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Legislative Assembly of British Columbia

BILL 5

**BUDGET MEASURES
IMPLEMENTATION ACT, 2025**

Honourable Brenda Bailey
Minister of Finance

Explanatory Notes

- CLAUSE 1: *[Balanced Budget and Ministerial Accountability Act, section 2.2]* includes the 2027–2028 fiscal year in the period of fiscal years for which budget deficits are allowed to be forecast in the main estimates.
- CLAUSE 2: *[Assessment Authority Act, section 17]* transfers to the Treasury Board authority to approve British Columbia Assessment Authority bylaws that set taxes and rates for specified land and improvements.
- CLAUSE 3: *[Income Tax Act, section 8]* for the purposes of determining the reduction to the sales tax credit,
- includes in the meaning of “adjusted income” the income of a cohabiting spouse or common-law partner who is not eligible for the credit,
 - adds a definition, and
 - specifies the threshold for the reduction of the credit to account for a cohabiting spouse or common-law partner who is not eligible for the credit.

BILL 5 – 2025
BUDGET MEASURES
IMPLEMENTATION ACT, 2025

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:

PART 1 – NON-TAX BUDGET MEASURES

Balanced Budget and Ministerial Accountability Act

- 1** *Section 2.2 of the Balanced Budget and Ministerial Accountability Act, S.B.C. 2001, c. 28, is amended by striking out “2026–2027” and substituting “2027–2028”.*

PART 2 – TAX-RELATED BUDGET MEASURES

Assessment Authority Act

- 2** *Section 17 (2) of the Assessment Authority Act, R.S.B.C. 1996, c. 21, is amended by striking out “Lieutenant Governor in Council” and substituting “Treasury Board”.*

Income Tax Act

- 3** *Section 8 of the Income Tax Act, R.S.B.C. 1996, c. 215, is amended*
- (a) in subsection (1) in the definition of “adjusted income” by striking out “qualified relation” and substituting “cohabiting spouse or common-law partner”,*
- (b) in subsection (1) by adding the following definition:*
- “cohabiting spouse or common-law partner”**, in relation to an individual for a taxation year, means the person who, at the end of December 31 of that year, is the individual’s cohabiting spouse or common-law partner, as defined in section 122.6 of the federal Act; ,
- (c) in subsection (1) in the definition of “qualified relation” by striking out “as defined in section 122.6 of the federal Act”, and*

CLAUSE 3: *[Income Tax Act, section 8 – continued]*

CLAUSE 4: *[Income Tax Act, section 8]* is consequential to the addition of the definition to section 8 of the Act by this Bill.

CLAUSE 5: *[Income Tax Act, section 13.093]* adopts subsections added to section 122.62 of the *Income Tax Act* (Canada) that provide for the continued inclusion of a child, for the purposes of calculating the BC family benefit, for 6 months after the death of the child.

CLAUSE 6: *[Income Tax Act, section 21]* increases the maximum annual individual limit for the small business venture capital tax credit to \$300 000.

CLAUSE 7: *[Income Tax Act, section 33]* amends the referenced text, consequential to an amendment made to the *Income Tax Act* (Canada).

CLAUSE 8: *[Income Tax Act, section 33]* amends the referenced text, consequential to an amendment made to the *Income Tax Act* (Canada).

CLAUSE 9: *[Income Tax Act, section 33]* amends the referenced text, consequential to an amendment made to the *Income Tax Act* (Canada).

(d) by repealing subsection (4) and substituting the following:

- (4) The amount determined under subsection (3) is reduced by 2% of the amount by which the adjusted income of the eligible individual claiming the sales tax credit exceeds
 - (a) \$15 000, if the eligible individual does not have a cohabiting spouse or common-law partner, or
 - (b) \$18 000, if the eligible individual has a cohabiting spouse or common-law partner.

4 *Section 8 (1) is amended in paragraph (b) of the definition of “qualified relation” by striking out “, as defined in section 122.6 of the federal Act”.*

5 *Section 13.093 is repealed and the following substituted:*

**Application of federal provisions to
BC family benefit – special rules**

13.093 Section 122.62 (1), (2) and (4) to (10) of the federal Act applies for the purposes of this section and sections 13.091, 13.092, 13.094 and 13.095 of this Act, except that, in addition to any other necessary modifications,

- (a) section 122.62 (5) (b), (6) (b) and (7) (b) of the federal Act is to be read as if
 - (i) a reference to section 122.61 (1) of the federal Act were a reference to section 13.092 of this Act, and
 - (ii) the phrase “under this Part” were “under this Act”, and
- (b) section 122.62 (9) (a) of the federal Act is to be read as if the phrase “six preceding months” were “six preceding months and after 2024”.

6 *Section 21 (2) (b), (3) (b), (4) (c), (5) (b) and (7) is amended by striking out “\$120 000” and substituting “\$300 000”.*

7 *Section 33 (3) is amended by striking out “127.1 (1) or 127.41 (3)” and substituting “127.1 (1), 127.41 (3) or 127.44 (2)”.*

8 *Section 33 (3) is amended by striking out “127.41 (3) or 127.44 (2)” and substituting “127.41 (3), 127.44 (2), 127.45 (2) or 127.48 (2)”.*

9 *Section 33 (3) is amended by striking out “127.45 (2) or 127.48 (2)” and substituting “127.45 (2), 127.48 (2) or 127.49 (2)”.*

CLAUSE 10: *[Income Tax Act, section 79]* adds definitions.

