

TAX TREATMENT OF RELATED PERSONS UNDER THE YEAR OF ACQUISITION EXEMPTION

I. ISSUE

The government has decided a speculation tax exemption will apply in the year that an owner purchases or acquires a property. Properties transferred between related individuals have been excluded from this exemption.

II. BACKGROUND

The year of acquisition exemption provides tax relief to the new owner of a home in their first year, as they may not have enough time to meet the criteria for other exemptions, such as the primary residence or the long-term rental exemption.

As currently drafted, the year of acquisition exemption is only available for owners who pay PTT on their transaction or are exempt from PTT because of an incentive- or hardship-based PTT exemption.

III. DISCUSSION

s.12,s.13

Page 02 to/à Page 03

Withheld pursuant to/removed as

s.12;s.13

SPECULTAION TAX - DEVELOPMENT EXEMPTIONS

I. ISSUE

Exemptions for land being developed.

II. DISCUSSION

s.12,s.13

Page 05 to/à Page 06

Withheld pursuant to/removed as

s.12;s.13

COMMUTER SPOUSES EXEMPTION

I. ISSUE

The government has decided that commuter spouses will be able to claim exemptions on two primary residences.

II. BACKGROUND

There are circumstances where spouses may not have the same primary residence and government has decided that a special exemption should be created for spouses who do not live together due to work or medical reasons.

This will allow commuter spouses to claim a primary residence exemption on two separate properties. All other spouses are deemed to have the same primary residence for speculation tax purposes.

s.12,s.13

Page 08 to/à Page 12

Withheld pursuant to/removed as

s.12;s.13

TAX PENALTIES AND OFFENCES

I. ISSUE

The government has decided that there will be administrative penalties and offence provisions for non-compliance with the speculation tax. s.12,s.13
s.12,s.13

II. BACKGROUND

The government made a decision that there would be administrative penalties and offence provisions in the speculation tax legislation. Administrative penalties would have two levels: one for small non-willful violations (e.g. not filing on time) and a second level for wilful violations of the Act (e.g. failing to comply with a direct request by the administrator). Finally, there will be offence provisions for more egregious contraventions.

III. DISCUSSION

s.12,s.13

Page 14 to/à Page 17

Withheld pursuant to/removed as

s.12;s.13

TAX TREATMENT OF INDIGENOUS NATIONS

I. ISSUE

s.12,s.13,s.16

II. BACKGROUND

The government has decided that Indigenous Nations will be exempt from tax when their ownership is related to land that has been acquired as part of reconciliation or if the property is used for a prescribed purpose when the property is off reserve or treaty lands. The government has already decided that homes on reserve or treaty lands are not subject to the tax.

III. DISCUSSION

s.12,s.13,s.16

Page 19

Withheld pursuant to/removed as

s.12;s.16;s.13