

[Autos](#) [Careers](#) [Classifieds](#) [Homes](#) [SUBMIT](#)

## Land-transfer tax rapped

By PAUL TURENNE, WINNIPEG SUN

Last Updated: March 22, 2010 9:58pm

Winnipeg's realtors are again calling on the provincial government to change the way it charges the land transfer tax — a tax whose revenue to the government has increased nearly 30% in only two years as housing prices continue to rise.

The provincial government keeps a registry of land titles and requires people to pay to transfer the title when they buy a property. That tax can run into the thousands of dollars and must be paid up front in a lump sum, something Winnipeg Realtors, the association that represents the city's real estate agents, calls an obstacle for first-time buyers.

"It's very regressive," said Don Cook, chair of the association's civic and legislative affairs committee. "We've heard from people who have bought houses and are absolutely horrified by the land transfer taxes they have to pay."

Cook said he's made a proposal to government to exempt first-time buyers, change the bracket system to reflect current market prices and cap the taxable portion of a home's price at \$500,000.

Cook said he's hoping to see at least one of those changes made when the government delivers its budget Tuesday, but doesn't appear to be holding his breath.

"They agree it's a good idea but the main reason they seem to balk at it is the piggy bank is empty," Cook said. "I know everyone has their priorities but I'd rather see money going to young people buying homes rather than polar bears."

The tax brought in \$49.5 million for the government in 2008-09, up from \$44.7 million in 2007-08 and \$38.2 million the year before.

A government spokesperson said last year that the cost of administering land transfers is about 1% of that revenue, with the other 99% going into the government's general coffers.

Last week the government raised the base fee for land transfers from \$70 to \$120. Finance Minister Rosann Wowchuk said that change, which takes effect June 13, is simply meant to cover the costs of running the property registry.

Wowchuk said her government prefers to focus on annual property tax benefits rather than changing the land transfer tax.

"We've taken a different route," she said. "There are a lot bigger savings than you'd get from a one-time incentive."

Wowchuk said she doesn't believe the tax prevents people from buying a first property.

"Houses are moving. People are getting into the market. I don't think this is slowing that," she said.

paul.turenne@sunmedia.ca

Copyright © 2010 Winnipeg Sun All Rights Reserved