10 Section 79 (1) is amended by adding the following definitions:

“accredited BC major production expenditure” of an accredited production corporation means, in relation to a major production, the total of the following amounts, to the extent that they are reasonable in the circumstances, that did not and do not form part of the accredited BC major production expenditure of any other corporation:

- (a) amounts paid for services rendered in British Columbia in relation to the production;
- (b) amounts paid for goods purchased or leased, and used, in British Columbia in relation to the production

but does not include

- (c) an amount that is not a cost of producing the production,
- (d) without limiting paragraph (c), an amount that relates
 - (i) to advertising, marketing, promotion or market research,
 - (ii) to the distribution of the production, or
 - (iii) in any way to another film or video production,
- (e) an amount determined by reference to profits or revenues, or
- (f) an amount in relation to a prescribed expenditure;

“major production” means a film or video production that meets all of the following criteria:

- (a) the production is an accredited production, or, if the production is intended for television broadcast as a series, one or more of the episodes in the cycle of the series is an accredited production;
- (b) the total accredited BC major production expenditure for the production is greater than \$200 000 000;

“physical office”, in relation to an animation production, means a building, or part of a building, that

- (a) is owned or leased by the corporation producing the animation production, or by a taxable Canadian corporation that controls that corporation, for the longer of the following periods:
 - (i) from the date principal photography of the animation production begins until the date the production is completed;
 - (ii) 12 consecutive months,
- (b) is used to produce the animation production, and
- (c) is not a dwelling unit; .

CLAUSE 11: *[Income Tax Act, section 80]* provides for an additional basic tax credit in the amount of 5% of the qualified BC labour expenditure in respect of eligible productions that begin principal photography after December 31, 2024.

CLAUSE 12: *[Income Tax Act, section 81.1]*

- provides that a regional tax credit can be claimed for an animation production that begins principal photography after December 31, 2024 and that produces the animation production at a physical office;
- sets out the formula for determining the tax credit.

11 Section 80 is amended by adding the following subsection:

- (8) In addition to the tax credits that may be claimed under subsections (2), (4) and (6), the amount of the tax credit that may be claimed by a qualifying corporation under this section in respect of an eligible production for which principal photography begins after December 31, 2024 is 5% of the corporation's qualified BC labour expenditure for the taxation year in respect of the production.

12 Section 81.1 is amended by adding the following subsections:

- (6) A corporation is eligible for a regional tax credit under subsection (7) for a taxation year in respect of an eligible production that is an animation production if
 - (a) the corporation is eligible for, and has made or is making an application in accordance with section 85 for, a tax credit in relation to the production under section 80,
 - (b) principal photography of the production begins after December 31, 2024,
 - (c) the corporation produces the animation production at a physical office that is outside of the designated Vancouver area,
 - (d) the corporation has obtained a valid eligibility certificate issued to it under section 86 in respect of the production and the claimed tax credit, and
 - (e) the corporation makes application for the regional tax credit in accordance with section 85.
- (7) The amount of the tax credit that may be claimed by a qualifying corporation under this subsection is 12.5% of the amount determined by the formula

$$QLE \times \frac{RLE}{TLE}$$

where

- QLE is the corporation's qualified BC labour expenditure for the taxation year in respect of the animation production,
- RLE is the corporation's BC labour expenditure for the taxation year in respect of services rendered in relation to the animation production by BC-based individuals who, for at least 50% of their time spent rendering those services, render the services in a physical office in British Columbia outside of the designated Vancouver area, and
- TLE is the corporation's BC labour expenditure for the taxation year in respect of the animation production.

CLAUSE 13: *[Income Tax Act, section 81.11]*

- provides that a distant location regional tax credit can be claimed for an animation production that begins principal photography after December 31, 2024 and that produces the animation production at a physical office;
- sets out the formula for determining the tax credit.

CLAUSE 14: *[Income Tax Act, section 82.2]*

- provides that a regional production services tax credit can be claimed for an animation production that begins principal photography after December 31, 2024 and that produces the animation production at a physical office;
- sets out the formula for determining the tax credit.

13 Section 81.11 is amended by adding the following subsections:

- (6) A corporation is eligible for a distant location regional tax credit under subsection (7) for a taxation year in respect of an eligible production that is an animation production if
 - (a) the corporation is eligible for, and has made or is making an application in accordance with section 85 for, a tax credit in relation to the production under sections 80 and 81.1,
 - (b) principal photography of the production begins after December 31, 2024,
 - (c) the corporation produces the animation production at a physical office in a distant location,
 - (d) the corporation has obtained a valid eligibility certificate issued to it under section 86 in respect of the production and the claimed tax credit, and
 - (e) the corporation makes application for the distant location regional tax credit in accordance with section 85.
- (7) The amount of the tax credit that may be claimed by a qualifying corporation under this subsection is 6% of the amount determined by the formula

$$\text{QLE} \times \frac{\text{DLLE}}{\text{TLE}}$$

where

- QLE is the corporation's qualified BC labour expenditure for the taxation year in respect of the animation production,
- DLLE is the corporation's BC labour expenditure for the taxation year in respect of services rendered in relation to the animation production by BC-based individuals who, for at least 50% of their time spent rendering those services, render the services in a physical office in a distant location, and
- TLE is the corporation's BC labour expenditure for the taxation year in respect of the animation production.

14 Section 82.2 is amended by adding the following subsections:

- (6) A corporation is eligible for a regional production services tax credit under subsection (7) for a taxation year in respect of an accredited production that is an animation production if
 - (a) the corporation is eligible for, and has made or is making an application in accordance with section 85 for, a tax credit in relation to the production under section 82.1,
 - (b) principal photography of the production begins after December 31, 2024,
 - (c) the corporation produces the animation production at a physical office that is outside of the designated Vancouver area,

CLAUSE 14: *[Income Tax Act, section 82.2 – continued]*

CLAUSE 15: *[Income Tax Act, section 82.21]*

- provides that a distant location production services tax credit can be claimed for an animation production that begins principal photography after December 31, 2024 and that produces the animation production at a physical office;
- sets out the formula for determining the tax credit.

