

factsheet



Light Industrial vs. Business & Other Property Classifications

BC Assessment

This Fact Sheet is intended to provide property owners with an understanding of the assessment and taxation differences between Class 5 Light Industry properties and Class 6 Business and Other properties.

Which properties fall within Class 5 Light Industry?

Property used or held for extracting, manufacturing or transporting products, including ancillary storage, fall into Class 5. Examples of properties in Class 5 include: scrap metal yards, wineries and boat-building operations. Exceptions include properties used for the production of food and non-alcoholic beverages, which fall into Class 6.

Which properties fall within Class 6 Business and Other?

Property used for offices, retail, warehousing, hotels and motels all fall within this category. Class 6 also includes any properties that do not fall into the other classes.

Can properties be placed in both classifications?

Yes, properties that have different distinct uses can fall into more than one class. For example, if a manufacturing property also housed the corporate head office, the classification would be split between Class 5 and Class 6 based on the value contribution of the components.

What are the tax implications for property owners relative to these property classes?

As part of a provincial government initiative in 2008, Class 5 properties receive a credit equal to 50 percent of their school property tax.

Around the province the municipal general tax rates for Class 5 may be higher or lower than Class 6 rates.

Information about property tax rates for the previous year can be found at this link:

http://www.cd.gov.bc.ca/lgd/infra/statistics_index.htm

Current tax rates can be obtained by contacting your municipality.

Where can I get more information on this topic?

BC Assessment's policy and guidelines can be found on our website at the following URL:

http://www.bcasessment.ca/process/policies/Classification_5_6_Light_Ind_Business_Final.pdf

Please direct any further questions to your local assessment office.