

**NOVA SCOTIA
PROVINCIAL NON-RESIDENT DEED TRANSFER TAX
GUIDELINES**

**Nova Scotia Department of Finance and Treasury Board
Provincial Tax Policy and Administration Division**

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Nova Scotia Provincial Non-Resident Deed Transfer Tax Guidelines

General Information

The Provincial Non-Resident Deed Transfer Tax (PDTT) is a deed transfer tax for non-residents that is applied at the time of purchase/transfer of a residential property meeting certain criteria.

This provincial deed transfer tax applies in addition to the municipal deed transfer tax (if applicable in the municipality in which the property resides).

The PDTT is administered by the Provincial Tax Policy and Administration Division of the Nova Scotia Department of Finance and Treasury Board (the Department). The legislative authority for this tax is contained in the

- *Non-Resident Deed Transfer and Property Taxes Act*, and
- *Non-Resident Deed Transfer and Property Taxes Regulations*.

NOTE: Although property transactions with an Agreement of Purchase and Sale dated before April 1, 2022 are not subject to the PDTT, if the transaction closes (i.e. the property is transferred) on or after April 1, 2022, the online **Provincial Deed Transfer Tax Form is required to be completed for all property transactions** (regardless of residency status and property type).

More details can be found in the section on “Provincial Deed Transfer Tax Form Submission”.

Where there is a conflict between the information contained in these Guidelines and the Legislation and Regulations, the Legislation and Regulations governing the Provincial Non-Resident Deed Transfer Tax will take precedence over the Guidelines, website, communications documents, forms, advance rulings or any other published information.

Residential Property

According to the [Assessment Act](#), a residential property is one that is used, or intended to be used, for residential purposes. It *does not* include an apartment hotel or portions of a hotel/motel used for the purpose of public lodging.

For the purposes of the PDTT, a residential property is also one that has *3 or less dwelling units*. This includes vacant land classified as residential.

The definition of a dwelling unit comes from the [Municipal Government Act](#). Dwelling units are living areas that have a private entrance, are occupied (or fit for occupation), have kitchen facilities within the unit, and have bathroom facilities that are not shared with occupants of other units.

For properties with multiple classifications, if any portion of the property is considered residential and has 3 or less dwelling units, that portion of the property is subject to the PDTT.

Property Ownership

The PDTT applies to residential properties of 3 or less dwelling units being transferred to 1 or more grantees where *more than 50%* of the ownership interest in the property is granted to non-residents of Nova Scotia.

If *50% or more* of the ownership interest in the property is held by residents of Nova Scotia, the PDTT *does not* apply. For example: If 2 siblings (1 resident, 1 non-resident) acquire a residential property and the ownership interest of each sibling is 50%, then the PDTT does not apply.

Ownership Interest in the Property

If a property has multiple owners, the interest of each owner is determined by whether the owners are considered joint tenants or tenants in common:

- Joint tenants each have equal interests in a property.
- Tenants in common each have a property interest as stated on the property's title document (e.g. deed) or parcel register (under the [Land Registration Act](#)). If no interest is stated on either, then equal interests are applied.

Total ownership interest in a property must not exceed 100%.

Ownership Type – Resident vs Non-Resident

A non-resident is an individual or corporation that is not a resident of Nova Scotia. Residential property can also be held in a trust. Residency determination for individuals, corporations and trusts is as follows.

Individuals

Residency of an individual is determined by whether the individual is a resident of Nova Scotia for income tax purposes at the time of the property transaction.

This determination is based on where the individual filed their income tax return for the previous year.

- If an individual filed an income tax return for the previous tax year in Nova Scotia, they are presumed to be a resident of Nova Scotia.
- If an individual filed an income tax return for the previous tax year anywhere other than Nova Scotia, they are presumed to be a non-resident of Nova Scotia.
- If an individual's residency status changed since their last filed income tax return, this can be declared in the Affidavit of Residence and demonstrated by providing proof of Nova Scotia residency.

More details can be found in the sections on "Affidavit of Residence" and "Non-Residents Moving to Nova Scotia".