- (d) the corporation has given notice to the certifying authority in accordance with section 84.1 in respect of the production,
 - (e) the corporation has obtained an accreditation certificate issued under section 87.1 in respect of the production and the claimed tax credit, and
 - (f) the corporation makes application for the regional production services tax credit in accordance with section 85.
- (7) The amount of the tax credit that may be claimed by an accredited production corporation under this subsection is 6% of the amount determined by the formula

$$AQLE \times \frac{RLE}{TLE}$$

where

AQLE is the corporation's accredited qualified BC labour expenditure for the taxation year in respect of the animation production,

RLE is the corporation's accredited BC labour expenditure for the taxation year in respect of services rendered in relation to the animation production by BC-based individuals who, for at least 50% of their time spent rendering those services, render the services in a physical office in British Columbia outside of the designated Vancouver area, and

TLE is the corporation's accredited BC labour expenditure for the taxation year in respect of the animation production.

15 Section 82.21 is amended by adding the following subsections:

- (6) A corporation is eligible for a distant location production services tax credit under subsection (7) for a taxation year in respect of an accredited production that is an animation production if
 - (a) the corporation is eligible for, and has made or is making an application in accordance with section 85 for, a tax credit in relation to the production under sections 82.1 and 82.2,
 - (b) principal photography of the production begins after December 31, 2024,
 - (c) the corporation produces the animation production at a physical office in a distant location,
 - (d) the corporation has given notice to the certifying authority in accordance with section 84.1 in respect of the production,
 - (e) the corporation has obtained an accreditation certificate issued under section 87.1 in respect of the production and the claimed tax credit, and
 - (f) the corporation makes application for the distant location production services tax credit in accordance with section 85.

CLAUSE 15: *[Income Tax Act, section 82.21 – continued]*

CLAUSE 16: *[Income Tax Act, section 82.4]* provides for a new major production tax credit in the amount of 2% of all accredited qualified BC labour expenditures of a corporation in respect of a production in all taxation years.

- (7) The amount of the tax credit that may be claimed by an accredited production corporation under this subsection is 6% of the amount determined by the formula

$$AQLE \times \frac{DLLE}{TLE}$$

where

- AQLE is the corporation's accredited qualified BC labour expenditure for the taxation year in respect of the animation production,
- DLLE is the corporation's accredited BC labour expenditure for the taxation year in respect of services rendered in relation to the animation production by BC-based individuals who, for at least 50% of their time spent rendering those services, render the services in a physical office in a distant location, and
- TLE is the corporation's accredited BC labour expenditure for the taxation year in respect of the animation production.

16 The following section is added:

Major production tax credit

- 82.4** (1) A corporation is eligible for a major production tax credit for a taxation year in respect of a major production if
- (a) the corporation is eligible for, and has made or is making an application in accordance with section 85 for, a tax credit under section 82.1
 - (i) in relation to the production, or
 - (ii) if the production is intended for television broadcast as a series, in relation to one or more episodes of the production,
 - (b) principal photography of the major production begins after December 31, 2024,
 - (c) the major production was completed in the taxation year,
 - (d) the corporation has obtained a major production certificate issued under section 87.11 in respect of the production and the claimed tax credit, and
 - (e) the corporation makes application for the major production tax credit in accordance with section 85.
- (2) The amount of the tax credit that may be claimed by an accredited production corporation under this section is 2% of the sum of all accredited qualified BC labour expenditures, subject to subsection (3), of the corporation in respect of the major production, in all taxation years.
- (3) If a major production is intended for television broadcast as a series, the sum referred to in subsection (2) must not include expenditures in respect of an episode that is not an accredited production.

CLAUSE 17: *[Income Tax Act, section 85]* requires a corporation to file a major production certificate if applying for a major production tax credit.

CLAUSE 18: *[Income Tax Act, section 87.11]* provides for a new major production certificate.

CLAUSE 19: *[Income Tax Act, sections 87.2, 88 and 89]* provides that the processes for amending, revoking and giving notice of certificates apply to major production certificates.

CLAUSE 20: *[Income Tax Act, section 90]* requires a major production tax credit to be repaid if a major production certificate is revoked.

CLAUSE 21: *[Income Tax Act, sections 93.1, 93.2, 93.3, 93.4]*

- adds powers, in relation to the administration and enforcement of sections 81.1, 81.11, 82.2 and 82.21, to inspect a location, demand information and require records to be kept;
- provides that a record obtained using the inspection power is evidence of the nature and content of the original.

17 Section 85 (1) is amended by adding the following paragraph:

- (b.1) in the case of a claim for a tax credit under section 82.4, the major production certificate under section 87.11 that is appropriate to the film or video production in respect of which the claim is made; .

18 The following section is added:

Major production certificate

- 87.11** (1) A corporation that has claimed or intends to claim a major production tax credit under section 82.4 must apply to the certifying authority for a major production certificate promptly after the completion of a major production.
- (2) A corporation referred to in subsection (1) must, with its application,
- (a) pay the prescribed application fee to a person prescribed by the Lieutenant Governor in Council, and
 - (b) provide the information and records that the certifying authority requires in respect of the production.
- (3) On receiving an application under this section, the certifying authority must issue to the applicant corporation a major production certificate in respect of a production if the certifying authority is satisfied, on the basis of the information provided by the corporation and any other information available to the certifying authority, that the production is a major production.

19 Sections 87.2, 88 (1) (a) and 89 are amended by striking out “section 86, 87 or 87.1” wherever it appears and substituting “section 86, 87, 87.1 or 87.11”.

20 Section 90 is amended by striking out “or” at the end of paragraph (c.1) and adding the following paragraph:

- (c.2) a major production certificate issued under section 87.11 in respect of the production is revoked without another major production certificate having been issued in replacement, or .

