

**Ministry of Finance**  
**BRIEFING DOCUMENT**

**To:** Heather Wood  
Deputy Minister of Finance

**Date Requested:** February 6, 2023  
**Date Required:** April 30, 2023

**Initiated by:** Lorna Pritchard  
Director  
Property Transfer Tax

**Date Prepared:** April 14, 2023

**Ministry Contact:** Curtis Matthias  
Senior Policy and Leg Analyst  
Property Taxation Branch

**Phone Number:** 778-698-4812

**Email:** Curtis.Matthias@gov.bc.ca

**Cliff #:** 500547

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**TITLE:** Demanding MLS data under the Property Transfer Tax Act.

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**PURPOSE:**

**(X) FOR INFORMATION**

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**COMMENTS:** The Administrator of the Property Transfer Tax Act (the Act) is planning to use its authority under the Act to request MLS data. s.13

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s.13 The property transfer tax program can share the MLS data collected with these branches and agencies as allowed under the Act.

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**DATE PREPARED:** February 21, 2023

**TITLE:** Demanding MLS data under the Property Transfer Tax Act.

**ISSUE:** The Property Taxation Branch plans to issue a demand for MLS data for the first time.

**BACKGROUND:**

The government's housing plan, *Homes for BC: A 30-point Plan for Housing Affordability in British Columbia*, identified measures to strengthen provincial auditing and enforcement powers under the *Property Transfer Tax Act* (PTTA). Subsequently, the *Budget Measures Implementation Act, 2018* amended the enforcement provision of the PTTA (section 31) to give the administrator the statutory authority to demand any or all information contained in a multiple listing service (MLS) database (or similar database) to determine the liability or possible liability of any person under the PTTA.

The confidentiality provision of the PTTA (section 32) allows the information collected under the PTTA to be used and disclosed for the purpose of administering other B.C. taxing statutes, the *Home Owner Grant Act*, *Land Tax Deferment Act*, *Real Estate Development Marketing Act*, in court proceedings related to a relevant Act, under an information sharing agreement with another government relating to the administration or enforcement of a taxing statute, for the purposes of the formulation or evaluation of fiscal policy, for the purpose of the compilation of statistics by B.C. or the Canadian government and with the B.C. Assessment Authority (BCA).

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The PTT administrator can only demand

information “if it is reasonable to make the demand in order to determine liability or possible liability of any person to tax under the Act”.

s.13; s.17

s.13; s.17

Overall, the MLS data can provide the PTT administrator with greater certainty that PTT is fairly applied to all purchasers of property in B.C. while also reducing a substantial amount of unnecessary communication with taxpayers.

## DISCUSSION:

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PTB has specific authority to demand the information for the purpose of the administration and enforcement of the PTTA – other areas of government do not have this authority at this time. Once collected the data will be shared as permitted by the legislation. For example, it can be included with data that is routinely shared with the CRA and BCA. Also, FREDA will access it for policy purposes. However, the limited data fields able to be requested by PTB may not fully satisfy their needs.

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, if PTB obtained access to MLS data it would have the authority to disclose the information to FREDA for the purposes of the formulation or evaluation of fiscal policy. s.13

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BCFSA is the regulatory body for real estate agents in B.C. and is interested in s.13; s.17

To mitigate the risks associated with BCREA and their boards becoming confused or frustrated by multiple requests from different areas of government, PTB has taken steps to reduce this possibility, including meeting with BCREA’s senior executive to discuss the administrator’s needs and how it intends to use MLS data. This first step along with PTB’s planned communication which clearly defines the specific data fields and reasons why access is needed will help make a clear distinction from s.13

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Page 4 of 5 to/à Page 5 of 5

Withheld pursuant to/removed as

s.13

**Ministry of Finance**  
**BRIEFING DOCUMENT**

**To:** Heather Wood  
Deputy Minister of Finance

**Date Requested:** March 29, 2023  
**Date Required:** April 28, 2023

**Initiated by:** Kari Toovey  
Director, Financial Institutions  
Financial and Corporate Sector  
Policy Branch

**Date Prepared:** March 29, 2023

**Ministry Contact:** Kari Toovey  
Director, Financial Institutions  
Financial and Corporate Sector  
Policy Branch

**Phone Number:** 778 698-5262  
**Email:** [kari.toovey@gov.bc.ca](mailto:kari.toovey@gov.bc.ca)

**Cliff #:** 500442

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**PURPOSE:**

**(X) DECISION REQUIRED**

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**COMMENTS:**

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**DATE PREPARED:** March 29, 2023

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**BACKGROUND:**

- The Bank of Canada has various mechanisms for providing liquidity support to financial institutions, including potentially to provincially regulated credit unions. Two key supports are ELA and the Standing Term Liquidity Facility (STLF). Partly in response to the financial crisis of 2008, the Bank of Canada formalized access to liquidity support for financial institutions in 2017.
- Generally, liquidity support through ELA and STLF is intended for financial institutions that remain viable although the Bank of Canada suggests that ELA could also be used as a source of temporary liquidity to support the broader efforts of authorities to conduct an orderly resolution of the financial institution. For the purposes of this note, the presumption is that ELA and STFLF would be used for a viable institution.

