



---

Governments require revenues to deliver all the programs and services to citizens. The Final Agreement will ensure that taxes paid by residents are returned to the Kitselas government and will be used to support economic development, public works and improve programs and services.

Taxation allows us to earn revenue and spend it on what we believe we need.

---



Kitselas Treaty Office  
4562 Queensway Dr. Terrace, BC V8G 3X6  
Ph: 250-635-8882 · Fax: 250-635-8793  
newsroom@kitselas.com

[www.kitselas.com](http://www.kitselas.com)

# Kitselas Treaty

---

UNDERSTANDING PROPERTY TAX





## What is property tax?

---

Property tax is a tax levied by the government upon property owners on the value of property (building and land) they own. In BC, property tax revenues are used to provide transportation, health services, recreational facilities, police and fire protection, water, sewer systems and garbage disposal.

## How is property tax calculated?

---

Property assessment and taxation in British Columbia is a two-step process involving BC Assessment and the various tax authorities. BC Assessment determines the classification, value and exemption status of property. The Government will then apply their tax rates to assessments.

*The formula is:*

*Property tax = value of property x tax rate*

## What is BC Assessment?

---

BC Assessment is a provincial Crown corporation that determines the market value of all real properties in British Columbia.

BC Assessment assesses all properties and sends an assessment notice to all property owners each year, informing them of the market value of their property as of the previous July 1. This market value is determined by following generally accepted appraisal principles. Each year the assessor takes into account location, size, topography, shape, replacement cost, age, condition, rental income and sales of comparable properties in the area, as well as any other factors that might affect the property's value, to determine what the property would sell for.

## Who pays property tax?

---

Property tax is paid by owners of property. If the owner of the property is tax exempt, then the renter pays it.

*For example: Kitselas Government is tax exempt.*

## Who does not pay property tax?

---

- First Nation government
- Renters (if they rent from a private individual or land holder)
- Low-income renters of homes owned (if home qualifies as social housing)

## What qualifies as Social Housing?

---

Social housing is determined in accordance with CMHC guidelines.

3 conditions need to be met:

1. Occupant is renting the home from a tax-exempt entity (KFN Government)
2. Occupant income levels are below the Core Housing Need Thresholds
3. The home also has to be properly occupied

## How much property tax will I pay?

---

It is important to Kitselas that property taxes not become a burden on members, while at the same time ensuring that we collect the most that we can from non-members.

The Kitselas government will set property tax rates, and these rates will be fair to the membership while maximizing revenue. The community will decide what the best tax system is for them.

## What about future development?

---

The amount of tax money Kitselas receives will increase as our lands are developed. Let's consider the tax benefits associated with the development of a small subdivision.

For instance, a 15-hectare subdivision with ¼-acre lots is built. The lot value is \$150,000 and the property value is \$325,000 and we will assume a tax rate based on rates in the town of Terrace for 2010.

This subdivision would result in \$15 million minus infrastructure costs in direct revenue and approximately \$840,000 in income tax, \$240,000 in sales tax and \$200,000 in property tax per year to the Kitselas government – for a total of \$1.3 million per year. There would also be employment spin-offs for Kitselas members.

## Why don't we do this now?

---

The Indian Act makes such a project extremely difficult. For example:

- Additional land is not available
- Access to commercial funding is difficult
- Special permission from INAC is required
- Only property tax revenues (\$200,000) could come to Kitselas – other revenues (\$1.1 million) would go to Ottawa and Victoria.

Therefore, such projects are not profitable.