

HOME RENOVATION TAX CREDIT (HRTC)

In the Budget of January 27th, 2009, the Canadian Government proposed a 2009 Home Renovation Tax Credit.

This would cover eligible expenses incurred for work performed or goods acquired after January 27, 2009 and before February 1, 2010.

The HRTC can be claimed for most renovations or alterations to your home or property that are **permanent in nature**. As a rule of thumb, if the item you purchase will not become a permanent part of your home or property, it is not eligible. There are items, however, that have been explicitly excluded (see below). Due to the large number of expenditures that can qualify, it is not practical to provide a complete list.

Eligible expenses

- Renovating a kitchen, bathroom or basement
- Windows and doors
- New carpet or hardwood floors
- A new furnace, woodstove, boiler, fireplace, water softener, water heater or oil tank
- Home ventilation systems (of a permanent nature)
- Central air conditioner
- Permanent reverse osmosis systems
- Septic systems
- Wells
- Fixtures - blinds, shades, shutters, lights, fans, etc.
- Electrical wiring in the home (example: changing from 100 amp to 200 amp service)
- Home Security System (monthly fees do not qualify)
- Solar panels and solar panel trackers
- Painting of interior or exterior of a house
- Building an addition, garage, deck, garden/storage shed, fence
- Re-shingling a roof
- A new driveway or resurfacing a driveway
- Exterior shutters and awnings
- Permanent swimming pools (in ground and above ground)
- Permanent hot tub
- Pool liners
- Solar heaters and heat pumps for pools (does not include solar blankets)
- Landscaping: new sod, perennial shrubs and flowers, trees, large rocks, permanent garden lighting, permanent water fountain, permanent ponds, large permanent garden ornaments.
- Retaining wall

G | L | M

200 YORKLAND BLVD.
SUITE 940,
TORONTO ON
M2J 5C1

T: 416.499.9099 x220
F: 416.499.9299
E: JYG@YOURCA.NET
WWW.YOURCA.NET

- Associated costs such as installation, permits, professional services, equipment rentals and incidental expenses.

Ineligible expenses

- Furniture, appliances, and audio and visual electronics
- Purchasing of tools
- Cleaning carpets
- House cleaning
- Maintenance contracts (e.g. furnace cleaning, snow removal, lawn care, and pool cleaning)
- Financing costs
- Curtains and draperies

Note

Window coverings, such as blinds, shutters and shades, that are directly attached to the window frame and whose removal would alter the nature of the dwelling are generally considered to be fixtures (i.e. has become part of the home) and therefore would qualify for the HRTC. Draperies and curtains are generally not considered to be fixtures and therefore will not qualify for the HRTC.

Condominium Owners

Condominiums owners can receive a credit in 2 different ways.

1. On their share of the cost of eligible expenditures for common areas
2. Cost of eligible expenses done within their own premises.

Claiming your Home Renovation Tax Credit

A new line on schedule 1 will be incorporated in the 2009 personal income tax return to allow you to claim the credit. The receipts will not have to be forwarded to Canada Revenue Agency (CRA) unless specially requested. Please note that documentation such as agreements, invoices and receipts must clearly identify the type and quantity of goods purchased or services provided including but not limited to:

- Vendor/contractor name, their business address and if applicable their GST/HST registration number
- Description of goods or services provided and the date when the goods were purchased and delivered or services rendered.
- Amount of invoice and proof of payment

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2009 Home Renovation Tax Credit

Complete this chart to calculate your home renovation expenses for 2009. You can claim this non-refundable tax credit if you had eligible expenses incurred in relation to a renovation or alteration to an eligible dwelling. Your eligible expenses cannot be more than the maximum amount of \$10,000, from which you must subtract the base amount of \$1,000.

Under proposed changes, you can claim eligible expenses incurred for work performed or goods acquired after January 27, 2009 and before February 1, 2010.

Do not attach this chart or your receipts when filing your 2009 tax return. All expenses must be supported by receipts, so keep them in case CRA ask to see them later.

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Home Renovation Expenses

Date on sales slip or contract	Name of supplier or contractor	GST/HST No.	Description (indicate if labour is included)	Amount paid
				+
				+
				+
				+
				+
				+
Total eligible expenses			=	1
Enter the amount from line 1 or \$10,000, whichever is less. (Maximum \$10,000)				2
Base amount			- 1,000.00	3
Line 2 minus line 3 (if negative, enter "0") Maximum allowable home renovations expenses.			=	