21 The following sections are added:

Certifying authority inspection and audit powers

93.1 (1) In this section:

“**electronic**” has the same meaning as in section 1 of the *Electronic Transactions Act*;

“**inspector**” means an employee of the certifying authority who is authorized by the certifying authority to perform duties and exercise powers under this section;

CLAUSE 21: *[Income Tax Act, sections 93.1, 93.2, 93.3, 93.4 – continued]*

“specified location” means any place

- (a) used by a person in relation to a business carried on by the person, or
 - (b) where the records of a person are kept.
- (2) An inspector may, at any reasonable time and for any purpose related to the administration and enforcement of sections 81.1, 81.11, 82.2 and 82.21,
 - (a) enter a specified location,
 - (b) inspect a specified location if a corporation has identified the location as being a physical office for an animation production,
 - (c) inspect, audit and examine records,
 - (d) make copies of records, and
 - (e) subject to subsection (4), remove records from the specified location for the purpose of making copies.
- (3) A person occupying a specified location must do all of the following, as applicable:
 - (a) produce or provide electronic access to all records as may be required by the inspector;
 - (b) in the case of records in electronic form, produce or provide electronic access to the records in the form and manner required by the inspector;
 - (c) answer all questions of the inspector relating to the matters referred to in subsection (2).
- (4) If the inspector removes records from a specified location for the purpose of making copies, the inspector must return the records within a reasonable time.
- (5) A person must not
 - (a) interfere with, hinder or molest a person doing anything that the person is authorized to do under this section, or
 - (b) prevent or attempt to prevent a person from doing anything that the person is authorized to do under this section.

Demand for information

- 93.2** (1) For any purpose related to the administration or enforcement of sections 81.1, 81.11, 82.2 and 82.21, the certifying authority may, by giving a person a demand notice, require from the person
- (a) any information or additional information,
 - (b) the production of any records, or
 - (c) a written statement.

CLAUSE 21: *[Income Tax Act, sections 93.1, 93.2, 93.3, 93.4 – continued]*

CLAUSE 22: *[Income Tax Act, section 96]*

- adds regulation-making authority to prescribe
 - excluded expenditures for the purposes of the definition of “accredited BC major production expenditure”, and
 - the amount of an application fee for a major production certificate;
- increases the maximum percentage that may be prescribed for the purposes of an additional production services tax credit under section 82.1 (11) of the Act.

CLAUSE 23: *[Income Tax Act, section 117]* extends the availability of training tax credits for individuals to December 31, 2028.

- (2) A demand notice under subsection (1)
 - (a) must be given by leaving the demand notice with the person or by sending the demand notice to the person by registered mail,
 - (b) must specify a reasonable time by which the person must comply with the demand notice, and
 - (c) in relation to a requirement under subsection (1) (c), may require the written statement to be made by way of affidavit or statutory declaration.
- (3) A person to whom a demand notice is given under this section must comply with the notice within the time specified in the notice.
- (4) The certifying authority may issue a document certifying one or both of the following, and the document is proof of the facts certified in it:
 - (a) a demand notice was given to a person in accordance with subsection (2);
 - (b) a person has failed to comply with subsection (3) in respect of a demand notice given to the person under this section.

Records required to be kept

- 93.3** If the records kept by a person are, in the opinion of the certifying authority, not adequate for the purposes of sections 81.1, 81.11, 82.2 and 82.21, the certifying authority may specify one or more of the following in respect of the records to be kept by the person:
- (a) the information to be contained in the records;
 - (b) the form and manner in which the records are to be kept.

Evidence – copies of records

- 93.4** A record certified by the inspector to be a copy of a record obtained by the inspector under section 93.1 is evidence of the nature and content of the original.

22 *Section 96 is amended*

(a) in subsection (2) by adding the following paragraphs:

- (f) prescribing an expenditure for the purposes of paragraph (f) of the definition of “accredited BC major production expenditure”;
- (g) prescribing the amount of an application fee referred to in section 87.11 (2) (a)., ***and***

(b) in subsection (2.2) (b) by striking out “22%” and substituting “25%”.

- 23 *Section 117 is amended by striking out “January 1, 2026” and substituting “January 1, 2029”.***

CLAUSE 24: *[Income Tax Act, section 120]* continues the \$500 tax credit for individuals eligible for the enhanced tax credit who complete level 1 or level 2 of an eligible apprenticeship program, even after the federal Apprenticeship Incentive Grant program ends.

CLAUSE 25: *[Income Tax Act, section 131]* adds regulation-making authority to prescribe an eligible apprenticeship program and to establish requirements for level 1 and level 2 of an eligible apprenticeship program, for the purposes of eligibility for an enhanced tax credit for apprentices under section 120.

CLAUSE 26: *[Income Tax Act, section 134]* increases the interactive digital media tax credit rate to 25% and makes the tax credit permanent.

24 Section 120 is amended by adding the following subsections:

(0.1) In this section:

“eligible apprenticeship program” means a program prescribed under section 131 (1) (j);

“level 1 apprenticeship requirements” means the requirements established by regulation under section 131 (1) (k) for an eligible apprenticeship program;

“level 2 apprenticeship requirements” means the requirements established by regulation under section 131 (1) (l) for an eligible apprenticeship program.

(4) Subject to subsection (5), an individual referred to in subsection (1) may claim a tax credit of \$500 for a taxation year for each of the level 1 apprenticeship requirements or level 2 apprenticeship requirements completed by the individual in the taxation year.

(5) An individual may not claim a tax credit under subsection (4) if the individual has applied for an amount under the Apprenticeship Incentive Grant program referred to in section 56 (1) (n.1) [*apprenticeship grants*] of the federal Act in respect of the completed requirements referred to in subsection (4).

25 Section 131 (1) is amended by adding the following paragraphs:

(j) prescribing as an eligible apprenticeship program an apprenticeship program designed to certify or license an individual in a trade prescribed in respect of British Columbia for the purposes of the definition of “eligible apprentice” in section 127 (9) of the federal Act;

(k) for the purposes of section 120, establishing requirements for an eligible apprenticeship program as level 1 apprenticeship requirements;

(l) for the purposes of section 120, establishing requirements for an eligible apprenticeship program as level 2 apprenticeship requirements.

