

Ministry of Finance

Property Tax Circular



ISSUED: July 2020

Circular 2020-001

gov.bc.ca/propertytaxes

Municipal Administration of School and Police Taxes - 2020

Important Information

School Act and Police Act

This circular explains changes to the school and police tax remittance and reporting requirements for municipalities for the 2020 property tax year. Police tax information only applies to municipalities that collect police tax on behalf of the province.

Information is also sent to municipalities' contacts through eTaxBC as it becomes available. Please update your contact information in [eTaxBC](#) if it has changed.

The government has introduced [Bill 18, Economic Stabilization \(COVID-19\) Act](#). For 2020, new processes in this bill will replace some of the tax remittance provisions you are familiar with from the School Act, Police Act, or their respective remittance regulations.

School and Police Tax Rates

School and police tax rates are set by the province each year. For 2020, the tax rates were sent to municipalities through eTaxBC on April 24, 2020. School tax rates were reduced by 70% to 100% for classes 4 through 8 compared to the rate policy announced in Budget 2020. Overall, the commercial property tax bill for most businesses was reduced by 25% on average.

Notice of Financial Account (NOFA) Provincially Administered Taxes (PAT) Annual Return

Your annual school tax notice was available to you in eTaxBC as of May 8, 2020. The annual return includes school taxes (and if applicable, police taxes) to be levied by the municipality.

No Initial Remittance is required **for 2020**. Your notice will show zero tax due.

The NOFA PAT annual return includes the provincial tax credits available to taxpayers. These tax credits remain the same as last year:

- Provincial Industrial Property Tax Credit - major industry properties (Class 04) receive a 60% school tax credit. The credit applies to both taxable and grantable Class 04 properties.
- Provincial Farm Land Tax Credit - farm land properties (Class 09) receive a 50% school tax credit. The credit applies to both taxable and grantable Class 09 properties.

If taxes levied by the municipality change because of a current roll year supplementary, the increase or decrease of the school and police tax amount will automatically be adjusted in eTaxBC. The adjustment can be viewed in your eTaxBC PAT account located on the Statement, Step 8 Summary.

PAT Monthly Return

Due to a system issue, your June and July returns will look different.

Report any school taxes (and if applicable, police taxes) collected and any approved home owner grants for both the June and July periods on your June PAT monthly return by August 10, 2020. Your June return covers all taxes collected up to July 31, 2020 and your July return will be made unavailable in the system. Starting with the August period, proceed as usual, as shown below.

You must file your PAT return every month (except July as noted above) even if you have nothing to report. **No payment is required**; however, full or partial payments are accepted.

The full outstanding balance at year end is due on January 15, 2021. Late payments are subject to interest charges.

PAT Monthly Return schedule for 2020.

Period	Due Date	Payment Required
30-Jun-2020 (includes all taxes collected up to July 31, 2020)	10-Aug-2020	No
31-Jul-2020	Unavailable - No action required	No
31-Aug-2020	08-Sep-2020	No
30-Sep-2020	07-Oct-2020	No
31-Oct-2020	06-Nov-2020	No
30-Nov-2020	07-Dec-2020	No
31-Dec-2020 Year End	15-Jan-2021	Outstanding balance in full

Adjustments to the PAT Monthly Return

Current Year Home Owner Grants

Approved current year home owner grants (HOGs) may be offset against the school tax collected. You must report the details of each grant when claiming a deduction in the HOG Claim Details section of the PAT monthly return. If the total amount of the grants for the year is greater than the total school tax collected, the municipality will receive a refund of the credit balance after the December PAT monthly return is filed.

Retroactive Home Owner Grants

Approved retroactive home owner grants (except grants payable by the ministry directly to the applicant) may be offset against the school tax collected instead of the municipality receiving a payment for the grant. You must report the details of each grant when claiming a deduction in the HOG Claim Details section of the PAT monthly return.

Other Adjustments

- Credits or debits from 2016 and prior roll year supplementary can be adjusted; however, adjustments for 2017 to current roll year supplementary are automatically posted to your PAT account and cannot be adjusted
- Any lease proration for 2016 and prior years must include supporting documentation and be submitted with the PAT monthly return
- Write-offs must include supporting documentation and be submitted with the PAT monthly return for approval
- Interest charges must include supporting documentation and be submitted with the PAT monthly return

Grants in Place of School and Police Taxes

Every year, municipalities must apply for grants in place (sometimes called payments in lieu of taxes) on behalf of the province for school and police taxes (if applicable). The grants in place are reported on the PAT monthly return in the period they are collected. Complete the table with tax collected information for each grant folio at Step 6 Grants in Place. Payment to the province must be made by the fifth business day in February of the year after the grants are collected.

How to Remit Payments

All payments must be made through your eTaxBC account, by electronic funds transfer or by wire transfer. Cheques or deposits will not be accepted.

Further Information

For questions about the collection and remittance of school and police taxes or PAT account administration, contact the account analyst for your jurisdiction, the School Tax Auditor or send a web message through eTaxBC.

The information in this circular is for your convenience and guidance and is not a replacement for the legislation. You can find the School Act and the Police Act and the corresponding regulations on our [website](#).