

## Home Renovation Tax Credit

The following is taken directly from the CRA website and outlines examples of eligible and ineligible expenditures for the purposes of claiming the home renovation tax credit.

### **Eligible and ineligible expenses**

The **expenses are eligible** when they are incurred in relation to a renovation or alteration to an eligible dwelling (including the land that forms part of the eligible dwelling) and are of an enduring nature and integral to the dwelling. As a general rule, if the item you purchase will not become a permanent part of your eligible dwelling, it is not eligible. There are items, however, that have been explicitly excluded (see below).

**Due to the large number of expenses that can qualify, it is not possible to provide a complete list.**

### **Note:**

Some businesses or individuals may assert that certain items qualify for the HRTC. It is important to remember that you are responsible for ensuring that all eligibility requirements are met when you claim this credit on your tax return.

### **Examples of eligible expenses**

- Renovating a kitchen, bathroom, or basement
- Windows and doors
- New flooring - carpet, linoleum, hardwood, floating laminate, etc.
- New furnace, woodstove, boiler, fireplace, water softener, water heater, or oil tank
- Permanent home ventilation systems
- Central air conditioner
- Permanent reverse osmosis systems
- Septic systems
- Wells
- Electrical wiring in the home (e.g., changing from 100 amp to 200 amp service)
- Home security system (monthly fees do not qualify)
- Solar panels and solar panel trackers
- Painting the interior or exterior of a house
- Building an addition, garage, deck, garden/storage shed, or fence
- Re-shingling a roof
- A new driveway or resurfacing a driveway

- Exterior shutters and awnings
- Permanent swimming pools (in ground and above ground)
- Permanent hot tub and installation costs
- Pool liners
- Solar heaters and heat pumps for pools (does not include solar blankets)
- Landscaping: new sod, perennial shrubs and flowers, trees, large rocks, permanent garden lighting, permanent water fountain, permanent ponds, large permanent garden ornaments
- Retaining wall
- Associated costs such as installation, building plans, permits, professional services, equipment rentals, and incidental expenses
- Fixtures - blinds, shades, shutters, lights, ceiling fans, etc.

**Note**

Window coverings, such as blinds, shutters and shades, that are directly attached to the window frame and whose removal would alter the nature of the dwelling are generally considered to be fixtures (i.e. have become part of the home) and therefore would qualify for the HRTC. In some circumstances, draperies and curtains may qualify for the HRTC, if they would not keep their value or usefulness if installed in another dwelling. If these qualifying criteria are not met, it is likely that draperies and curtains would not qualify for the HRTC.

**Examples of ineligible expenses**

- Furniture, household appliances, and electronic home-entertainment devices
- Purchasing of tools
- Carpet cleaning
- House cleaning
- Maintenance contracts (e.g., furnace cleaning, snow removal, lawn care, and pool cleaning)
- Financing costs
- Amount paid as part of the purchase of your new house, including “upgrades”
- Expenses to acquire goods that have been previously used or leased by you or an eligible family member (e.g., hot water tank)
- Expenses incurred to the rental and/or business part of an eligible dwelling

**Do it yourself**

If you do the work yourself, the eligible expenses include expenses for building materials, fixtures, equipment rentals, building plans and permits. However, eligible expenses would not include the value of your labour or tools.

**Work performed by electricians, plumbers, carpenters, architects**

Generally, work performed by electricians, plumbers, carpenters, architects, etc. in respect of an eligible expense qualifies for the HRTC. If you're planning on hiring a contractor to do construction, renovation, or repair work on your home, the Get it in Writing! Web site has information that will help you.

**Family member hired for renovations**

Expenses are not eligible if the goods or services are provided by a person related to you, unless that person is registered for the Goods and Services Tax/Harmonized Sales Tax (GST/HST) under the *Excise Tax Act*. If your family member is registered for the GST/HST and if all other conditions are met, the expenses are eligible for the HRTC.

<http://www.cra-arc.gc.ca/tx/ndvdl/sgmnts/hmwnr/hrtc/lgbl-xpns-eng.html>