An individual is considered to be resident in the province where they have significant residential ties. Residential ties to Nova Scotia include such things as having a spouse or dependents living here, having personal property here (vehicle, furniture, etc.), social ties (such as memberships in recreational or religious organizations), economic ties including bank accounts in Nova Scotia, a Nova Scotia driver's license, and coverage under the Nova Scotia Health Insurance program (MSI). This list is not exhaustive, and other ties that indicate an intention to make Nova Scotia your permanent residence may also be relevant.

Corporations

A corporation includes all of the following:

- A corporation limited by shares.
This includes companies incorporated under the Companies Act (or similar legislation in another jurisdiction).
- A non-profit society or corporation.
This includes non-profit organizations incorporated under the Societies Act or (or similar legislation in another jurisdiction).
- A co-operative association or other incorporated co-operative.
This includes entities incorporated under the Co-operative Associations Act (or similar legislation in another jurisdiction).
- A registered charity that is incorporated or otherwise considered a legal person capable of owning real property.
A registered charity is a charitable organization that is registered with the Canada Revenue Agency.
- Any other body corporate that is prescribed as a corporation by the regulations or that meets the criteria prescribed in the regulations.

A corporation is considered resident of Nova Scotia if **all** of the following 3 statements are true:

1. The corporation's central management and control is in Nova Scotia.
2. 50% or more of the corporation's directors are individuals who are residents of Nova Scotia for income tax purposes.
3. If the corporation
 - a. is limited by shares: 50% or more of the corporation's issued and outstanding shares are directly, indirectly, or beneficially owned by persons who are residents of Nova Scotia for income tax purposes. This can be determined by number of votes or as a percentage of fair market value.
 - b. consists of members: 50% or more of the members are persons who are residents of Nova Scotia for income tax purposes.

In the Affidavit of Residence, an authorized officer of the corporation must answer questions about the corporation and declare its residency status.

More details can be found in the section on "Affidavit of Residence".

The Administrator may request additional information (including Affidavits of Residence), at any time after a property transaction, from each officer, director, member, and shareholder of the corporation.

Trusts

For a residential property held in trust, the beneficiaries are considered to have an ownership interest in proportion to their beneficial interest in the trust *unless* the trustee(s) or settlor (or person related to any of them) has the power to revoke the trust or add/change the beneficiaries.

If the trustee(s) or settlor (or person related to any of them) has the power to revoke the trust or add/change the beneficiaries, then the Administrator may consider the ownership interest to be held by them and may determine the amount of ownership interest held by the person(s).

For a property held in trust, the Administrator may also consider the ownership interest to be held by any of the trustees, beneficiaries or settlor depending on if the residential property was acquired in or transferred to a trust to avoid the PDTT or property tax and other circumstances the Administrator considers relevant.

In the Affidavit of Residence, a person acting as a trustee on behalf of the trust must answer questions about the trust and declare whether the trust property is considered to be owned by a resident(s) of Nova Scotia. *More details can be found in the section on "Affidavit of Residence".*

If the settlor or any of the trustees (or person related to any of them) have the power to revoke the trust or add/change the beneficiaries and 50% or more of the persons with the power to revoke the trust or add/change beneficiaries are residents of Nova Scotia for income tax purposes, then the trust property is considered to be owned by a resident(s) of Nova Scotia.

If the settlor or any of the trustees (or person related to any of them) do not have the power to revoke the trust or add/change the beneficiaries and 50% or more of the beneficial interest in the trust is held by beneficiaries who are residents of Nova Scotia for income tax purposes, then the trust property is considered to be owned by a resident(s) of Nova Scotia.

The Administrator may request additional information (including Affidavits of Residence), at any time after a property transaction, from each trust beneficiary, trustee, or settlor.

Tax Amount

The PDTT is applied on residential properties of 3 or less dwelling units being transferred to non-residents of Nova Scotia. The tax is applied at the time when the deed is being registered and is calculated as follows:

$$\text{PDTT} = \text{Tax Rate} \times \text{The Greater of: [Sale Price and Assessed Value]}$$

Where:

Tax Rate = 5%

Sale Price = The value being paid for the property as defined in the [Municipal Government Act](#) (if there is no sale price, then \$0).