26 Section 134 is amended

(a) in subsection (2) by striking out “A corporation that is eligible under section 133 may claim a tax credit for a taxation year in the amount equal to 17.5% of the amount” **and substituting** “Subject to subsection (3), a corporation that is eligible under section 133 may claim a tax credit for a taxation year in the amount equal to 25% of the amount”,

(b) in the formula in subsection (2) by repealing paragraph (b) of the description of “eligible salary and wages” and substituting the following:

(b) are incurred

(i) by the corporation in the taxation year, and

(ii) on or after September 1, 2010, , **and**

CLAUSE 26: *[Income Tax Act, section 134 – continued]*

CLAUSE 27: *[Income Tax Act, section 197]* provides the date on which interest on an unpaid tax refund begins to accrue for a corporation that files a notice under section 190.

(c) by adding the following subsection:

- (3) If the rate in subsection (2) changes during the taxation year of a corporation, the amount of the tax credit that a corporation may claim under that subsection for that taxation year must be determined in accordance with the following:
 - (a) the corporation must divide its taxation year into notional taxation years as follows:
 - (i) the first of those notional taxation years begins on the first day of the corporation's taxation year and ends on the day before the day on which the rate changes;
 - (ii) the second notional taxation year begins on the day in the corporation's taxation year on which the rate changes and ends on the last day of its taxation year;
 - (b) the corporation must, for each notional taxation year within the corporation's taxation year, calculate the amount of the tax credit in accordance with subsection (2), as that section read on the first day of that notional taxation year;
 - (c) the corporation must add to the amount determined under paragraph (b) for the first notional taxation year within the corporation's taxation year the amount determined under paragraph (b) for the second notional taxation year within its taxation year;
 - (d) the total amount determined under paragraph (c) is the amount of the tax credit that may be claimed under subsection (2) for the corporation's taxation year.

27 *Section 197 (1) is repealed and the following substituted:*

- (1) In this section, "**interest date**", in respect of a taxation year, means the following, as applicable:
 - (a) subject to paragraph (b), the date that is the earlier of the following:
 - (i) the date that is 61 days after the date the corporation complies with section 183 (2) (a) and (b) *[application for tax credit]* for the taxation year;
 - (ii) the date that is 31 days after the date the initial notice of determination for the taxation year is sent under section 189 (1) *[notice of determination]*;
 - (b) if a corporation files a notice under section 190 *[notice to commissioner of subsequent assessment]*, the date that is the earlier of the following:
 - (i) the date that is 61 days after the corporation complies with sections 190 and 183 (2) (b) *[application for tax credit – proof of amounts paid]* for the taxation year to which the notice under section 190 relates;

CLAUSE 27: *[Income Tax Act, section 197 – continued]*

CLAUSE 28: *[Income Tax Act, section 271]* extends by one year the following periods in relation to the clean buildings tax credit:

- the period during which an outlay or expense must be incurred to be included in the definition of “qualifying expenditure”;
- the period during which a retrofit must be completed to be included in the definition of “qualifying retrofit”.

CLAUSE 29: *[Income Tax Act, section 277]* extends by one year the following periods in relation to the clean buildings tax credit:

- the period for giving a certificate relating to the energy use intensity for a building;
- a period referred to in a certificate relating to the energy use intensity for a building after a retrofit is completed;
- the period for filing applications to have retrofits certified.

CLAUSE 30: *[Provincial Sales Tax Act, section 50]* reduces the tax owed by a person who brings or sends a vehicle, or who has a vehicle delivered, into BC and who has previously paid certain types of tax on that vehicle.

CLAUSE 31: *[Provincial Sales Tax Act, section 51]* makes a housekeeping amendment.

- (ii) the date that is 31 days after the date a notice of determination, related to the corporation's notice under section 190, is sent under section 189 (1).

28 *Section 271 is amended*

- (a) in paragraph (c) of the definition of “qualifying expenditure” by striking out “March 31, 2025” and substituting “March 31, 2026”, and***
- (b) in paragraph (b) of the definition of “qualifying retrofit” by striking out “March 31, 2026” and substituting “March 31, 2027”.***

29 *Section 277 is amended*

- (a) in subsection (2) (b) by striking out “September 30, 2027” and substituting “September 30, 2028”,***
- (b) in subsection (2) (b) (ii) (C) by striking out “March 31, 2027” and substituting “March 31, 2028”, and***
- (c) in subsection (4) by striking out “September 30, 2027” and substituting “September 30, 2028”.***

Provincial Sales Tax Act

30 *Section 50 of the Provincial Sales Tax Act, S.B.C. 2012, c. 35, is amended by adding the following subsection:*

- (3.1) The amount of tax payable under subsection (2) by a person in relation to a vehicle brought or sent into British Columbia, or for which delivery is received in British Columbia, is reduced by
 - (a) the amount of tax under this Act, the *Consumption Tax Rebate and Transition Act* or the *Social Service Tax Act* that the person previously paid in relation to the vehicle and for which the person has not obtained and is not entitled to obtain a refund under those Acts, and
 - (b) the amount of tax under section 165 (2), 212.1 or 218.1 or Division IV.1 of Part IX of the *Excise Tax Act*, in respect of British Columbia as a participating province under Part IX of that Act, that the person previously paid in relation to the vehicle and for which the person has not obtained and is not entitled to obtain a refund, credit or rebate under Part IX of that Act.

31 *Section 51 (4) is amended by striking out “but for this section” and substituting “but for section 49 (2) (b)”.*

CLAUSE 32: *[Provincial Sales Tax Act, section 52]* makes a housekeeping amendment.

CLAUSE 33: *[School Act, section 131.02]*

- adds definitions related to amendments made by this Bill to the Act;
- exempts from taxation under the Act specified land and improvements, if they are land that has no present use or if they are used by First Nations exclusively for cultural or community purposes;
- authorizes the Lieutenant Governor in Council to make regulations for specified purposes.

