

Ministry of Finance

Tax Bulletin



REVISED: December 2017

Bulletin PTT 016

gov.bc.ca/propertytransfertax

Municipal Tax Sales

Property Transfer Tax Act

Latest Revision: *This revision bar (|) identifies changes to the previous version of this bulletin dated November 2017. For a summary of the changes, see Latest Revision at the end of this document.*

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 the municipality advertises upcoming municipal tax sales, the municipality must 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 title transfer has been registered at the land title office, the municipality will send us an email with the following information for each property:

- purchaser's name
- purchaser's social insurance number and date of birth (if the purchaser is an individual)
- purchaser's business number (if the purchaser is a corporation)
- purchaser's contact 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 a Notice of Assessment for PTT payable once we have received the detailed email as explained above.

Purchasers

Once we receive notification from the municipality, we will then send the purchaser a letter and a Notice of Assessment for the PTT payable based on the fair market value of the 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
- other information or evidence relevant to determining the value of the property (i.e., an appraisal)

After you receive your letter and the Notice of Assessment you can provide further valuation information to us as necessary. **Note:** Personal information collected by the municipality is done so for the administration of the *Property Transfer Tax Act*, under the authority of both this Act and section 26 of the *Freedom of Information and Protection of Privacy Act*.

All information is submitted to and retained by the Property Transfer Tax program and may be shared with the Home Owner Grant and Land Tax Deferment administrators.

Need more info?

Online: gov.bc.ca/propertytransfertax

Email: pttenq@gov.bc.ca

Telephone: 236-478-1593 (Victoria)

Toll free: 1-888-841-0090

Subscribe to receive email notifications when B.C. tax information is updated.

The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation.

Latest Revision

December 2017

- Added information for purchasers about the collection of their personal information and clarified the type of information collected
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