

2009 HOME RENOVATION TAX CREDIT (HRTC)

In its January 27, 2009 Budget, the Federal government introduced the "Home Renovation Tax Credit", or HRTC. This is a one-year program available only in the 2009 taxation year that provides a **non-refundable** tax credit of up to \$1,350 per family for eligible expenses made between January 27, 2009 and February 1, 2010. Although the government has not yet released the legislation relating to the HRTC, Canada Revenue Agency ("CRA") has provided some guidance on what would be eligible under the program.

ELIGIBILITY REQUIREMENTS

In order to be eligible, your expenditures must meet the following criteria:

- They must be made for a "qualifying dwelling", which is any dwelling that you own and is used by you or your family personally, including your home or cottage.
- The expenditures must total more than \$1,000, and are capped at \$10,000.
- Eligible expenditures must be of "an enduring nature" and be "integral to the dwelling".
- You must keep receipts for the amount of the eligible expenditures.

EXAMPLES OF ELIGIBLE EXPENDITURES

According to CRA, some examples of eligible and ineligible expenditures are as follows:

ELIGIBLE	INELIGIBLE
<ul style="list-style-type: none"> • Renovating a kitchen, bathroom or basement • New carpet or hardwood floors • Building an addition, garage, deck, garden/storage shed, fence • Re-shingling a roof • A new furnace, woodstove, boiler, fireplace, water softener or water heater • A new driveway or resurfacing a driveway • Painting of interior or exterior of a house • Window coverings directly attached to the window frame and whose removal would alter the nature of the dwelling • Laying new sod • Swimming pools (permanent – in ground and above ground) • Fixtures – lights, fans etc. • Associated costs such as permits, professional services, equipment rentals and incidental expenses 	<ul style="list-style-type: none"> • 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

If you require more information with respect to the HRTC, please contact your Wilkinson & Company LLP service advisor, or see the presentation on our web site at <http://www.wilkinson.net>.

This information is based upon the Federal Budget. Actual legislation may vary when enacted. Our comments are meant to be general in nature and we will be pleased to provide you with any further specific information you may require.