

## The Financial Hardship Property Tax Deferment Program

The Financial Hardship Property Tax Deferment Program is available for the 2009 and 2010 annual property taxes. This program is different than the **Property Tax Deferment Program**. Please ensure you apply for the deferment program that provides you with the greatest benefit.

### Qualifications

The Financial Hardship Property Tax Deferment Program is a loan program that allows you to defer all, or part, of your 2009 and 2010 annual property taxes on your home. Your home is where you live and conduct your daily activities. Second residences, such as summer cottages or rental properties, do not qualify for tax deferment. Also, taxes paid to a First Nations band do not qualify for tax deferment.

To qualify for the program, you must meet the following:

- you are a Canadian citizen or permanent resident who has lived in British Columbia for at least one year immediately prior to applying for the tax deferment,
- you are currently experiencing financial hardship due to economic conditions,
- you must have and maintain a minimum equity of 15% of the current BC Assessment value, after deducting the upper limit of all outstanding mortgages, lines of credit and other charges on your home (other appraised values are not accepted), and
- you must have a current fire insurance policy on your home for an amount not less than the current BC Assessment value.

### How to Apply

Follow the steps below to apply for the program once you receive your property tax notice.

- Pick up a *Financial Hardship Property Tax Deferment Program* application form (available May 2009), from your municipal office or **Service BC Centre**, or through our website at [www.sbr.gov.bc.ca/individuals/Property\\_Taxes/Property\\_Tax\\_Deferment/forms.htm](http://www.sbr.gov.bc.ca/individuals/Property_Taxes/Property_Tax_Deferment/forms.htm)
- Complete your application forms for the home owner grant and financial hardship property tax deferment. Ensure **all** registered owners of your home sign the *Financial Hardship Property Tax Deferment Program* application form.
- Return both application forms to your municipal office or **Service BC Centre** for processing **before** the property tax due date.

You must apply each year for the tax deferment program. Deferral of your 2009 taxes will not automatically result in the deferral of your 2010 taxes. If you miss the property tax due date, you have until December 31 of the current taxation year (2009 or 2010) to apply.

Before applying for tax deferment, you must pay all penalties, interest, previous years' property taxes, user fees and utility charges, as these cannot be deferred. Also, before applying for tax deferment, you must complete any title ownership changes, such as adding or removing owners, subdivisions or refinancing. If you make title ownership changes after, other than directly to a surviving spouse, you will have to repay your tax deferment account.

The tax deferment program office receives your application, confirms receipt and determines your eligibility. The approval process includes several municipal and provincial government offices; therefore, applications that require additional information may take more time to complete.

If your application is approved, it becomes a signed agreement and a lien is registered in the land title office or, if your home is a manufactured home, in the Personal Property Registry. The tax deferment program office then pays your current property taxes for you. The lien remains in effect until the account is paid in full.

You must pay late payment penalty charges if, after the property tax due date, you:

- are found ineligible for the program,
- cancel or withdraw your application for any reason before the tax deferment program office pays the taxes on your behalf,
- apply for deferment after the property tax payment due date, or
- sell your home before the taxes have been paid on your behalf.

## Interest

Simple interest is charged on your tax deferment account and is based on the bank prime rate. The interest rate is set every six months. Interest begins from the date your property tax is due or the date you apply to defer your taxes, whichever is later.

## When You Must Repay the Deferred Taxes

You can defer your 2009 and 2010 taxes as long as you own and live in your home and continue to qualify for the program. The deferred taxes must be fully repaid, with interest:

- before your home can be legally transferred to a new owner, other than directly to your surviving spouse, or
- upon the death of the agreement holder(s).

If you refinance your home, your mortgage holder may require full repayment of the deferred taxes upon refinancing. You may repay all, or part of, the deferred taxes and interest at any time without penalty.

## More Information

Website: [www.sbr.gov.bc.ca/individuals/Property\\_Taxes/Property\\_Tax\\_Deferment/ptd.htm](http://www.sbr.gov.bc.ca/individuals/Property_Taxes/Property_Tax_Deferment/ptd.htm)

Contact your local municipal office listed in the blue pages of your telephone directory or your nearest **Service BC Centre** ([www.servicebc.gov.bc.ca](http://www.servicebc.gov.bc.ca))

Service BC (In Victoria) 250 387-6121

Service BC (In Vancouver) 604 660-2421

Service BC (Elsewhere in BC) 1 800 663-7867

You can also contact the Ministry of Finance at: PO Box 9446 Stn Prov Govt Victoria BC V8W 9V6

Telephone: (Victoria) 250 387-0555

E-mail: [ruraltax@gov.bc.ca](mailto:ruraltax@gov.bc.ca)

In person: 1802 Douglas St., Victoria