Assessed Value = The value of the property according to the most recent property assessment roll of the [Property Valuation Services Corporation](#) under the [Assessment Act](#).

Gift transfers and other \$0 transfers to non-residents are generally subject to the PDTT, unless one of the exemptions discussed under “Tax Exemptions” applies. The same is true for transfers to non-residents involving a sale price less than the assessed value of the property. In these situations, where the tax applies, the tax is based on the assessed value of the property.

In situations where the property being transferred consists of multiple property classifications, the tax is only applied on the portion of the property that is residential consisting of 3 or less dwelling units. In these cases, the assessed value associated with the residential portion is used to calculate the portion of the sale price allocated to the residential portion:

$$\text{Sale Price of Residential Portion} = \text{Full Sale Price} \times \left[\frac{\text{Assessed Value of Residential Portion}}{\text{Assessed Value of Full Property}} \right]$$

The sale price of the residential portion and the assessed value of the residential portion is then used to calculate the tax.

Tax Exemptions

The PDTT *does not* apply on residential property at the time of a deed transfer in the following circumstances:

1. Agreements of Purchase and Sale entered into *before* April 1, 2022.
2. Property consisting of *more than 3* dwelling units.
3. Property being transferred where 50% or more of the ownership interest is held by residents of Nova Scotia.
4. Property being transferred to non-resident individual(s) who intend to become residents of Nova Scotia within 6 months of the closing date (i.e. the date the property was transferred). *More details can be found in the section on “Non-Residents Moving to Nova Scotia”.*
5. Property being transferred between spouses/common law partners.
6. Property being transferred between former spouses/common law partners (if the purpose of the transfer is to divide marital or jointly held assets).
7. The property is being transferred to a foreclosing mortgagee.
8. Property being transferred from an executor to an eligible beneficiary under a will. An eligible beneficiary is a spouse, common-law spouse, child, grandchild, parent or sibling of the testator or a child or grandchild of the testator’s spouse or common-law spouse.
9. Property being transferred from an administrator of an estate to a person entitled to the estate under the [Intestate Succession Act](#) or the intestacy laws of another jurisdiction.

10. Cases where a new deed is being registered to simply confirm, correct, modify, or supplement a deed previously given; there is no consideration beyond \$1; **and** the new deed does not include more property than the previous deed.

NOTE: For this exemption to apply all 3 statements must be true.

11. If the grantee is a registered charity and the residential property for which the deed is being transferred is not to be used for commercial, industrial, or other business purposes.

If none of the above exemptions are applicable the PDTT will apply and is payable.

If an exemption is claimed and the Administrator believes none of the above exemptions are in fact applicable and more than 50% ownership interest in residential property was granted to 1 or more non-residents, then the Administrator may assess the PDTT, interest and a penalty. These amounts will become due and payable by the grantees(s) by the due date stated on the assessment notice.

Regardless of residency status, each grantee is jointly and severally liable for all amounts due to the Administrator.

Non-Residents Moving to Nova Scotia

The PDTT does not apply to residential property being transferred to 1 or more grantees where *more than 50%* of the ownership interest in the property is granted to non-resident individuals who are moving to Nova Scotia within 6 months of the date the property is transferred.

The grantee's Affidavit of Residence must declare the non-resident grantee's intention to move to Nova Scotia within 6 months for the PDTT to not apply.

More details can be found in the section on "Affidavit of Residence".

After the grantee moves to Nova Scotia, they are required to demonstrate proof of Nova Scotia residency by

- completing a form (available on the PDTT [webpage](#)), and
- providing supporting documentation to prove residency (such as a Nova Scotia health card, a Nova Scotia driver's license, etc.).

This must be submitted to the Administrator within 6 months of the date the property was transferred.

If the non-resident grantee does not move to Nova Scotia within 6 months, they must notify the Administrator by submitting the required form available on the PDTT [webpage](#).

A time extension *may* be granted if extenuating circumstances have occurred since the property was transferred and the grantee is not able to move to Nova Scotia within 6 months.