32 Section 52 (3) is amended

- (a) by striking out “subsection (1)” and substituting “subsection (2)”, and**
- (b) in paragraph (b) by striking out “in respect of the vehicle” and substituting “in respect of the tangible personal property”.**

School Act

33 The School Act, R.S.B.C. 1996, c. 412, is amended by adding the following section:

**School tax exemption for land
owned or occupied by First Nations**

131.02 (1) In this section:

- “eligible corporation”** means a corporation described in subsection (2);
 - “First Nation”** has the same meaning as in section 365.1 of the *Land Title Act*;
 - “government organization”** means
 - (a) a government organization as defined in section 1 (1) of the *Budget Transparency and Accountability Act*, except a prescribed corporation or other organization, or
 - (b) a prescribed corporation or other organization or a corporation or other organization in a prescribed class of corporations or other organizations;
 - “prescribed not-for-profit corporation”** means a corporation, as defined in section 2 (1) of the *Canada Not-for-profit Corporations Act*, prescribed under subsection (5) (b) of this section;
 - “prescribed society”** means a society, as defined in section 1 of the *Societies Act*, prescribed under subsection (5) (b) of this section;
 - “wholly owned subsidiary”** has the same meaning as in section 1 (1) of the *Business Corporations Act*.
- (2) A corporation is an eligible corporation if
- (a) all of its shares are owned by any of the following:
 - (i) one or more First Nations or a person who holds the shares in trust for the sole benefit of one or more First Nations;
 - (ii) a corporation that is
 - (A) an eligible corporation under subparagraph (i), or
 - (B) a wholly owned subsidiary of an eligible corporation referred to in clause (A);
 - (iii) any combination of the persons referred to in subparagraphs (i) and (ii), and

CLAUSE 33: *[School Act, section 131.02 – continued]*

- (b) it is not either of the following:
 - (i) a partner in a partnership, unless every other partner in the partnership is a First Nation referred to in paragraph (a) (i) or an eligible corporation;
 - (ii) a trustee of a trust, unless the trust is for the sole benefit of a First Nation referred to in paragraph (a) (i).
- (3) Subsection (4) applies to the following:
 - (a) land and improvements
 - (i) that were disposed of, for the purposes of reconciliation, by the government or a government organization to one or more First Nations, and
 - (ii) that are owned or held exclusively by the First Nations referred to in subparagraph (i);
 - (b) land and improvements
 - (i) that were disposed of, for the purposes of reconciliation, by the government or a government organization to an eligible corporation, and
 - (ii) that are owned or held exclusively by the eligible corporation referred to in subparagraph (i);
 - (c) land and improvements that were disposed of, for the purposes of reconciliation, by the government or a government organization to a person that holds the land and improvements in trust for the sole benefit of one or more First Nations;
 - (d) land and improvements
 - (i) that were disposed of, for the purposes of reconciliation, by the government or a government organization to a prescribed society or prescribed not-for-profit corporation, and
 - (ii) that are owned or held exclusively by the prescribed society or prescribed not-for-profit corporation referred to in subparagraph (i);
 - (e) land and improvements
 - (i) that were purchased, with funds provided by the government for the purpose of acquiring land and improvements and for the purposes of reconciliation, by any of the following persons:
 - (A) one or more First Nations;
 - (B) an eligible corporation;
 - (C) a person that holds the land and improvements in trust for the sole benefit of one or more First Nations;
 - (D) a prescribed society or prescribed not-for-profit corporation, and

CLAUSE 33: *[School Act, section 131.02 – continued]*

- (ii) that are owned or held exclusively by the person referred to in subparagraph (i);
 - (f) land and improvements
 - (i) that were disposed of, for the purposes of reconciliation, by the government or a government organization to a person described in paragraphs (a) to (d),
 - (ii) that were the subject of one or more later dispositions to another person described in paragraphs (a) to (d), and
 - (iii) that are owned or held exclusively by a person referred to in subparagraph (ii);
 - (g) land and improvements
 - (i) that were purchased in accordance with paragraph (e) by a person described in that paragraph,
 - (ii) that were the subject of one or more later dispositions to another person described in paragraphs (a) to (d), and
 - (iii) that are owned or held exclusively by a person referred to in subparagraph (ii);
 - (h) Crown land that is occupied exclusively by one or more First Nations.
- (4) The following, as described in subsection (3), are exempt from taxation under this Act:
- (a) land that is Class 1 property described in section 1 (1) (c) of the Prescribed Classes of Property Regulation, B.C. Reg. 438/81;
 - (b) land and improvements that are used by a First Nation referred to in subsection (3), exclusively for cultural or community purposes and not for any business, commercial or industrial purposes;
 - (c) land and improvements that are prescribed or are in a prescribed class of land and improvements.
- (5) The Lieutenant Governor in Council may make regulations as follows:
- (a) prescribing corporations or other organizations, or classes of corporations or other organizations, for the purposes of the definition of “government organization” in subsection (1);
 - (b) prescribing societies or not-for-profit corporations for the purposes of subsection (3) (d) (i) and (e) (i) (D);
 - (c) prescribing land and improvements, or classes of land and improvements, for the purposes of subsection (4) (c).

- CLAUSE 34: *[South Coast British Columbia Transportation Authority Act, section 30.1]* amends the maximum tax rate for parking that the South Coast British Columbia Transportation Authority may charge.
- CLAUSE 35: *[Speculation and Vacancy Tax Act, sections 10 and 33]* amends several provisions to allow opinions and documents provided by nurse practitioners to be considered for the purposes of exemptions under the Act.
- CLAUSE 36: *[Speculation and Vacancy Tax Act, sections 15 and 18]* increases tax rates applicable for the 2026 calendar year and subsequent calendar years.
- CLAUSE 37: *[Speculation and Vacancy Tax Act, sections 16 and 17]* increases tax rates applicable for the 2026 calendar year and subsequent calendar years.
- CLAUSE 38: *[Speculation and Vacancy Tax Act, section 45]*
- amends a definition to allow opinions and documents provided by nurse practitioners to be considered for the purposes of exemptions under the Act;
 - repeals and replaces a provision
 - to make a housekeeping amendment, and
 - to allow a document filed under the provision to be completed by a nurse practitioner.
- CLAUSE 39: *[Speculation and Vacancy Tax Act, section 54]* increases the tax credit in relation to tax payable by residents of British Columbia for the 2026 calendar year or a subsequent calendar year.

