

How Do I Know If My Home Renovation Is Eligible For The Ontario HST Rebate

Categories : [HST housing rebate](#), [Uncategorised](#)

The HST Rebate on Home Renovations

To claim the Ontario New Home HST Rebate (on renovations), property owners must undertake a significant renovation - OR build a major addition to the home - OR convert a non-residential property into a residential property. The idea is to fully construct something that is "brand new."

A Substantial Renovation

Simply put, a substantial renovation is one that creates a "new" house. This means that the home's complete interior must be cleared and renovated. CRA uses the 90% test, meaning that at least 90% of the home's interior must be removed and renovated.

For the 90% test to apply, basements and attics are not eligible unless the renovated space is converted into a "livable space." Adding an outdoor deck or a new garage will not qualify for the rebate because the renovation work must be made to the existing house.

A Major Addition

Although home additions are not considered substantial renovations, an addition can be eligible for a rebate if it's large enough. In other words, if it constitutes a "new home." Adding a second floor to an existing home could qualify as a "new home."

CRA requires that a major addition double the livable space in an existing home. The amount of the new livable space is key in defining rebate eligibility. Clearly, the addition of living space must be “major” - adding a patio, porch, or deck would not qualify.

A Property Conversion

The HST Rebate on home renovations applies to the conversion of a non-residential property to a residential property. In this case, the converted property must become the primary residence of the property owner (or a close relation).

For example, a property owner may have undertaken to convert an owned commercial building into a primary residence. Needless to say, all other rebate criteria required by CRA would also have to be fully satisfied.

Ineligibility for Rebate

Canada Revenue Agency has many rules and regulations for rebate eligibility. Many of the regulations would also make a property owner ineligible to receive the new home rebate.

- if the property buyer purchased the home to “flip it”
- if the property buyer purchased the home to rent it
- if someone other than the buyer first occupies the home
- if “title” is in the name of someone other than the buyer

For the Ontario New Home HST Rebate Count on the Professionals at Rebate4U

At Rebate4U, in-house professionals manage rebate applications from end to end. Our team of tax experts makes the application process is easy, especially for first-time property buyers. Find out more by calling [1-800-610-4510](tel:1-800-610-4510) or visiting our company website at www.rebate4u.ca