deferral is a low-interest loan program that helps qualified BC homeowners pay their annual property taxes.

## BEFORE YOU APPLY

- ✓ Make sure you meet all program qualifications (applicant, property and equity – see below). If your application is not approved and it is past the property tax due date, you may be charged a late payment penalty from your property tax office.
- ✓ Pay any non-residential (class 02-08) taxes and overdue property taxes from previous years, outstanding penalty and interest charges.
- ✓ Claim your home owner grant (if eligible).
- ✓ Contact your bank or property tax office to cancel any automatic payments being made to your property tax account to ensure your current year taxes remain unpaid at the time of deferral.
- ✓ Contact your lender prior to applying to ensure your approval into the tax deferral program does not conflict with the terms of your loan.

Due to the high volume, it can take us several months to process your application after we receive it from your property tax office. We process applications in the order they are received. If we need more information, we will notify you by mail or email.

**Note:** To make sure our email does not go into your spam or junk folder, add [taxdeferral@gov.bc.ca](mailto:taxdeferral@gov.bc.ca) as a contact or to your email address book.

## DO NOT SUBMIT AN APPLICATION IF

- your property taxes have been paid in full or you owe taxes from previous years
- your residence is not taxed as a residential (class 1) improvement
- you have a restrictive lien on title, such as a Certificate of Pending Litigation, Caveat, Injunction or Judgment
- the property is taxed by a First Nation
- the property is leased from the Crown or municipality
- the property is held entirely in trust or in the name of an executor/administrator of the will of a deceased owner
- the property is held entirely in the name of a corporation
- you own a manufactured home but do not own land and do not hold a current fire insurance policy
- your home is a float home or is on stilts and does not have a property title registered with the Land Title Office
- you do not meet ALL program qualifications

## PROGRAM QUALIFICATIONS

### 1. Applicant Qualifications

To qualify for this program you must:

- be a Canadian citizen or permanent resident of Canada
- be a registered owner of the property, and
- have lived in BC for at least one year prior to applying

And, you must be financially supporting:

- any child under the age of 18 during the current calendar year who is living with you full time or part time or who doesn't live with you but you pay support for the child, or
- your own child or stepchild of any age that is attending an educational institution (e.g. college or university), or
- your own child or stepchild of any age who is designated as a person with disabilities under the *Employment and Assistance for Persons with Disabilities Act*, or
- your own child or stepchild of any age that, in the opinion of a physician, has a severe mental or physical impairment that:
  - is likely to continue for at least two years,
  - directly and significantly restricts their ability to perform daily living activities, either continuously or periodically for extended periods, and
  - as a result of those restrictions, they require an assistive device, the significant help or supervision of another person, or the services of an assistance animal to help perform those activities

**Note:** You may need to show proof that you are financially supporting a child.

### Person with a Disability Supporting Documents

If you are applying as a parent or stepparent of a person with a disability, you must attach one of the following supporting documents to your application:

- *Confirmation of Assistance* or other documentation from the Ministry of Social Development and Poverty Reduction that your child or stepchild is designated as a person with disabilities, or
- a *Physician Certification (FIN 58)*, completed and signed by your child or stepchild's physician

### 2. Property Qualifications

To be eligible for the tax deferral program, your property must be:

- your principal residence (where you live and conduct your daily activities), and
- your residence must be taxed as a residential (class 1) improvement

### 3. Equity Qualifications

You must have and maintain a minimum of 15% equity in your property to qualify for this tax deferral program. This means that all charges registered against your property plus the tax amount you want to defer cannot be more than 85% of the current BC Assessment value. Charges may include your outstanding mortgage balance and the credit limit amount for any lines of credit you may have.

#### Example

BC Assessment value of your home =	\$ 500,000	
BC Assessment value X 85% =	\$ 500,000 X 0.85 = \$425,000	<b>A</b>
Current year property taxes plus the total of all registered charges =	$\begin{array}{r} \$2,000 \text{ (property taxes)} \\ + \$350,000 \text{ (mortgage)} \\ \hline \$352,000 \end{array}$	<b>B</b>
The amount in Box B <b>MUST BE LESS THAN</b> the amount in Box A to qualify.		

If we do not have enough information to verify your equity, we will send you a letter either by mail or email requesting information from your financial institution by a given due date.

**Note:** If you do not have current fire insurance on your property, equity will be based on the assessed value of your land only.

To learn more about how equity is calculated, visit our website at [gov.bc.ca/propertytaxdeferral](http://gov.bc.ca/propertytaxdeferral) and go to our [Understanding Property Equity](#) page.

#### HOW TO APPLY

1. Wait until you receive your annual property tax notice from your property tax office (in May or June).
2. Complete the *Families with Children Property Tax Deferral Program Application (FIN 28)*. This form has two parts:
  - Page 1 (Form 1) is the application and has to be completed by only one qualified applicant. Part D must have the signature from the primary applicant (Part A) **not** the child's name.
  - Page 2 (Form 2) is the agreement and must be signed by all registered owners of the property. The names must match the names registered on title.
3. Before your tax due date, submit your tax deferral application, any supporting documents and home owner grant application (if eligible) your property tax office at the address shown on your property tax notice.

**Note:** The last date you may submit your tax deferral application to your property tax office is December 31 of the current year. However, if you apply after the property tax due date, any late payment penalty added by your property tax office is not deferrable and must be paid before your property tax office submits your application to our office for processing.

#### AFTER YOU APPLY

- Your property tax office will complete their portion of your application and forward it to us for processing. Your property tax office does not grant approvals into the tax deferral program.
- We receive your application and determine your eligibility. We may request further information to support your application. This will be sent to you by mail or email if indicated on your application.
- If your application is approved, it becomes a signed agreement and is registered as a restrictive lien with the Land Title Office or the Personal Property Registry (if you own a manufactured home).
- Once the lien is registered, we will pay your current property taxes directly to your property tax office on your behalf and notify you by mail of your approval. The lien remains in effect until the account is paid in full.

#### ANNUAL RENEWAL

If your application is approved, you must apply to renew your agreement each year if you want us to continue to pay your property taxes on your behalf. Find out more about the renewal process on our website.

#### PENALTIES

Your property tax office will charge you a late payment penalty if:

- your application is not approved and it is past the tax due date
- you withdraw your application for any reason after the tax due date

#### FEES AND INTEREST

There are no fees for the Families with Children tax deferral program.

Simple interest is charged at a rate not greater than the bank prime rate and is set every April and October. Interest begins from your property tax due date or the date you apply to defer your taxes, whichever is later. Visit our website for the current interest rate.

#### CONTACT INFORMATION

For general information on the tax deferral program, contact the tax deferral office below or your property tax office.

Telephone: 250 387-0555

Toll-free: 1 888 355-2700

Website: [gov.bc.ca/propertytaxdeferral](http://gov.bc.ca/propertytaxdeferral)

Email: [taxdeferral@gov.bc.ca](mailto:taxdeferral@gov.bc.ca)

The information in this guide is for your convenience and is not a replacement for the legislation. The *Land Tax Deferral Act* and regulations are available on our website.