

150 Laurier Avenue W.
Suite 500
Ottawa, Ontario
K1P 5J4

T. 613 230 3060
F. 613 232 8214
E. chba@chba.ca
W. www.chba.ca

Canadian
Home Builders'
Association



Association canadienne
des constructeurs
d'habitations

To: CHBA Renovator Members

cc: Provincial HBA Executive Officers
Local HBA Executive Officers

From: Don Johnston, Senior Director, Technology & Policy

Date: January 28, 2009

Re: **Update on New Federal Home Renovation Tax Credit and
ecoEnergy Retrofit Grants**

Yesterday's Federal Budget included two items of interest to renovators and their customers. This note provides you with preliminary details on these measures, and how to get additional information.

Home Renovation Tax Credit

This tax credit is available to homeowners at the rate of 15% on expenditures over \$1,000 to a maximum tax credit of \$1,350. (Requires a total expenditure of \$10,000). Note that this tax credit is over and above any other government grant or incentive the homeowner may be eligible for, such as an ecoENERGY grant, so homeowners can claim both for eligible work.

The tax credit is based on eligible home renovation expenditures for work performed, or goods acquired, after January 27, 2009 and before February 1, 2010.

According to the government, the tax credit can be claimed "for renovations and enduring alterations to a dwelling, or the land on which it sits".

The credit can be claimed on eligible expenditures incurred on one or more of an individual's eligible dwellings. Properties eligible for the credit include houses, cottages and condominium units that are owned for personal use. (i.e., not rental properties)

Renovation costs for projects such as finishing a basement or re-modeling a kitchen will be eligible for the credit, along with associated expenses such as building permits, professional services, equipment rentals and incidental expenses.

Routine repairs and maintenance will not qualify for the credit. Nor will the cost of purchasing furniture, appliances, audio-visual electronics or construction equipment.

The Home Renovation Tax Credit will be family-based (i.e., one credit per family). For the purpose of the credit, a family is generally considered to consist of an individual, and where applicable, the individual's spouse or common-law partner.

While full details of how the Home Renovation Tax Credit will be administered are not yet available, it appears that homeowners will claim their tax credit on their income tax returns. Additional information is available from the Department of Finance at:

<http://www.budget.gc.ca/2009/pamphlet-depliant/pamphlet-depliant3-eng.asp>

ecoENERGY Retrofit Program

The ecoENERGY program provides home and property owners with grants of up to \$5,000 to offset the costs of making energy-efficiency improvements. Grants apply to a variety of measures that reduce energy consumption from increasing insulation to upgrading a furnace.

The new Budget announced an additional \$300 million in ecoENERGY funding over the next two years to support an estimated 200,000 additional home retrofits. No changes to how the program operates were announced.

Additional information on ecoENERGY Retrofit Grants is available on the Natural Resources Canada (NRCan) website:

<http://oee.nrcan.gc.ca/residential/personal/retrofit-homes/grants-residential.cfm>