

## Registered Charities Exemption

### *Property Transfer Tax Act*

This bulletin describes how the *Property Transfer Tax Act* applies to the sale or transfer of property to a registered charity. For more information on the property transfer tax, refer to Bulletin [PTT 001](#), *Property Transfer Tax Generally*.

### What are the Registered Charity Exemptions?

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Registered charities are exempt from property transfer tax when they purchase or receive property that will be used for a charitable purpose. To qualify, the property must be transferred into the name of the charity.

#### Which charities are eligible?

To be eligible for these exemptions, an organization must be registered as a charity with the Canada Revenue Agency (CRA).

For more information about registered charities, visit the CRA charities website at [www.cra-arc.gc.ca/chrts-gvng/chrts/menu-eng.html](http://www.cra-arc.gc.ca/chrts-gvng/chrts/menu-eng.html) or contact them by telephone at 1 800 267-2384.

Most registered charities are able to register property in their own name and will benefit from the above exemptions.

However, some religious charities are prevented by law from registering property in their own name. In this situation, a trustee takes title to the property on the charity's behalf.

Effective February 18, 2004, transfers to the trustees of these religious charities are exempt if the property transferred to the trustee is **both**:

- held on behalf of a registered charity that is a congregation, religious organization or religious society registered under one of the following:
  - the *Trustee (Church Property) Act*,

- the *Lutheran Student Foundation of British Columbia Act*,
- the *United Church of Canada Act*, or
- an Act respecting the President of the Lethbridge Stake of the Church of Jesus Christ of Latter-day Saints (Canada), **and**
- used for a charitable purpose.

## How to Claim These Exemptions

If you are a registered charity or trustee that qualifies for an exemption, you will need to fill out a *Special Property Transfer Tax Return*. For reference purposes, please see a sample of the return ([FIN 579-S](#)).

Enter the following information in Section F of the form.

- The fair market value of the property, on line F1.
- Exemption code “22”, the charity’s income tax registration number (in the space provided) and the fair market value of the portion of the charity’s interest in the property, on line F2. If the charity owns 100% of the property, F2 will be the same as F1.
- The taxable amount of the transfer, on line F3. This is calculated by subtracting the value in F2 from the value in F1.

**Please note:** If the charity owns 100% of the property, then F3 should be zero and no tax will be payable in F6.

### **Need more info?**

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

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

References: *Property Transfer Tax Act*, Section 14(4)(b), and Regulation 52/2004.