

RPTTG: 103

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PROPERTY TRANSFERS AS A RESULT OF A MARRIAGE BREAKDOWN

This Real Property Transfer Tax Guide provides information to legal professionals and homeowners regarding the transfer of real property as a result of a marriage breakdown.

INTRODUCTION

The *Real Property Transfer Tax Act* requires that every person registering a deed in Prince Edward Island pay a tax equal to 1% of the greater of the purchase price or the assessed value of the real property being registered.

EXEMPTION FOR REAL PROPERTY TRANSFERS ON MARRIAGE BREAKDOWN

Effective December 3, 2008, changes were made to the Act that provide for an exemption from real property transfer tax on the transfer of real property as a result of a marriage breakdown, even if consideration is paid for the transfer of the real property.

In order to qualify for the exemption, the following conditions must be met:

- (1) The real property is transferred from a transferor to a transferee who is a spouse or former spouse of the transferor; and
- (2) The transfer is made pursuant to a written separation agreement or a court order, made under the *Family Law Act*.

FURTHER INFORMATION:

For copies of the *Real Property Transfer Tax Act* and Regulations or any inquiries regarding this Real Property Transfer Tax Guide, please contact:

Taxation and Property Records Division
Finance, Energy and Municipal Affairs
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