

Ministry of Finance

Tax Bulletin



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www.fin.gov.bc.ca/rev.htm

First Time Home Buyers' Program

Property Transfer Tax Act

Do you need to know if you are eligible for the property transfer tax exemption for first time home buyers?

Do you understand the requirements to remain eligible for this tax exemption after you purchase and register your property?

This bulletin provides specific tax information to help first time home buyers understand the eligibility requirements for the First Time Home Buyers' Program.

For general property transfer tax information, such as the types of transactions that are taxable, the rate of tax, what returns must be completed, and who must complete the return and pay the tax, please see [Bulletin PTT 001](#), *Property Transfer Tax*.

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Eligibility Requirements for the First Time Home Buyers' Program

The First Time Home Buyers' (FTHB) Program provides a property transfer tax exemption at the time title to property is transferred to an eligible first time home buyer. If you are purchasing your first home, you may qualify for this exemption if

you are a first time home buyer and your property meets certain requirements. These requirements are outlined below.

First Time Home Buyer Qualifications

You qualify as a first time home buyer if:

- you are a Canadian citizen, or a permanent resident as defined by the *Immigration and Refugee Protection Act* (Canada),
- you have lived in British Columbia for 12 consecutive months immediately before the date you register the property, or you have filed 2 income tax returns as a British Columbia resident during the 6 years before the date you register the property,
- you have never owned an interest in a principal residence anywhere in the world at any time (a principal residence is the usual place where an individual lives), and
- you have never received a first time home buyers' exemption or refund.

Please note: You cannot re-qualify as a first time home buyer. This rule may be different from other federal programs for first time home buyers (e.g. the Canada Revenue Agency Home Buyers' Plan).

Property Requirements

You qualify for a **full** exemption if:

- the fair market value of the property (land plus improvements) is not more than the qualifying value of **\$425,000** (only if purchasing an existing home),
- the land is 0.5 hectares (1.24 acres) or smaller, and
- the property will only be used as your principal residence.

Please note: If there is more than one purchaser and not all purchasers qualify for the exemption, only the percentage interest acquired by the first time home buyer(s) is eligible.

Partial Exemptions

You qualify for a **partial** exemption if:

- the property has a fair market value of up to \$25,000 more than the qualifying value of \$425,000 (only if purchasing an existing home),
- the land is larger than 0.5 hectares (only 0.5 hectares of the land are eligible), or
- a portion of the improvements on the land is used for commercial purposes or there is a separate dwelling on your land (only the principle residence portion is eligible).

For examples of how partial property transfer tax exemptions are calculated, please see the [First Time Home Buyers' Program – Example Calculations](#).

How do I Apply for the Exemption or Refund?

You apply for the exemption by submitting a *First Time Home Buyers' Property Transfer Tax Return (FIN 269)* and other required land title documents when you register your property at the land title office. Generally, a lawyer or notary public registers your property and applies for the exemption on your behalf. The land title office then sends your application to the ministry to verify your eligibility.

Lawyer or Notary Public

If you are a lawyer or a notary public, you can either file a paper version of the *First Time Home Buyers' Property Transfer Tax Return (FIN 269)* at the land title office or file an electronic version. To order a paper supply of the FTHB property transfer tax return, please e-mail PTTENQ@gov.bc.ca. You can file the electronic version if you have been approved to file electronic documents at the Land Title and Survey Authority (LTSA). For more information on electronic filing, please see the [LTSA website](#).

For assistance with filing the electronic version of the tax return, please see the *Instruction Guide for Completion of General, Special and Electronic Property Transfer Tax Returns (FIN 579 Guide)*, or contact the ministry. When filing the electronic version of the return, you must also ensure that a paper copy of the return has been signed by the homebuyer and is retained by your firm.

Individual Homebuyer

If you apply for the exemption yourself, you can view a sample of the *First Time Home Buyers' Property Transfer Tax Return (FIN 269)* on the ministry's website. Most law firms and notaries have supplies of the tax return, or you can obtain one from any land title office or [Service BC Centre](#). You file the completed tax return together with the appropriate land title forms at a land title office. You must ensure that you sign the FTHB property transfer tax return before submitting it.

For assistance with completing the FTHB tax return, please contact the ministry.

Refunds

You may apply for a refund of the tax if:

- you met all the requirements to qualify for the exemption (see above), but you did not apply for the exemption at the time of registration, or

- you became a Canadian citizen or a permanent resident within 12 months of the registration date and, on the registration date, you met all the other qualifications for the exemption.

You must apply for a refund within **18 months** of the date your property transfer is registered at the land title office. To obtain a refund application form, please contact the ministry.

Penalty for False Declaration

To ensure you are eligible, your application for the exemption or refund is reviewed to verify eligibility.

If you are claiming an exemption or refund, you may be charged an amount equal to **double** the tax (the tax you owe plus a penalty equal to the exemption or refund you claimed) if you falsely declare:

- that you have never owned an interest in a principal residence **anywhere in the world at any time**, or
- that you have never received a BC first time home buyers' tax exemption or refund.

Requirements During the First Year the Property is Owned

The ministry will send you a letter at the end of the first year you own the property to confirm that you meet the requirements for occupancy and property value (if building a new home), as set out below.

Occupancy

If you purchase an existing home, you must move into the home within 92 days of the date you register title to the property.

If you purchase vacant land, you must build and move into your new home within **1 year** of the date you register title to the land.

You must continue to use the property as your principal residence for the remainder of the first year. You may retain part of the exemption if you move before the end of the first year.

Exceptions

Two exceptions to the occupancy requirement are:

1. if your death occurs before the end of the first year you own the property, or
2. if your property is transferred as a result of a separation agreement or a court order under the *Family Relations Act*.

Property Value (only if building a new home)

If you are building a new home, the fair market value of the land (as of the date you register the property), plus the cost to build the home, cannot exceed \$450,000.

Need more info?

Property transfer tax website: www.sbr.gov.bc.ca/individuals/Property_Taxes/Property_Transfer_Tax/ptt.htm

Telephone (Vancouver): 604 660-2421

Telephone (Victoria): 250 387-0604

Toll free in British Columbia: 1 800 663-7867 (request a transfer to 250 387-0604)

Fax: 250 953-3094

E-mail: PTTENQ@gov.bc.ca

The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation. The *Property Transfer Tax Act* and Regulations are on our website at www.sbr.gov.bc.ca/individuals/Property_Taxes/Property_Transfer_Tax/legislation.htm

References: *Property Transfer Tax Act*, Sections 4, 5–13, 13.1, 13.2, 17, 18, and Regulations 1 and 2