

✕ B.C. has declared a state of emergency. Learn about [COVID-19 health issues](#). | Get [COVID-19 Provincial Support](#).

British Columbia News

## New COVID-19 supports for businesses, local governments

<https://news.gov.bc.ca/22026>

Thursday, April 16, 2020 8:57 AM

**Victoria** - The Province is providing enhanced relief for businesses by reducing most commercial property tax bills by an average of 25%, along with new measures to support local governments facing temporary revenue shortfalls as a result of COVID-19.

“We know that B.C. communities and businesses are suffering from the economic impacts of COVID-19,” said Carole James, Minister of Finance. “That is why our B.C. COVID-19 Action Plan is focused on the health and safety of British Columbians, direct support for people and businesses and economic recovery for our province. We are providing further support by making additional temporary property tax changes to provide provincewide relief for business and local governments to help weather the pandemic, continue to deliver the services people count on and be part of our province’s economic recovery.”

The Province is taking significant new steps to support B.C. businesses, non-profits and other organizations through the COVID-19 pandemic by:

- further reducing the school property tax rate for commercial properties to achieve an average 25% reduction in the total property tax bill for most businesses, providing up to \$700 million in relief. This enhances the 50% reduction to the provincial school property tax rate that was originally announced for classes 4, 5, and 6 as part of B.C.’s COVID-19 Action Plan.
- Postponing the date that late payment penalties apply for commercial properties in classes 4,5,6,7 and 8 to Oct. 1, 2020, to give businesses and landlords more time to pay their reduced property tax, without penalty.

Responding to key concerns from local governments, the Province is addressing cash flow and revenue shortfalls with new measures that provide additional support:

- authorizing local governments to borrow, interest-free, from their existing capital reserves to help pay for operating expenses, such as employee salaries.
- delaying provincial school tax remittances until the end of the year. This will provide significant relief to local governments facing cash flow issues.
- providing local governments greater flexibility to carry debt for an additional year.
- These measures will provide local governments with the resources to meet their operational costs and required remittances to regional districts, regional hospital districts, TransLink and transit authorities, BC Assessment, the Municipal Finance Authority and other taxing authorities. This will ensure that other minor taxing authorities can count on receiving the full amount they bill to municipalities and the Province’s surveyor of taxes before Aug. 1, 2020.

“The COVID-19 pandemic is having significant financial impacts on all levels of government. It’s going to take hard work from both municipalities and the provincial government, but working together we will get through this,” said Selina Robinson, Minister of Municipal Affairs and Housing. “Many local governments have already shown leadership by taking steps to help people and businesses and maintain services, while addressing their finances. With these new measures, we are giving local governments new tools as a first step to ease their financial burdens and that of businesses in their communities now, and as we look to recovery in the months to come.”

Maja Tait, Union of B.C. Municipalities president, said: “Local governments across B.C. are working hard to support the implementation of COVID-19 orders, while ensuring residents have access to the services they

need in these challenging times. The measures announced today provide additional relief to small business and will free up funds for local government. UBCM will monitor the impact of these measures on the state of local governments finances, and work with the Province to ensure that local governments have the resources to sustain their communities.”

Changes to British Columbia’s property tax framework complement federal measures and build on the \$5 billion B.C. COVID-19 Action Plan that provides income supports, tax relief and direct funding for people, businesses and services.

### **Learn More:**

For more information on B.C.’s COVID-19 Action Plan, visit: <http://news.gov.bc.ca/factsheets/bc-takes-steps-to-support-people-businesses-during-covid-19-pandemic>

For information about federal supports for businesses, visit: <https://www.canada.ca/en/departement-finance/economic-response-plan.html>

For the latest medical updates, including case counts, prevention, risks and testing, visit: <http://www.bccdc.ca/>

Or follow @CDCofBC on Twitter

For provincial health officer orders, notices and guidance, visit: [www.gov.bc.ca/phoguidance](http://www.gov.bc.ca/phoguidance)

For non-health related information, including financial, child care and education supports, travel, transportation and essential service information, visit: [www.gov.bc.ca/covid19](http://www.gov.bc.ca/covid19)

Or call 1 888 COVID19 (1 888 268-4319) between 7:30 a.m. and 8 p.m., seven days a week.

For a French translation, visit: [https://news.gov.bc.ca/files/NR-Property\\_Tax\\_Framework-FR.pdf](https://news.gov.bc.ca/files/NR-Property_Tax_Framework-FR.pdf)

For a traditional Chinese translation, visit: [http://news.gov.bc.ca/files/NR-Property\\_Tax\\_Framework-TC.pdf](http://news.gov.bc.ca/files/NR-Property_Tax_Framework-TC.pdf)

A backgrounder follows.