If

- a time extension is not granted,
- the grantee does not move to Nova Scotia within 6 months, or
- the grantee moves to Nova Scotia and does not demonstrate proof of Nova Scotia residency

the Administrator will assess the PDTT and interest. The Administrator may also assess a penalty. These amounts will become due and payable by the grantee(s) by the due date stated on the assessment notice.

Regardless of residency status, each grantee is jointly and severally liable for all amounts due to the Administrator.

Provincial Deed Transfer Tax Form Submission

Although property transactions with an Agreement of Purchase and Sale dated before April 1, 2022 are not subject to the PDTT, if the transaction closes (i.e. the property is transferred) on or after April 1, 2022, the online **Provincial Deed Transfer Tax Form is required to be completed for all property transactions** (regardless of residency status and property type).

If the online form is not completed, Nova Scotia Land Registry or Registry of Deeds will not register the deed.

The online Provincial Deed Transfer Tax Form can be found here:
Provincial Deed Transfer Tax Form - <https://surveys.novascotia.ca/PDTT>

The online form will provide the user with 1 of 3 different pathways. Each pathway is dependent on the transaction type, property type and grantee type. Varying levels of information is required under each pathway.

Pathway 2 and Pathway 3 both require an Affidavit of Residence be completed and signed by each grantee involved in the property transaction.

Pathway 1 - Property types and transactions outside the scope of the PDTT

For property types and transactions outside the scope of the PDTT only minimal information is required to be entered in the online form.

The following transaction types fall under Pathway 1 and require minimal information to be entered into the online form:

- Transactions with an Agreement of Purchase and Sale before April 1, 2022.
- Transactions only including residential property (or a portion of residential property) with more than 3 dwelling units.
- The property transaction only includes property classified as commercial and/or resource (no portion of the property is classified as residential).
- The property is being transferred between spouses/common law partners (or former spouses/common law partners if the transfer is for the purpose of division of marital/jointly held assets).
- The property is being transferred from an executor to an eligible beneficiary under a will. *More details can be found in the section on "Tax Exemptions".*
- The property is being transferred from an administrator of an estate to a person entitled to the estate under the [Intestate Succession Act](#) or the intestacy laws of another jurisdiction.

- A new deed is being registered to simply confirm, correct, modify, or supplement a deed previously given, there is no consideration beyond \$1, and the new deed does not include more property than the previous deed. [NOTE: All 3 statements must be true]
- The property is being transferred to a foreclosing mortgagee.

The online form requires the following information for Pathway 1 situations:

- Name and contact information of who is completing the form
- Property Identifier(s) – PIDs involved in the transaction
- Assessment Account Number(s) – AANs involved in the transaction
- Transaction type
- Additional information deemed necessary

Pathway 2 - Situations with residential property consisting of 3 or less dwelling units

For situations where residential property (or a portion of residential property) with 3 or less dwelling units is involved and any of the following situations are true, additional information is required to be entered into the online form.

The following transaction types fall under Pathway 2:

- The transaction only involves grantees that are residents of Nova Scotia.
- The transaction involves a mix of resident and non-resident grantees where 50% or more of the ownership is by residents of Nova Scotia.
- The grantee is a registered charity and the residential property in this transaction will not be used for commercial, industrial, or other business purposes.

The online form requires the following information for Pathway 2 situations:

- All of the required information included in Pathway 1
- For each grantee (new owner):
 - Full legal name
 - Grantee Type (i.e. individual, corporation, or individual acting as a trustee)
 - % Ownership of the property included in the transaction
 - Residency status (i.e. current resident of NS, non-resident of NS, or non-resident of NS intending to move to NS within 6 months)
- Contact information for a designated grantee (Name, Email Address, Phone Number)
- Affidavit of Residence Upload - Each grantee must complete and sign an Affidavit of Residence (see below) to declare their residency status. The affidavits must be uploaded to the online tax form when prompted.
- Additional information deemed necessary

Affidavit of Residence

There are multiple versions of the Affidavit of Residence form depending on the grantee type:

- Affidavit of Residence – Individuals
- Affidavit of Residence – Corporations
- Affidavit of Residence – Person Acting as a Trustee

The affidavits are available on the PDTT [webpage](#).