*ELA:*

- Under the Bank of Canada's ELA program, a loan or advance can be provided to eligible financial institutions at the discretion of the Bank of Canada. ELA is meant to provide last resort assistance in the event of an idiosyncratic liquidity event (a problem relating to one financial institution or a group of related institutions). A liquidity event could arise when a large number of depositors withdraw funds, when a large institutional depositor withdraws its funds or in a scenario where there are multiple member defaults.

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**STLF:**

- In 2020 the Bank of Canada announced the launch of the STLF program to assist financial institutions. Under the STLF, the Bank of Canada can provide loans to eligible financial institutions in need of temporary liquidity support during periods of systemic liquidity stresses or idiosyncratic events.
- STLF advances are made at the sole discretion of the Bank of Canada to eligible financial institutions subject to certain conditions.

s.13; s.16

**DISCUSSION:**

- Under the *Financial Institutions Act* (FIA), credit unions are required to have adequate liquid assets and an adequate capital base at all times. The FIA Liquidity Requirements Regulation also requires that credit unions hold a prescribed amount of liquid deposits with Central 1, to form part of the Mandatory Liquidity Pool (MLP).

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s.13; s.14; s.16

s.13; s.16; s.17



s.13; s.16

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**OPTIONS:**

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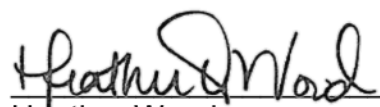
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**RECOMMENDATION:**

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**APPROVED** / NOT APPROVED



Heather Wood  
Deputy Minister of Finance

April 19, 2023  
Date

## Meeting Advice

Requested Meeting Date: unknown

CLIFF #: 500552

### MEETING REQUESTED BY:

New Car Dealers Association of BC

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### KEY FACTS REGARDING THE ISSUE:

- The PST includes surtax rates for passenger vehicles priced at \$55,000 or above. These rates are frequently referred to as a “luxury tax,” but are simply a higher PST rate depending on the vehicle’s purchase price.
- The following price thresholds apply under this surtax design. The thresholds are different for internal combustion vehicles (ICE) as opposed to zero-emission vehicles (ZEVs).
  - Internal combustion vehicles:
    - Below \$55,000: 7%
    - \$55,000 - \$55,999.99: 8%
    - \$56,000 - \$56,999.99: 9%
    - \$57,000 - \$124,999.99: 10%
    - \$125,000 - \$149,999.99: 15%
    - \$150,000 or more: 20%
  - Zero-emission vehicles (ZEV-specific thresholds introduced in *Budget 2022*):
    - Below \$75,000: 7%
    - \$75,000 - \$75,999.99: 8%
    - \$76,000 - \$76,999.99: 9%
    - \$77,000 - \$124,999.99: 10% (same as ICE over 77K)
    - \$125,000 - \$149,999.99: 15% (same as ICE)
    - \$150,000 or more: 20% (same as ICE)
- The higher thresholds for ZEVs are in effect for 5 years and are scheduled to expire in 2027.
- The 15% and 20% luxury PST rates were introduced in *Budget 2018*.
- The other ICE price thresholds and surtax rates have not changed since the PST was re-implemented in 2013.
- A new PST exemption for all used ZEVs was introduced in *Budget 2022*. The exemption is currently scheduled to expire in 2027.

- A new federal luxury tax on vehicles priced at \$100,000 or more took effect in September 2022. BC changed the PST legislation in *Budget 2023* to specifically ensure the federal luxury tax would not be subject to PST (i.e., tax on tax), and confirmed with the federal Ministry of Finance that their luxury tax will not be collected on the PST.

#### New Car Dealer Association of BC concerns:

- The Association takes issue with BC's surtax rates generally and with their application to work trucks specifically. The Association provided a link to a news article regarding *Budget 2023* on its webpage, which highlights the following:  

"The 2023 Budget did nothing for British Columbians who need to drive, and less for BC auto dealers grappling with low inventories, high interest rates, and most importantly, a luxury vehicle tax that currently includes many new vehicles. Qualey [President and CEO of the Association] said that he's been hearing a lot of frustration from dealers all over the province. "Our members are very frustrated at the moment around the current status of the tax and other tax and regulatory burdens on them. And we recognize the luxury tax is just one of many frustrations for them, but a pretty big one because they hear it from their customers all the time."

"I think the focus of the budget was pretty clear... there weren't a lot of things in there to make life better for a business in the province," said Qualey. "For, dealers, many of whom were especially waiting to hear what was going to happen with the British Columbia Luxury tax, it was pretty disappointing to see that yet again, the government hadn't adjusted the threshold of \$55,000, particularly when the average price of a vehicle in Canada now is, you know, \$54,000-plus just for an average vehicle."
- The Association regularly asks BC to review its surtax policy, with a view to either eliminating it or adjusting the thresholds upwards, thereby reducing the number of passenger vehicles subject to the surtax.

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- Work trucks:
  - The Association regularly asks BC to ensure the surtax does not apply to "work trucks".

- It argues that pickup trucks and vans are a necessity in some parts of BC and in some industries, and that the surtax unfairly increases the price of these vehicles for people who have no choice but to purchase them.
- The final report of the Small Business Task Force (2018) recommended raising the lowest threshold of the surtax so that it doesn't apply to work trucks. The Select Standing Committee report on the *Budget 2021* consultations similarly recommended reviewing the surtax thresholds to eliminate the surtax on work trucks.

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Program Area	Name	Number
Contact:	Alex Nagelbach	778.698.9623

Page 01 of 25 to/à Page 25 of 25

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