### **Media Contacts**

**For non-health related information, visit: [www.gov.bc.ca/covid19](http://www.gov.bc.ca/covid19)**

Or call 1 888 COVID19 (1 888 268-4319) between 7:30 a.m. and 8 p.m., seven days a week.

#### **For media only:**

Ministry of Finance

Media Relations

250 213-7724

#### **Ministry of Municipal Affairs and Housing**

Media Relations

778 584-2433

### **Backgrounders**

#### **Changes to B.C.’s property tax framework respond to COVID-19**

Building on B.C.’s COVID-19 Action Plan, the Province is making temporary changes to B.C.’s property tax framework to provide financial support for businesses and local governments.

#### **Property tax measures for local governments:**

- Local governments will have the ability to borrow, interest-free, from their capital reserve funds, freeing up billions in assets to cover temporary revenue shortfalls. They will have up to five years to build back the reserve funds.
- Municipalities will be able to access school tax revenue collected for the Province until the end of the year. If a local government chooses to hold onto the school property tax, it must first be used to pay other taxing authorities, including regional districts.
- Working closely with the Municipal Financing Authority (MFA), local governments will be able to extend their revenue anticipation borrowing for a second year past the current limit of one year. To minimize impacts on the MFA, the Province is asking local governments to first use the delayed school property tax payment and their own capital reserve funds before seeking short-term borrowing through the MFA.
- Municipalities will still be required to make all their required remittances to other taxing authorities. Additionally, municipalities will be required to make the full annual payment to TransLink and BC Assessment in August 2020, rather than August and December.

#### **Property tax measures for B.C. businesses:**

- Late payment penalties for commercial properties (classes 4, 5, 6, 7 and 8) will be postponed to Oct. 1, 2020.
- The school property tax rates for classes 4, 5, and 6 were reduced by 50% in the Province's initial economic response to COVID-19. Further reducing the provincial school property tax and introducing an equivalent tax reduction for classes 7 and 8 will lower the overall commercial property tax bill for most businesses by an average of 25%.

#### **Breakdown of tax relief for B.C. businesses:**

- Major industry (property class 4)
  - Budget 2020 mill rate: 3.72
  - March 23 mill rate: 1.86
  - April 16 mill rate: effectively zero
  - Tax cut as a per cent of total tax bill: 4%
- Light industry (property class 5)
  - Budget 2020 mill rate: 3.72
  - March 23 mill rate: 1.86
  - April 16 mill rate: 1.0561
  - Tax cut as a per cent of total tax bill: 25%
- Business/other (property class 6)
  - Budget 2020 mill rate: 3.72
  - March 23 mill rate: 1.86
  - April 16 mill rate: 1.1070
  - Tax cut as a per cent of total tax bill: 25%
- Managed forest (property class 7)
  - Budget 2020 mill rate: 1.87
  - March 23 mill rate: 1.87
  - April 16 mill rate: effectively zero
  - Tax cut as a per cent of total tax bill: 20%
- Recreation and non-profit (property class 8)
  - Budget 2020 mill rate: 2.29
  - March 23 mill rate: 2.29
  - April 16 mill rate: 0.7844
  - Tax cut as a per cent of total tax bill: 25%

Changes to British Columbia's property tax framework are in addition to measures announced as part of B.C.'s Action Plan to support businesses, including:

- Effective immediately, many provincial tax filing and payment deadlines are deferred to Sept. 30, 2020.
- Businesses with a payroll over \$500,000 can defer their employer health tax payments until Sept. 30, 2020. Businesses with a payroll under this threshold are already exempt.
- Payments for provincial sales tax (PST), employer health tax, municipal and regional district tax on short-term accommodation, carbon tax, motor fuel tax and tobacco tax are also deferred.
- The scheduled increase to the carbon tax rate, and application of PST to e-commerce transactions and sweetened and carbonated drinks, will be delayed.

B.C.'s COVID-19 Action Plan complements federal measures to support businesses:

- The federal government is providing up to 75% wage subsidy for qualifying businesses, for up to three months, retroactive to March 15, 2020, to help businesses to keep and return workers to the payroll.
- The maximum duration of the Work-Sharing program has been extended from 38 weeks to 76 weeks.
- The Business Credit Availability Program will provide \$65 billion of additional support and credit solutions for individual businesses, including the Canada Emergency Business Account and the Loan Guarantee for Small and Medium-Sized Enterprises.
- All businesses can defer, until Aug. 31, 2020, the payment of any income tax amounts that become owing on or after March 18, 2020, and before September 2020. No interest or penalties will accumulate on these amounts during this period.
- All businesses, including self-employed individuals, can defer payments of GST/HST and customs duty until June 30, 2020.

For a traditional Chinese translation, visit: [http://news.gov.bc.ca/files/BG-Property\\_Tax\\_Framework-TC.pdf](http://news.gov.bc.ca/files/BG-Property_Tax_Framework-TC.pdf)