

## Legally Stop Paying Your Property Taxes

If you are a Canadian Citizen or permanent resident and you have your principal residence in British Columbia, then you may be eligible for the British Columbia Tax Deferment Program.

This is a low interest loan program offered by the BC Government which allows you to defer all, or a portion of, your current annual property taxes on your principal residence.

This means that for as long as you own your home and live in it you may never have to pay property taxes again!

### **Who Can Qualify?**

British Columbia Property Tax Deferment benefits fall into two main categories:

1. homeowners age 55 and older, surviving spouses, or persons with disabilities
2. families with dependent children under the age of 18

All candidates are required to meet the following conditions:

- you are a Canadian citizen or permanent resident, and ...
- you have lived in British Columbia at least one year prior to applying for the benefit.
- your home is your principal residence, and ...
- you have adequate and up to date fire insurance

#### **For Homeowners age 55 and Older, Surviving Spouses, and Persons with Disabilities.**

1. one of the registered owners(spouses) must be age 55 or older, or ...
2. a surviving spouse of any age and a registered owner, or ...
3. a person with disabilities as defined by regulation.
4. You must have, and maintain, a minimum equity of 25% of the current BC Assessment value

#### **For Families with Dependent Children Under Age 18**

1. the child lives with you full time in your home, or ...
2. lives with you at least part time under a shared custody arrangement, or ...
3. does not live with you, but you pay support for the child, or ...
4. or are responsible for fees and/or living costs if they are attending school,
5. you must have, and maintain, a minimum equity of 15% of the current BC Assessment value

### **What are the Benefits?**

The BC Property Tax Deferment program can provide an easy and cost effective means of allowing you to gain access to some of the equity in your home.

A deputy treasurer for the city of Ottawa has stated that, "Deferring property taxes can make sense because over the long term the increase in property value will cover the taxes." Some of the obvious benefits then would be:

- an increase in the household cash flow
- lifting pressure off the mortgage payments
- assisting families struggling to raise their children
- freeing up finances to do home repairs
- providing capital for other investments

## How Much Will it Cost?

What makes the British Columbia Property Tax Deferment program so appealing is the low interest rates offered. For homeowners with dependent children under 18 the current interest rate is equal to the prime rate of 3%.

For homeowners age 55 and older the current interest rate is at prime minus 2% or in other words 1%.

But the real key here is that this is simple interest only and not compounding interest like the way that your mortgage payment is calculated.

The cost to defer a tax bill of \$5,000 over the course of a year would only amount to \$50, and that is cheap money!

## Is There a Downside?

One word of caution would be to insure that you maintain the minimum equity requirement needed relative to your BC property tax assessment.

This is especially important at the time your mortgage comes up for renewal so that you don't lose the freedom to shop it around.

[Contact Us Today](#): We'll show you an effective property tax deferment strategy that can substantially increase the value of your estate and create a significant income stream to supplement your retirement.

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