

# The Price of the Speculation Tax



The BC government has again expanded the Speculation Tax, including communities in the Okanagan and Vancouver Island.

British Columbians' family cottages and retirement homes are unfairly taxed as "vacant."

As many as three taxes are charged on allegedly "vacant" homes in BC. They are Vancouver's Empty Homes Tax, the provincial Speculation Tax, and federal government's Underused Housing Tax.

This is in addition to billions in revenue generated from the Property Transfer Tax, GST, Capital Gains Tax, Foreign Buyers Tax, Community Amenity Contributions, etc.

There are variations to each of the taxes, but common themes are poor transparency, unfairness, and harsh penalties.

The province now admits high housing prices are the result of challenges to new supply. These include municipal obstruction of rezonings and rising fees – while Canada experiences the fastest population growth in our history.

News media report homeowners are being charged thousands of dollars in Speculation Tax even though their homes are not vacant. For example, a spouse may be working in another country or have a different citizenship.

The Vancouver Sun says, "Occupancy of a home may not be enough to secure an exemption from BC's speculation and vacancy tax, according to one tax expert, who warns of the 'often odd, harsh rules underlying the new generation of housing taxes.'"

A landlord was hit with a \$96,000 tax bill because the tenant does window-glazing, and like many contractors, operates on job sites. The government views his family home as a business which runs afoul of the Speculation Tax. The landlord is selling the house to pay the bill.

The government claims this is all about creating housing. Yet, the easiest way to create housing is by enabling developers and contractors to build via efficient approval processes and a cap on rising fees and taxes.

Housing supply can be addressed without violating the property rights of BC residents.

The government recently launched legislation to allow moderate multi-family housing in single family zones. Give time for that supply solution to work.

Otherwise, the price of the Speculation Tax includes loss of freedom of choice and property ownership for ourselves and future generations.



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