



Frequently Asked Questions: Deed Transfer Tax

Sept. 10, 2025

What is a deed transfer tax?

A deed transfer tax is a one-time tax that is paid by the purchaser of property at the time title is transferred by deed.

[Section 102 of the Municipal Government Act](#) (MGA) states that a Council may:

1. Determine, by by-law, that a deed transfer tax applies in the Municipality.
2. Set a rate of up to 1.5% (of the sale price of the property) for the deed transfer tax.

The tax serves as a source of revenue for municipalities. As of July 1, 2024, of the 49 municipalities in Nova Scotia, the Municipality of the County of Kings is the only municipality in the province that has not established a deed transfer tax.

Why is the Municipality of the County of Kings considering a deed transfer tax?

Deed transfer tax would be a new source of revenue easing the strain on annual general tax rates and sewer charges (a one-time tax applied to a purchaser compared to annual increases in general tax rates and sewer charges).

The Municipality is proposing the use of deed transfer tax funding to maintain stable general tax and sewer rates while addressing costly capital requirements related to aging, end-of-life infrastructure and advancing strategic projects throughout the Municipality. Council is to consider a formal Deed Transfer Tax Reserve Policy that will address how a deed transfer tax would be used.

It is projected, for example, that deed transfer tax funding would save the Municipality \$10 million in borrowing interest if it is made available for required wastewater-related upgrades and the Municipality's contributions to a Regional Recreation Facility. According to the analysis reviewed by Council, the general tax rate paid by all property owners

annually would have to increase by 2%, and the sewer rate would have to increase by more than \$51, without a deed transfer tax.

Are there any exemptions?

The Municipal Government Act lists several exemptions for property sales that would not require a deed transfer tax payment. The list of exemptions includes, but is not limited to, deeds transferred: for sales of nominal value (\$1, for example), to a municipality, between parties married to one another or for the purpose of dividing marital assets, through tax sale, before the date of a deed transfer tax by-law, and from the Nova Scotia Farm Loan Board to a borrower under the Agriculture and Rural Credit Act are all exempt from deed transfer tax.

The full list of exemptions is included in [Section 109 of the MGA](#).

What is a Deed Transfer Tax Reserve?

A deed transfer tax reserve is a financial tool that will allow Council to direct how deed transfer tax revenue is accumulated and spent.

The policy sets out the parameters and eligible uses for the collected deed transfer tax. Although a formal draft has yet to be reviewed and debated by Municipal Council, they have discussed the notion of the tax being used for infrastructure and strategic projects throughout the Municipality.

What are the next steps?

Municipal Council passed a motion on Sept. 2 instructing staff to return to Council with a draft Deed Transfer Tax By-law and Deed Transfer Tax Reserve Policy on Oct. 7. Staff will present the requested by-law and policy, and Council will have an opportunity to discuss, and debate. Please see the [agenda package for the Sept. 2 Municipal Council](#) meeting for more information.