

Sales Tax

Incentives For Your New Home



Did you know that in some instances you may be eligible for tax rebates from the federal government for new constructions? In addition, you may also be eligible for provincial sales tax rebates in the province of Quebec.

Both the federal and provincial government offer tax relief in the form of rebates of up to 36% of the value of the GST (Federal) and the QST(Quebec) for new home builders.

The amount of the rebate is based on the total value of your construction project.

Both the Federal government and the provincial government of Quebec provide detailed documentation, explanations to help you gauge if you qualify for rebates, and to what extent. Useful web links are provided below for your convenience.

While your PM cannot make any representations or claims with respect to your eligibility, there are some general guidelines that can be used to see if you qualify, as follows:

Qualifying for the GST Rebate

Here are some general guidelines for qualifying for the GST rebate

- The home must be built on land that you own
- It must be your primary place of residence
- The fair market value of the property cannot exceed \$450,000
- You have 2 years from the date of occupancy to file for GST credits
- The maximum rebate is \$8,750
- The rebate value declines once you exceed \$350,000 of 1% per 1000\$

Qualifying for the Quebec Sales Tax Rebates

In Quebec, the provincial government supplements the GST rebate with a PST rebate of up to 36%.

Here are some general guidelines for qualifying for the PST rebate:

- The fair market value of the property cannot exceed \$225,000
- The rebate value declines once you exceed \$200,000
- For homes exceeding \$225,000 you may apply for a rebate for QST charged on the GST

Keep Your Receipts!

The list of items that applies is generous and even includes upgrades such as central vacuums, drapery hardware, in-ground pools, landscaping, architectural plans and legal fees for purchase and construction.

Useful Links

Go to these links to read more about GST and QST rebates, and to print application forms and documents:

GST Links

Construction summary worksheet and qualifying expenses:

<http://www.cra-arc.gc.ca/menu-fra.html>

New Housing rebate for owner-built homes:

<http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/rbts/nwhsng-eng.html>

QST Links (Quebec):

General information on GST/PST rebates in Quebec:

http://www.revenu.gouv.qc.ca/en/citoyen/situation/achat_maison/habitationneuve/

