

Condominium Home Owners' Association

Serving BC's Strata Property Owners since 1976

Bulletin: 300-318

Condo Smarts

Headline: Home Renovation Tax Credit & Condominiums

Topic: Taxes and Taxation

Publication date: February 22, 2009

Publication: The Province

Written by: Tony Gioventu

Dear Condo Smarts: Our strata council has been receiving numerous inquiries from our owners asking if they will be able to qualify for the new federal home renovation tax credit. Will strata corporations qualify? If so, would it apply to each unit or does the strata corporation have to file returns? How are owners supposed to know how much they will be able to qualify for?

Windermere Strata Council, Nanaimo

There is good news for resident strata homeowners. In the case of condominiums (strata property in BC) and co-operative housing corporations, the individuals whose share of the cost of eligible expenditures for common areas will qualify. The credit will be based on expenses for work performed or goods acquired after January 27, 2009 and before February 1, 2010. Eligibility for the tax credit will be family based, and a single credit per family may be shared within the family. Eligible expenditures need to be incurred in relation to a renovation or alteration to an eligible dwelling or related land forming part of the dwelling. It includes the cost of labour, professional services, building materials, fixtures, rentals, and permits. Your strata

must maintain and retain copies of agreements, invoices, and receipts that clearly identify the type and quantity of goods purchased or services provided. There are some practical implications for strata corporations and strata managers. It will require the strata corporation to produce a financial statement of the types of expenses that will qualify, and the strata will likely be required to issue to each owner at the end of the period on February 1, 2010, a statement showing the total costs, and the share of each unit based on unit entitlement. Owners do not have to submit supporting documents with their tax returns, but they must be available should they be requested by the CRA. It will be critical that your strata corporation tracks the eligible expenses this year and maintains all of the related records. Eligible repairs include kitchen, bathroom or basement renovations, new flooring, new additions, decks or fences, a new furnace, a new driveway or painting of the interior or exterior of your homes. For more info and updates on the program go to the 2009 Federal Budget website @: <http://www.budget.gc.ca/2009>, or www.cra-arc.gc.ca

For more information on CHOA resources and benefits visit www.choa.bc.ca
or contact the office at 1-877-353-2462 or email office@choa.bc.ca.

No part of this publication may be reproduced without the prior written permission of CHOA

This publication contains general information only and is not intended as legal advice. Use of this publication is at your own risk. CHOA will not be liable to you or any other person for any loss or damage arising from, connected with or relating to the use of this publication or any information contained herein by you or any other person.