

Key Elements of Proposed *Tsleil-Waututh Nation Property Transfer Tax Law, 2021*

TWN proposes to enact the *Tsleil-Waututh Nation Property Transfer Tax Law, 2021*.

The *Tsleil-Waututh Nation Property Transfer Tax Law, 2021* (the “PTT Law”) repeals and replaces the *Tsleil-Waututh Nation Property Transfer Tax Law, 2019* in its entirety. The PTT Law is made pursuant to paragraph 5(1)(a) of the *First Nations Fiscal Management Act* (the “FMA”). The key features of the PTT Law are that it:

- imposes a tax on certain leasehold interests in land in the reserve at the time the interest is transferred or extended;
- includes provisions for the appointment of an administrator, for filing a tax return and paying the tax at the time of registration of the transfer;
- provides that taxes collected under the PTT Law will be placed in the local revenue account of Tsleil-Waututh Nation and expended under the authority of an expenditure law or under section 13.1 of the FMA;
- provides that the transfer tax is levied and payable at the time of registration of the transfer of the leasehold interest at the rate of
 - 1% of the taxable transfer’s fair market value that does not exceed \$200,000,
 - 2% of that portion of the fair market value that exceeds \$200,000 but does not exceed \$2 million,
 - 3% of that portion of the fair market value that exceeds \$2 million, and
 - an additional 2% of that portion of the fair market value of residential properties that exceeds \$3 million;
- provides exemptions for certain transfers including for
 - related individuals, in certain circumstances,
 - certain beneficiaries of an estate,
 - subdivision of an interest into smaller parcels, if certain conditions are met,
 - leaseholds for an interest intended for subdivision, development and resale of at least five parcels within five years of the registration date,
 - leaseholds having a term of 30 years or less,
 - certain first-time home buyers, and
 - newly constructed homes with a value of up to \$800,000;
- provides for powers of investigations, information requests, inspections and tax assessment for the administrator;
- provides for refunds, where applicable;
- sets out taxpayers’ rights to reconsideration and appeal;
- provides provisions for penalties (10% of the unpaid portion of taxes) and interest (15% per year); and

- sets out the mechanisms of tax collection and enforcement, including the creation of liens on the interest in land to which unpaid taxes pertain.

For further information or questions regarding the PTT Law, and to obtain copies of the PTT Law, please contact David Ko, Chief Financial Officer, at 3178 Alder Court, North Van. BC V7H 2V6, (604) 924-4170, dko@twnation.ca.