

Frequently asked questions about the speculation and vacancy tax

Read the answers to questions about the speculation and vacancy tax, including the exemptions you may be eligible for and how to declare and pay the tax.

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What is the speculation and vacancy tax?

What is the speculation and vacancy tax?

The speculation and vacancy tax is an annual tax paid by some owners of residential properties in designated [taxable regions](#) of B.C.

The tax is designed to discourage housing speculation and people from leaving homes vacant in B.C.'s major urban centres. More than 99% of British Columbians are expected to be exempt from the tax.

Residential property owners in the taxable regions must complete a declaration, even if they're eligible for an exemption.

Note: The speculation and vacancy tax is a separate and distinct tax from the [empty homes tax](#) in the City of Vancouver.

Where does the speculation and vacancy tax apply?

The tax applies to major urban areas in B.C. See [taxable regions](#) for specific municipalities and regions.

How much is the speculation and vacancy tax if my residential property isn't exempt?

For properties owned on December 31, 2018, the tax rate is the same for everyone: 0.5% of the assessed value of your residential property on July 1, 2018, as determined by [BC Assessment](#). B.C. owners are eligible for a [tax credit](#) of up to \$2,000 on secondary properties to offset their tax payable.

For 2019 and onwards, the speculation and vacancy tax rate varies, depending on your residency and where you pay income tax:

- 2% for foreign owners and [satellite families](#)
- 0.5% for British Columbians, and other Canadian citizens or permanent residents, who are not members of a [satellite family](#)

The speculation and vacancy tax applies based on ownership as of December 31 each year.

If a residential property has [multiple owners](#), any owed tax is divided among each owner based on their ownership share. For example, if you and your spouse are equal owners of a residential property in a taxable region, and no exemption applies, you'll each owe tax on 50% of the home's assessed value.

The tax rate for a corporation, trustee or business partner will be the highest rate applicable to any of the [corporate interest holders](#), [beneficial owners or business partners](#) if they held the residential property individually.

What are the exemptions to the speculation and vacancy tax?

If my home is in a designated taxable region, will I have to pay the speculation and vacancy tax?

For 2018, most British Columbians will be exempt if they either live in their home as their principal residence or rent out their property for at least three months of the year. Short-term rentals for periods of less than one month do not count towards the three-month total.

For 2019 and onwards, over 99% of British Columbians will continue to be exempt. A home that is not a principal residence must be rented for at least six months per year to be exempt from the speculation and vacancy tax. Short-term rentals for periods of less than one month do not count towards the six-month total.

What other exemptions could I be eligible for?

You may be eligible for other exemptions, even if your residential property isn't your principal residence and you don't rent it out for the minimum number of months per year.

If you're not exempt, you'll receive a tax notice with the amount you owe.

Review the [full list of exemptions and exclusions](#).

What if I am the co-owner of a taxable residential property?

Exemptions are based on how each person uses each residential property. If you're the co-owner of a residential property in a taxable region and are exempt, but the other owner isn't exempt, the other owner will have to pay tax based on their percentage ownership of the residential property as listed with the [Land Title Office](#).

What if the owner is a corporation, trustee or partner?

Many of the exemptions available to individuals are also available to [corporations, trustees or partners that own residential property](#).

How do I complete my declaration for the speculation and vacancy tax?

What is a declaration for the speculation and vacancy tax?

All residential property owners in a designated taxable region have to [complete an annual declaration](#) to claim any relevant exemption.

If you own residential property in a designated taxable region, the Province will send you a speculation and vacancy tax declaration letter telling you how to complete your declaration. The letter will list all the residential properties you own.

Does everyone have to complete a declaration?

If you don't own residential property in a designated [taxable region](#), you don't need to complete a declaration because the tax doesn't apply to you.

If you own residential property in a designated taxable region, you will need to complete a declaration. Even if you think you won't be required to pay the tax, you must complete a declaration to claim any relevant [exemptions](#).

How do I pay the speculation and vacancy tax?

When do I have to pay my speculation and vacancy tax?

If you owe speculation and vacancy tax, your payment is due on the first business day in July each year.

What methods of payment can I use?

You will be able use our [online payment system](#) or you can also pay through your financial institution, by cheque, or in person at a Service BC centre.

What happens if I don't pay all or part of what I owe?

If you are charged the speculation and vacancy tax but don't pay what you owe, you may be charged a penalty and interest in addition to the amount of tax you owe.

What happens if I pay the speculation and vacancy tax, then find out later I'm exempt? Can I get a refund?

Yes. You'll be able to [receive a refund](#) if you overpaid the tax or if the tax was paid in error (you paid the speculation and vacancy tax but later learned that you qualify for an exemption). You must have a credit on your account before you can request a refund, so you may have to change your declaration before you request a refund. [Contact us](#) to request the refund.

[Subscribe to receive updates](#) as new information about the speculation and vacancy tax is available.

What information do real estate and legal professionals need to know?

Do I need to contact the Ministry of Finance?

No. When helping with the purchase or sale of a home in areas where the speculation and vacancy tax is applied, you do not need to contact the Ministry of Finance about potential tax amounts owed to the province.

Tax assessments, including the amounts owing, are a confidential matter between the Ministry of Finance (as tax administrator) and the homeowner (potential taxpayer).

Homeowners with a speculation and vacancy tax balance owing receive a monthly statement of account. If a homeowner provides an email address when they declare, they'll receive an email confirming they have submitted their declaration and advising them whether or not they are exempt from the tax. No other written proof is available.

How can I confirm a property is clear of any speculation and vacancy tax debt that may impact the sale or purchase?

Doing a title search through Land Title and Survey Authority (L TSA) to confirm clear title will show you if there are any outstanding liens against the property. If nothing shows on title, then there is no speculation and vacancy tax debt against the property.

Are speculation and vacancy tax assessments attached to the property?

A purchaser would not take on any speculation and vacancy tax debt incurred by the seller. When a homeowner is assessed tax, then it is that individual homeowner who is responsible for paying it.

Similar to how the province collects other outstanding tax debts, we may place a lien on a property the homeowner has an ownership interest in, as a way to secure the repayment of the speculation and vacancy tax debt. This lien appears on an L TSA search.

This information is provided for your convenience and guidance and is not a replacement for the [legislation](#).

Did you find what you were looking for?

Yes

No