The Affidavit of Residence form requires

- an individual to enter their social insurance number (if available/applicable)
- a corporation to enter their business number, and
- a trust to enter their trust account number.

This information is required for the Administrator to verify the grantee's residency status.

For individual grantees, the Affidavit of Residence must be completed and signed by the individual. For corporations, the Affidavit of Residence must be completed and signed by an authorized officer of the corporation. For trusts, choose one person acting as a trustee to complete and sign the Affidavit of Residence.

The online Provincial Deed Transfer Tax Form allows the user to upload separate Affidavit of Residence files for up to 5 grantees. If there are more than 5 grantees involved in the transaction, attach or combine the remaining affidavit file(s) to each other and upload them together (as a single file) to the 5th upload prompt on the online form.

One method to combine multiple files is to use a scanner to generate a single PDF of multiple Affidavits (scan to PDF). Alternatively, the following method can be used:

To attach a PDF to another PDF in Adobe Acrobat:

1. *Complete and sign each affidavit separately and save each separate file on your computer/device*
2. *Open 1 affidavit*
3. *In the 'comments' toolbar, select the paperclip icon*
4. *Click anywhere on the top right side of the page (this will be the area where the second PDF will be inserted)*
5. *Use the pop-up browser to choose the second PDF/other file type to be attached to the first PDF*
6. *The second PDF will appear on the screen as a paperclip.*
 - *Double click on the paperclip to open the second PDF to confirm that the attachment worked*
7. *Repeat the steps to add another PDF attachment to the same file (if necessary)*
8. *Save the file with a new name*
9. *Upload the file including the attachment(s) to the online form when prompted*

NOTE: The Administrator may request additional information (including Affidavits of Residence) at a later date from each

- officer, director, member and shareholder (in the case of a corporation),
- trust beneficiary, trustee, and settlor (in the case of a trust).

Pathway 3 – Situations with residential property consisting of 3 or less dwelling units being transferred to non-residents of Nova Scotia

For situations where residential property (or a portion of residential property) with 3 or less dwelling units is involved and any of the following situations are true, additional information is required including calculating the PDTT (whether or not it is payable).

The following transaction types fall under Pathway 3:

- The transaction only involves grantees that are non-residents of Nova Scotia who do not intend to move to Nova Scotia within 6 months.
- The transaction involves a mix of resident and non-resident grantees where over 50% of the ownership is by non-residents of Nova Scotia who do not intend to move to Nova Scotia.
- The transaction only involves grantees that are non-residents of Nova Scotia who intend to move to Nova Scotia within 6 months.
- The transaction involves a mix of resident and non-resident grantees where over 50% of the ownership is by non-residents of Nova Scotia who intend to move to Nova Scotia within 6 months.

The online form requires the following information for Pathway 3 situations:

- All of the required information included in Pathway 1 and Pathway 2
- Agreement of Purchase and Sale date (if applicable)
- Closing date
- Total sale price
- Total assessed value of the property according to the Property Valuation Services Corporation
- Percentage of the property assessed by the Property Valuation Services Corporation as residential with 3 or less dwelling units
- Sale price portion allocated to residential property with 3 or less dwelling units
- Assessed value allocated to residential property with 3 or less dwelling units
- Calculation of the PDTT
- Certification that the PDTT will be remitted no later than the closing date of the property transaction (if applicable)
- Any additional information deemed necessary by the Administrator

Once the online Provincial Deed Transfer Tax Form has been completed it is ready to be submitted.

In all cases, a confirmation number will be provided after the Provincial Deed Transfer Tax Form is submitted. Also, an email including a summary of all submitted information will be sent to the email address entered at the beginning of the form.

The confirmation number must be handwritten or typed on the top righthand corner of the deed before submitting it to the Nova Scotia Land Registry or Registry of Deeds for registration. This will ensure that Land Registry staff can record the confirmation number and process the deed registration.

NOTE: The Nova Scotia Land Registry or Registry of Deeds will not register a deed unless the

- Provincial Deed Transfer Tax Form has been completed online, and
- confirmation number has been written on the top righthand corner of the deed.