South Coast British Columbia Transportation Authority Act

- 34** *Section 30.1 (1) (a) of the South Coast British Columbia Transportation Authority Act, S.B.C. 1998, c. 30, is amended by striking out “24%” and substituting “29%”.*

Speculation and Vacancy Tax Act

- 35** *Sections 10 (3) (a) and (b) and (4) and 33 (1) (a), (7) and (8) of the Speculation and Vacancy Tax Act, S.B.C. 2018, c. 46, are amended by striking out “medical practitioner” and substituting “medical practitioner or nurse practitioner”.*

- 36** *Sections 15 (1) and (2) and 18 are amended by striking out “2%” and substituting “3%”.*

- 37** *Sections 16 (1) and 17 (1) are amended by striking out “0.5%” and substituting “1%”.*

- 38** *Section 45 is amended*

(a) in subsection (1) in paragraph (a) of the definition of “medical reason” and in subsection (4) by striking out “medical practitioner” and substituting “medical practitioner or nurse practitioner”, and

(b) by repealing subsection (3) and substituting the following:

- (3) In order to claim an exemption under this section, the owner referred to in subsection (2) must file, with a declaration, a document that is completed by a medical practitioner or nurse practitioner.

- 39** *Section 54 (3) and (4) is repealed and the following substituted:*

- (3) Subject to subsections (4) and (5), the tax otherwise payable for a calendar year in respect of a residential property by an owner to whom this section applies is reduced as follows:

(a) if the tax is otherwise payable for a calendar year before the 2026 calendar year, by the amount not exceeding the lesser of

(i) \$2 000, and

(ii) the amount determined by multiplying \$2 000 by the owner’s interest in the residential property for the calendar year, expressed as a percentage;

(b) if the tax is otherwise payable for the 2026 or a subsequent calendar year, by the amount not exceeding the lesser of

(i) \$4 000, and

CLAUSE 39: *[Speculation and Vacancy Tax Act, section 54 – continued]*

CLAUSE 40: *[Taxation (Rural Area) Act, section 15]*

- adds definitions related to the amendments made by this Bill to the Act;
- exempts from taxation under the Act the land and improvements, in an area specified in a foreshore agreement, that are held or owned by a treaty first nation that has entered into the foreshore agreement or by a public institution established under a law of the treaty first nation;
- exempts from taxation under the Act specified land and improvements, if they are land that has no present use or if they are used by First Nations exclusively for cultural or community purposes.

- (ii) the amount determined by multiplying \$4 000 by the owner's interest in the residential property for the calendar year, expressed as a percentage.
- (4) The total of all reductions made under subsection (3) to an owner's tax payable for a calendar year in respect of all residential properties in which the owner holds an interest may not exceed the following:
 - (a) if the tax is payable for a calendar year before the 2026 calendar year, \$2 000;
 - (b) if the tax is payable for the 2026 calendar year or a subsequent calendar year, \$4 000.

Taxation (Rural Area) Act

40 *Section 15 of the Taxation (Rural Area) Act, R.S.B.C. 1996, c. 448, is amended*

(a) in subsection (1) by adding the following paragraph:

- (q.1) land and improvements, in an area of foreshore specified in a foreshore agreement, that are owned or held by
 - (i) a treaty first nation that has entered into the foreshore agreement, or
 - (ii) a public institution established under a law of a treaty first nation referred to in subparagraph (i); ,

(b) by adding the following subsections:

- (4.1) Subsection (4.2) applies to the following:
 - (a) land and improvements
 - (i) that were disposed of, for the purposes of reconciliation, by the government or a government organization to one or more First Nations, and
 - (ii) that are owned or held exclusively by the First Nations referred to in subparagraph (i);
 - (b) land and improvements
 - (i) that were disposed of, for the purposes of reconciliation, by the government or a government organization to an eligible corporation, and
 - (ii) that are owned or held exclusively by the eligible corporation referred to in subparagraph (i);
 - (c) land and improvements that were disposed of, for the purposes of reconciliation, by the government or a government organization to a person that holds the land and improvements in trust for the sole benefit of one or more First Nations;

CLAUSE 40: *[Taxation (Rural Area) Act, section 15 – continued]*

- (d) land and improvements
 - (i) that were disposed of, for the purposes of reconciliation, by the government or a government organization to a prescribed society or prescribed not-for-profit corporation, and
 - (ii) that are owned or held exclusively by the prescribed society or prescribed not-for-profit corporation referred to in subparagraph (i);
 - (e) land and improvements
 - (i) that were purchased, with funds provided by the government for the purpose of acquiring land and improvements and for the purposes of reconciliation, by any of the following persons:
 - (A) one or more First Nations;
 - (B) an eligible corporation;
 - (C) a person that holds the land and improvements in trust for the sole benefit of one or more First Nations;
 - (D) a prescribed society or prescribed not-for-profit corporation, and
 - (ii) that are owned or held exclusively by the person referred to in subparagraph (i);
 - (f) land and improvements
 - (i) that were disposed of, for the purposes of reconciliation, by the government or a government organization to a person described in paragraphs (a) to (d),
 - (ii) that were the subject of one or more later dispositions to another person described in paragraphs (a) to (d), and
 - (iii) that are owned or held exclusively by a person referred to in subparagraph (ii);
 - (g) land and improvements
 - (i) that were purchased in accordance with paragraph (e) by a person described in that paragraph,
 - (ii) that were the subject of one or more later dispositions to another person described in paragraphs (a) to (d), and
 - (iii) that are owned or held exclusively by a person referred to in subparagraph (ii);
 - (h) Crown land that is occupied exclusively by one or more First Nations.
- (4.2) The following, as described in subsection (4.1), are exempt from taxation under this Act:
- (a) land that is Class 1 property described in section 1 (1) (c) of the Prescribed Classes of Property Regulation, B.C. Reg. 438/81;

