

Advance Tax Rulings

Property Transfer Tax

This bulletin outlines the advance ruling service provided to taxpayers by the Property Transfer Tax Office of the Ministry of Small Business and Revenue, (ministry). The ministry will provide an advance ruling on how the tax and exemption provisions of the [Property Transfer Tax Act](#) (Act), will be applied to a transaction proposed by the taxpayer.

The advance ruling is the ministry's interpretation of the law as it applies to the specific transaction or a series of transactions proposed by the taxpayer. The advance ruling is binding on the Administrator of the Act, as long as the transaction is completed in accordance with the proposal in the request for an advance ruling. Because the ruling represents the government's interpretation of the legislation, it is only binding on the Administrator, not on the taxpayer.

The information in this bulletin is provided for your convenience and guidance and is not a replacement for the legislation. The *Property Transfer Tax Act* and Regulations can be found on the web at www.gov.bc.ca/sbr

Note: This bulletin replaces Information Bulletin 1-87.

In this issue...

- ***Fees***
- ***Application of the ruling***
- ***Change in the law***
- ***Procedure for requesting advance rulings***

FEES

The ministry will charge \$90.00 plus GST per hour to prepare the advance ruling. The fee covers the research, preparation and stenographic costs of the ruling. When the ministry receives a request for an advance ruling, it will estimate the time needed to complete the advance ruling and then provide a written estimate to the taxpayer. The taxpayer must then acknowledge and pay this estimated amount **before** the advance ruling will be completed.

If the taxpayer submits an additional request which changes the transaction that was originally proposed to the ministry, an additional fee will be charged. However, a mere clarification of an advance ruling will not attract further charges.

APPLICATION OF THE RULING

An advance ruling only applies to the taxpayer(s) who requested it, or on whose behalf the advance ruling was requested. However, sometimes the ministry may complete an advance ruling that will apply to a group of unnamed persons. An example of this situation is where there is an advance ruling regarding strata unit holders. The advance ruling will be binding for **all** the strata unit holders.

Also, the advance ruling is only applicable to the proposed transaction described in the request for the ruling. It cannot be inferred or assumed that the advance ruling applies to other, similar transactions.

CHANGE IN THE LAW

Where an advance ruling is based on law that is changed after the ruling, the ruling is invalid as of the date that the change is effective. The ministry will **not** notify taxpayers of changes in the law that affect and invalidate their advance rulings.

Therefore, attention should be paid to the regularly posted bulletins that inform taxpayers of legal changes that may affect their advance rulings and proposed transactions.

PROCEDURE FOR REQUESTING ADVANCE RULINGS

An advance ruling request must be made in writing. The request must contain:

- a clear statement of the questions the ruling is expected to answer;
- the specific property included in the transaction;
- a complete and detailed statement of the facts of the proposed transaction; and,
- copies of any actual documents that support the proposed transaction.

The request for the advance ruling should be mailed to:

The Administrator, Property Transfer Tax
Ministry of Small Business and Revenue
PO Box 9427 Stn Prov Govt
Victoria BC V8W 9V1

It is important to note that because an advance tax ruling cannot be completed until payment for the ruling has been received, payment may be sent by courier to the following address:

The Administrator, Property Transfer Tax
Ministry of Small Business and Revenue
Taxation Revenue Division
3rd Floor, 1802 Douglas Street
Victoria BC V8T 4K6

The request may also be faxed to our office at the following number: 250 953-3094

NEED MORE INFO?

This bulletin is presented as an aid to understanding the *Property Transfer Tax Act*. It is not intended to replace the need to consult the legislation for possible application to a particular fact pattern. Where there is a conflict between this bulletin and the legislation, the legislation prevails.

For further information, please contact:

The Administrator, Property Transfer Tax
Ministry of Small Business and Revenue
Property Taxation Branch
PO Box 9427 Stn Prov Govt
Victoria BC V8W 9V1

Telephone: 250 387-0604

Fax: 250 953-3094

Information is also on the web at www.gov.bc.ca/sbr While there, you can subscribe to our free electronic update service.