

Home Renovation Tax Credit

The HRTC is a non-refundable tax credit for eligible expenses incurred for work performed or goods acquired in respect of an eligible dwelling. The HRTC is only available for the 2009 tax year and applies to the total eligible expenses of more than \$1,000, but not more than \$10,000, resulting in a maximum non-refundable tax credit of \$1,350 [(\$10,000 - \$1,000) x 15%].

An **eligible dwelling** of an individual is a housing unit located in Canada. **All** the following conditions must be met:

1. You own at the time of the renovation or alteration, alone or jointly with another person, the housing unit or share of the capital stock of a co-operative housing corporation you acquired solely to get the right to inhabit the housing unit owned by that corporation; and
2. You, your current or former spouse, or your current or former common-law partner, or any of your or your spouse or common-law partner's children ordinarily inhabited the housing unit at any time during the eligible period.

Generally, land of ½ hectare (1.24 acres), including the land upon which your housing unit stands and any portion of the adjoining land, will be considered part of your eligible dwelling.

Note – if you rent out or otherwise earn income from part of an eligible dwelling (ie. rent out your basement), you can only use the amount for expense incurred for the personal-use areas of your home.

The eligible period

The credit is based on eligible expenses for work performed or goods acquired after January 27, 2009, and before February 1, 2010. Eligible expenses 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 is made. Expenses incurred pursuant to an agreement that was entered into before January 28, 2009, will not be eligible for the credit.

Who is eligible?

Eligibility for the HRTC is **family based**. Eligible family members include you and your spouse or common-law partner, and your or your spouse's or common-law partner's children who are under 18 years of age at the end of 2009 (other than a child who, at any time during the eligible period - after January 27, 2009, and before February 1, 2010 - was married, was in a common-law relationship, or had a child).

ELIGIBLE	INELIGIBLE
<p>Examples include but are not limited to the following – the general rule is that if removal of the renovation would leave the house or property in poor condition, then the renovation qualifies for the HRTC.)</p> <ul style="list-style-type: none"> • A new roof • Renovate kitchen or bathroom • Interior design plan to renovate a master bedroom into a spa • New heating system – furnace, central air conditioning system, hot water heater • Painting interior or exterior of home or cottage • Installing a hot tub or swimming pool • New deck or patio • Window replacement • Window treatments such as blinds • New carpet • Upgrade the insulation of home 	<p>The following expenses will not be eligible for the HRTC:</p> <ul style="list-style-type: none"> • Furniture, household appliances, and electronic home-entertainment devices (fridge, stove, couch, tv, etc) • Purchasing of tools • Carpet cleaning • House cleaning • Maintenance contracts (e.g., furnace cleaning, snow removal, lawn care, and pool cleaning) • Financing costs • Amounts 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 (e.g., hot water tank) • Expenses incurred with respect to the parts of an eligible dwelling used for income generating purposes

The **expenses are eligible** when they are incurred by an eligible family member and are directly attributable to a renovation or alteration to an [eligible dwelling](#) (including the land that forms part of the eligible dwelling) and are of an enduring nature and integral to the dwelling. As a general rule, if the item you purchase will not become a permanent part of your dwelling, it is not eligible. There are items, however, that have been explicitly excluded (see above table).

All expenses must be supported by [acceptable documentation](#). Keep it in case CRA asks to see it.

Some businesses or individuals may assert that certain items qualify for the HRTC. It is important to remember that **you** are responsible for ensuring that all eligibility requirements are met when you claim this credit on your tax return.

Eligible expenses are generally not reduced by reasonable rebates or incentives offered by the vendor or manufacturer of goods or the provider of the service. For example, a promotion that provides 10% cash back in the form of a gift card based on purchases made from a particular vendor or manufacturer of goods or a service would be acceptable and would not reduce the expenses.

If an eligible expense also qualifies for the Medical Expense Tax Credit (METC), you will be allowed to claim both the HRTC and the METC. For example, an individual who is confined to a wheelchair and installs a wheelchair ramp or other such modification will be able to claim the expense for both the HRTC and the METC.

The HRTC will have no impact on the ecoENERGY Retrofit – Homes Grant that you would otherwise be entitled to. The [EcoEnergy Retrofit Program](#) provides home and property owners with grants of up to \$5,000 to offset the cost of making energy efficiency improvements.