

Home Renovation Tax Credit

The 2009 Federal Budget introduced this credit in order to assist with the stimulation of the Canadian Economy. At the current time this credit is for 2009 only and will include eligible expenditures from January 28, 2009 to January 31, 2010.

This is a tax credit, not a refund; therefore the credit can only be used to reduce federal income taxes otherwise payable. The tax credit is based on expenses over \$ 1,000 to a maximum of \$ 10,000; in order to the maximum Federal credit of \$ 1,350 you must spend \$ 10,000. The calculation is total expenditures (max \$ 10,000) - \$ 1,000 x 15 %.

In order to qualify, the expenditures must be on a dwelling which might be *eligible* as your principle residence. (This may include your cottage).

There is only one credit allowed per family, but may be split between the taxpayer and spouse.

If two or more families own the dwelling, each family is entitled to their own tax credit.

Renovations can include those to the common areas of condos and co-ops.

The renovation must be of an enduring nature and integral to the dwelling.

Eligible expenditures for goods acquired during this period, even if they are installed after January 2010, will still qualify. If an eligible expense involves work performed by a contractor or a third party, and the work is not completed by the end of the eligible period, only the portion that is completed before February 1, 2010 will qualify even if a payment has been made.

Eligible Expenditures would include (but not limited to)

- Renovating a kitchen, bathroom, or basement
- Windows and doors
- New flooring - carpet, linoleum, hardwood, floating laminate, etc.
- New furnace, woodstove, boiler, fireplace, water softener, water heater, or oil tank
- Permanent home ventilation systems
- Central air conditioner
- Permanent reverse osmosis systems
- Septic systems and wells
- Electrical wiring in the home (e.g., changing from 100 amp to 200 amp service)
- Home security system (monthly fees do not qualify)
- Solar panels and solar panel trackers
- Painting the interior or exterior of a house
- Building an addition, garage, deck, garden/storage shed, or fence
- Re-shingling a roof
- A new driveway or resurfacing a driveway
- Exterior shutters and awnings
- Permanent swimming pools (in ground and above ground), pool liners
- Permanent hot tub and installation costs
- 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, water fountain & ponds , large permanent garden ornaments

- Retaining wall
- Associated costs such as installation, building plans, permits, professional services, equipment rentals services, equipment rentals, and incidental expenses
- Fixtures - blinds, shades, shutters, lights, ceiling fans, etc.

Ineligible Expenditures would include (but not limited to)

- Routine repairs and maintenance
- Appliances and audio-visual electronics
- Financing costs
- Furniture & draperies
- Tools and equipment
- Amount paid as part of the purchase of your new house, including “upgrades”
- Expenses to acquire goods that have been previously used or leased by you or an eligible family member
- Goods and services provided by a related person, unless that person is registered for GST