

Don't let the CRA clawback its HST rebate with interest

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The Canada Revenue Agency has been looking to reclaim up to \$30,000 in HST rebates from some property investors who bought new homes or condos, [according to the Toronto Star](#).

As home prices continue to rise in Canada with the most recent statistics showing that the average price of a home is up to \$389,119 in December 2013, which is up 10 per cent from the year before, the government's HST housing rebate is one step for homeowners to recoup some of their costs.

Homeowners are required to meet certain conditions to be eligible for the rebate cheque, but if the taxman offers you money, it would be silly not to take it. The same goes for filing income taxes, it's important that you fill out the HST rebate information accurately and properly or else there can be consequences.

You are eligible for an HST housing rebate, whether you use the new property as your principal residence (where you plan to live) or rent it to a tenant. If you said you were planning to live in the condo as your principal residence, the builder would apply for the rebate on your behalf and deduct it from the total HST you pay for the condo. If the condo is an investment property, you may be eligible for the rebate once you have at least a one-year lease agreement in place.

But many investors may have been misinformed. They signed an agreement with their builder saying they planned to use the property as their principal residence, when in fact they planned to sell it. The CRA wants not only the HST rebate that they received from their builder back, but also additional interest and penalties. This puts them in the CRA's crosshairs for up to \$30,000 in some cases.

The other part to consider is that these investors may have rented it out for one year and been eligible for the rebate, but if this comes to light two years after the time period, then they've missed out on a rebate that they were eligible for in the first place.

But what happens if you don't have enough money to pay the CRA back? It's best to contact them and figure out a payment plan and whatever you do, don't ignore the letters they send you. They can freeze your bank accounts, approach your employer and take your wages and take your home and sell it the debt you owe.

[Rebate4U](#) can help you avoid the hassle of incorrectly filing for an HST rebate we will ensure that you receive the maximum HST rebate amount you are eligible for. Our priority is to provide our clients with the most professional and quality service in obtaining rebates for their new and renovated homes. We are proud to offer our clients the most personal and attentive service, and

we make sure that all of our clients are 100% satisfied.