

## The 2022 Budget & HST Rebate in Ontario

Categories : [Newly built homes](#)

Recently, Ontario's 2022 budget was announced, revealing changes to how HST (Harmonized Sales Tax) will be applied to assignment purchases of pre-construction condos, homes, townhouses.

For those who will be closing on assignment sales of residential properties in Ontario, the budget announcement has created confusion regarding how taxes will be applied to property purchase. With these changes to the process set to go into effect on Saturday, May 7th, 2022, it's important to understand what this means for you, sooner rather than later.

**Here's what you need to know about the HST Rebate in relation to assignment purchases.**

### **The HST Rebate on Assignment Prior to The Budget 2022 Announcement**

Up until this announcement, you could buy a pre-construction property from the builder and then later decide that you want to flip the condo, house, or townhouse by selling it on assignment to a new buyer before closing. When selling a property that has been purchased from the builder to a new owner before closing, any profit is treated as business income so the assignor, or the seller, must pay HST (13%) to the government on any profits made on this transaction. The 13% HST will apply to the sale unless the assignee, the new/second buyer, can effectively prove that they will not be occupying the property as their primary residence.

## **What is Changing with the HST Rebate Now?**

The changes to the HST rebate on assignment sales now mean that when you, the assignee, purchase a pre-construction property from an assignor and not the builder, you will have to pay HST on the entire amount of the purchase, rather than being taxed 13% on just the profits.

## **Are You Buying or Selling on Assignment?**

The changes announced by the Government of Ontario will go into effect as of Saturday, May 7th. If you have an assignment sale of a [newly built home](#) that is set to close on or after May 7th, 2022, these HST modifications will apply to your transaction.

## **Understanding the New HST Rebate Changes**

For many residential property buyers expected to close after May 7th, the changes to how HST is applied to assignment purchases have left an air of uncertainty and confusion.

If you find yourself unsure about how to navigate your assignment purchase or sale according to the new guidelines or if you're not certain whether your purchase is even eligible for [HST Rebate in Ontario](#), the Rebate4U team can be of assistance.

With more than a decade of experience working with property buyers and sellers in Ontario and liaising with the Canada Revenue Agency, the Rebate4U experts are equipped with the tools, contacts, and understanding to effectively manage the complexities of the HST Rebate process in Ontario.

## **Working with Rebate4U**

**Made a mistake, or uncertain about your application?** Don't stress. Call Rebate4U to set up an appointment today. Our team of rebate experts can correct errors, communicate with the CRA, and streamline applications to ensure accuracy and maximize your rebate.

**Get Started Before Closing.**

[Call us today to set up an appointment.](#)