

# Ministry of Finance

## Tax Bulletin



REVISED: March 2016

Bulletin PTT 016

[gov.bc.ca/propertytransfertax](http://gov.bc.ca/propertytransfertax)

## Municipal Tax Sales

### *Property Transfer Tax Act*

Latest Revision: *This bulletin has been completely rewritten and replaces the previous version dated January 2000.*

This bulletin explains how property transfer tax (PTT) applies to property transfers resulting from municipal tax sales.

For more information about the types of transactions that are taxable, the rate and who must pay the tax, see [Bulletin PTT 001](#), *Property Transfer Tax*.

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## Overview

PTT is a registration tax you pay on the fair market value of a property when you acquire an interest in the property and register your interest at the land title office. When you purchase a municipal tax sale property, you must pay the PTT on the fair market value of the property at the time of transfer.

## Definitions

**Municipal Tax Sale** is the forced bidding of a property whose owners have failed to pay their property taxes for three consecutive years resulting in a public auction of their property.

**Fair Market Value** is the price that would be paid by a willing purchaser to a willing seller for a property (land and improvements) in the open market on the date of registration.

**Redemption period** is the period of time the original owners have to buy back their property by paying the outstanding taxes, fees and interest.

## **Municipal Responsibilities**

When you, the municipality, advertise upcoming municipal tax sales you must also inform prospective purchasers of their responsibility to pay PTT on the fair market value of the property at the time of the title transfer. The transfer of title occurs after the redemption period has expired.

Once you have registered the title transfer at the land title office, send us an email with the following information for each property:

- purchaser's name
- purchaser's mailing address
- purchaser's civic address
- legal description of the property
- assessment roll of the property
- assessed value of the property
- land title office used, and
- parcel identifier (PID) number

We will send the purchaser a letter and Notice of Assessment for PTT payable once we have received your email as explained above.

## **Purchasers**

Once we receive notification from the municipality, we will then send you, the purchaser, a letter and Notice of Assessment for the PTT payable based on the fair market value of your property at the time of transfer.

For municipal tax sales, we determine the fair market value by looking at available market indicators, including:

- the BC Assessment assessed value,
- market sales, and

- other information or evidence relevant to determining the value of the property (i.e. an appraisal).

After you receive your letter and Notice of Assessment you can provide further valuation information to us as necessary.

## **Need more info?**

Online: [gov.bc.ca/propertytransfertext](http://gov.bc.ca/propertytransfertext)

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

Telephone: 250 387-0604 (Victoria)

Toll-free: 1 888 355-2700

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