After the deed has been registered, the Administrator may require grantee(s) to submit further information

- if the Administrator believes that information is missing,
- to correct information that is not accurate, or
- to provide additional information to verify the submission.

Paying the Provincial Deed Transfer Tax

If it is determined through the online tax form that the PDTT is payable, the payment must be remitted no later than the closing date on the property transaction and received by the Department within 5 business days of the property transaction.

The PDTT determined through the online tax form must be calculated in Canadian dollars (CAD) and must be remitted in CAD.

The following options are available for payment:

Pay by Cheque

Make the cheque payable to: Minister of Finance and Treasury Board

Date: The date on the cheque must be no later than the closing date of the property transaction.

Cheque Memo: PDTT – Confirmation # _____
Insert the confirmation number from the Provincial Deed Transfer Tax Form submission

Mail the cheque to:

Department of Finance and Treasury Board
Provincial Tax Policy and Administration Division
c/o Provincial Deed Transfer Tax
PO BOX 187
Halifax, NS B3J 2N3

Pay by Electronic Fund Transfer (EFT)

To pay by EFT, an account must first be set-up with Accounts Receivable:

1. Email your request to set up EFT to: accountsreceivable@novascotia.ca and provide the following information:
 - a. Vendor EFT form
 - b. Nature of the payment: Provincial Deed Transfer Tax, and
 - c. Provincial contact name (Provincial Tax Policy and Administration Division) and email (NSDeedTransferTax@novascotia.ca).

Vendor EFT form example:

<u>Vendor Information</u>	
*Vendor Name:	*Vendor Address:
*Email Address for Remittance Advice:	
<u>Banking Information</u>	
*Banking Institution Name:	
*Bank Address:	*City:
*Province: Nova Scotia	*Postal Code:
*Institution #:	*Transit #:
	*Account #:
<input type="checkbox"/>	<input type="checkbox"/>
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p>Canadian Cheque Sample</p> <p style="font-family: monospace; font-size: small;">⑈00⑈ ⑆0⑆239⑆219⑆ 1234567⑈ 0⑆⑆</p> <p style="font-size: x-small; text-align: center;">Transit # Institution # Account #</p> </div>	
*Authorized Name:	
*Position:	
*Authorized Signature:	
*Date:	

2. The form will be completed by Accounts Receivable and returned to you by email, accompanied by a supporting banking letter verifying banking details and remittance instructions.
3. Electronic Fund Transfer remittance advice must be emailed to EFTremittance@novascotia.ca and include the following:
 - Supporting documentation for the nature of the payment (i.e. Provincial Deed Transfer Tax)
 - Customer Number, if applicable
 - In the EFT comments/notes section enter:
 PDTT – Confirmation # _____
Insert the confirmation number from the Provincial Deed Transfer Tax Form submission

Overdue Taxes

The PDTT is considered overdue if the property transaction incurs the tax and it is not remitted to the Department by no later than the closing date on the property transaction. If the tax is not remitted by this date and/or the payment is not received with 5 business days, interest will be charged, and a penalty may be added.

For those who stated their intention to move to Nova Scotia within 6 months of the date the property is transferred and are not levied the PDTT on the closing date of the property transaction:

The PDTT will become payable if the move to Nova Scotia does not occur within 6 months or if the grantee(s) move to Nova Scotia and do not complete the required form within 6 months.

At that time, the PDTT plus interest will be levied and a penalty may also be assessed. All amounts are due by the date stated on the assessment notice.

More details can be found in the section on “Non-Residents Moving to Nova Scotia”.

All amounts owed are a debt due to the Province of Nova Scotia and may be recovered in a court.

If a person fails to pay an amount owing, the Administrator may issue a certificate specifying the amount owed and the name of the person(s) owing it. This certificate may be filed with the Supreme Court of Nova Scotia and has the same force and effect as if it were a judgment of the Court in favour of the Province for the recovery of the debt.

If the amounts owed remain unpaid, a lien will be registered against the residential property or any other real property owned by the person in the Province by registering a certificate of lien at a Land Registration Office according to the [Land Registration Act](#) or [Registry Act](#).