CLAUSE 40: *[Taxation (Rural Area) Act, section 15 – continued]*

- (b) land and improvements that are used by a First Nation referred to in subsection (4.1), exclusively for cultural or community purposes and not for any business, commercial or industrial purposes;
- (c) land and improvements that are prescribed or are in a prescribed class of land and improvements. ,

(c) in subsection (5) by adding the following definitions:

“eligible corporation” means a corporation described in subsection (6);

“First Nation” has the same meaning as in section 365.1 of the *Land Title Act*;

“foreshore agreement” means an agreement respecting a specified area of foreshore

- (a) that the government has entered into with a treaty first nation under a final agreement, and
- (b) under which the government delegates to the treaty first nation law-making authority, specified in the final agreement or in the agreement respecting the area of foreshore, exercisable within that area of foreshore;

“government organization” means

- (a) a government organization as defined in section 1 (1) of the *Budget Transparency and Accountability Act*, except a prescribed corporation or other organization, or
- (b) a prescribed corporation or other organization or a corporation or other organization in a prescribed class of corporations or other organizations;

“prescribed not-for-profit corporation” means a corporation, as defined in section 2 (1) of the *Canada Not-for-profit Corporations Act*, prescribed under section 57 (2) (n) of this Act;

“prescribed society” means a society, as defined in section 1 of the *Societies Act*, prescribed under section 57 (2) (n) of this Act;

“wholly owned subsidiary” has the same meaning as in section 1 (1) of the *Business Corporations Act*. , **and**

(d) by adding the following subsection:

- (6) A corporation is an eligible corporation if
 - (a) all of its shares are owned by any of the following:
 - (i) one or more First Nations or a person who holds the shares in trust for the sole benefit of one or more First Nations;
 - (ii) a corporation that is
 - (A) an eligible corporation under subparagraph (i), or
 - (B) a wholly owned subsidiary of an eligible corporation referred to in clause (A);

CLAUSE 40: *[Taxation (Rural Area) Act, section 15 – continued]*

CLAUSE 41: *[Taxation (Rural Area) Act, section 57]* authorizes the Lieutenant Governor in Council to make regulations for specified purposes.

CLAUSE 42: *[Income Tax Act transition – small business venture capital tax credit individual limit]* provides application rules for the transition to the increase in the maximum amount that may be deducted by or paid to a taxpayer who is an individual.

CLAUSE 43: *[Income Tax Act transition – retroactive regulation-making power – film and television production services tax credit]* adds a retroactive regulation-making authority for regulations made under section 96 (2.2) of the *Income Tax Act* in respect of an additional production services tax credit under section 82.1 (11) of that Act.

- (iii) any combination of the persons referred to in subparagraphs (i) and (ii), and
- (b) it is not either of the following:
 - (i) a partner in a partnership, unless every other partner in the partnership is a First Nation referred to in paragraph (a) (i) or an eligible corporation;
 - (ii) a trustee of a trust, unless the trust is for the sole benefit of a First Nation referred to in paragraph (a) (i).

41 Section 57 (2) is amended by adding the following paragraphs:

- (m) prescribing corporations or other organizations, or classes of corporations or other organizations, for the purposes of the definition of “government organization” in section 15 (5);
- (n) prescribing societies or not-for-profit corporations for the purposes of section 15 (4.1) (d) (i) and (e) (i) (D);
- (o) prescribing land and improvements, or classes of land and improvements, for the purposes of section 15 (4.2) (c).

Transitional Provisions

***Income Tax Act* transition – small business venture
capital tax credit individual limit**

- 42** (1) Subject to subsection (2), section 21 (2) to (5) and (7) of the *Income Tax Act*, as amended by this Act, applies only to the 2025 and subsequent taxation years.
- (2) For a taxpayer who is an individual, the maximum aggregate of all amounts that may be deducted by the taxpayer or paid to the taxpayer under section 21 (2), (3), (4) or (5) of the *Income Tax Act* for each of the 2025 to 2029 taxation years may not include more than \$120 000 in tax credit amounts shown on all venture capital tax credit certificates issued for share or convertible right purchases made before March 4, 2025.

***Income Tax Act* transition – retroactive
regulation-making power – film and television
production services tax credit**

- 43** A regulation made on or before September 30, 2025 under section 96 (2.2) (b) or (c) of the *Income Tax Act* may be made retroactive to January 1, 2025 or a later date and, if made retroactive, is deemed to have come into force on the specified date.

CLAUSE 44: *[Speculation and Vacancy Tax Act transition – retroactive regulation-making power – Vernon]* adds a retroactive regulation-making authority for regulations respecting the Corporation of the City of Vernon made under a provision of the *Speculation and Vacancy Tax Act*.

***Speculation and Vacancy Tax Act* transition –
retroactive regulation-making power – Vernon**

- 44** A regulation made on or before September 30, 2025 under section 139 (1) (b) of the *Speculation and Vacancy Tax Act* respecting the Corporation of the City of Vernon may be made retroactive to January 1, 2024 or a later date and, if made retroactive, is deemed to have come into force on the specified date.

Commencement

- 45** The provisions of this Act referred to in column 1 of the following table come into force as set out in column 2 of the table:

Item	Column 1 Provisions of Act	Column 2 Commencement
1	Anything not elsewhere covered by this table	The date of Royal Assent
2	Section 2	June 1, 2025
3	Section 3	January 1, 2013
4	Section 4	January 1, 2018
5	Sections 5 and 6	January 1, 2025
6	Section 7	January 1, 2022
7	Section 8	March 28, 2023
8	Section 9	January 1, 2024
9	Sections 10 to 22	January 1, 2025
10	Sections 24 and 25	April 1, 2025
11	Section 26	September 1, 2025
12	Sections 28 and 29	March 31, 2025
13	Section 31	By regulation of the Lieutenant Governor in Council
14	Section 35	January 1, 2019
15	Sections 36 and 37	January 1, 2026
16	Section 38	January 1, 2019
17	Section 39	January 1, 2026