

# Ministry of Finance

## Property Tax Circular



ISSUED: June 2017 REVISED: June 23, 2017

Circular 2017-001

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

## Municipal Administration of School and Police Taxes 2017

### *School Act and Police Act*

Latest Revision: *The revision bar ( | ) identifies changes to the previous version of this notice dated June 2017. For a summary of the changes, see Latest Revision at the bottom of this page.*

This circular explains school and police tax remitting and reporting requirements for municipalities. The police tax information only applies to municipalities that collect police tax on behalf of the province.

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

### **School and Police Tax Rates**

School and police tax rates are set by the province every year and sent to municipalities through eTaxBC by May 4.

### **NOFA PAT Annual Return (Replaces the School Tax Notice)**

You can now find the Notice of Financial Account - Provincially Administered Taxes (NOFA PAT) annual return in eTaxBC. The annual return includes school taxes (and if applicable, police taxes) to be levied by the municipality. You receive the return every year through eTaxBC by May 10.

Included in the NOFA PAT annual return are the tax credits available to taxpayers. These tax credits include:

- 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) receives a 50% school tax credit.

If there are changes to the taxes levied by the municipality 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 (Replaces the School Tax Remittance Coupon)**

You will find your PAT Monthly Return in eTaxBC. You must file your PAT Return every month even if you have nothing to report. Returns are available on the last business day of each month and are due by the fifth business day after the last day of the month. In addition, you must confirm your property tax due date on your April return.

### **Part 1 Payment**

The NOFA PAT annual return identifies the Part 1 payment (the Initial Remittance Due). This amount is due five business days after your municipality's property tax due date. Ensure you make your payment on the PAT Return for the June period as indicated in your eTaxBC account. **You cannot make any adjustments to this amount.**

### **Part 2 Payment**

The Part 2 payment is due 15 business days after your municipality's property tax due date and must be reported on the PAT Return for June. The second Pat Return for June will be available after you make your Part 1 payment. The Part 2 payment represents a reconciliation between the Part 1 payment and all tax collected up to and including the property tax due date, less any approved home owner grants.

### **Subsequent Payments**

Taxes collected by the municipality after the tax due date are remitted and reported on the PAT Monthly Return for the month the taxes are collected. Any outstanding balance at year end is reported on the December return and is due on the 10<sup>th</sup> business day of January.

## **Adjustments to the PAT Monthly Return**

### **Current Year Home Owner Grants**

Approved current year home owner grants 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 for grants that are 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 prior roll year supplementary - you cannot make any adjustments for current roll year supplementary
- Lease proration for 2016 and prior - supporting documentation must be submitted with the PAT Monthly Return

- Write-offs - supporting documentation must be submitted with the PAT Monthly Return for approval by the provincial school tax administrator
- Interest charges – supporting documentation must 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 may be reported on any PAT Monthly Return and 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 wire transfer. Cheques or deposits will not be accepted. Late payments are subject to interest charges.

## Further Information

The [2017 Property Tax Changes for Municipalities & Regional Districts](#) webpage provides information to help you understand important process changes in the 2017 tax year, including a tutorial on completing the PAT Monthly Return.

For questions about the collection and remittance of school and police taxes or PAT account administration, contact the account analyst for your jurisdiction.

Jurisdiction	Account Analyst	Phone Number
200 – 308	<a href="#">Bill Schley</a>	387 387-1242
310 – 352	<a href="#">Lana Young</a>	250 387-0578
362 – 535	<a href="#">Thuy Luong</a>	250 387-0571
537 – 592	<a href="#">Janice Wahlstrom</a>	250 356-5880

For additional questions about school and police taxes or audits, contact the provincial school tax administrator by email at [pennyrae.schur@gov.bc.ca](mailto:pennyrae.schur@gov.bc.ca) or by telephone at **250 590-0238**.

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](#).

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### Latest Revision

June 23, 2017

- A minor revision to correct the account analyst assigned to the correct corresponding jurisdiction.
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