

ONTARIO

	Agreement Date			
	Before June 19, 2009		After June 18, 2009	
Possession and ownership date	Before July 2010	After June 2010	Before July 2010	After June 2010
Tax applicable	5% GST			13% HST
Rebate on federal GST portion ¹	Yes			
Rebate on provincial portion ²	No			Yes
Transitional Rebate ³				Builder to provide supporting document ³

The Harmonized Sales Tax (HST) rate for Ontario is 13%, which consists of the Federal GST portion at 5% and the Provincial portion at 8%.

¹ Rebate on federal GST portion

The GST home rebate is calculated as follows:

- Where the price is \$350,000 or less, the rebate is 36% of the GST paid to a max rebate of \$6,300.
- Where the price is \$450,000 or more, no rebate is available
- For prices between \$350,000 and \$450,000
 - The lesser of \$6,300 and 36% of the GST paid multiplied by: (((\$450,000 minus the price) divided by 100)

E.g.:

Purchase Price	Federal Portion		
	5%	Rebate - 36% of the 5%	Net
\$250,000	\$ 12,500	\$ 4,500	\$ 8,000
\$390,000	\$ 19,500	\$ 3,780	\$15,720
\$500,000	\$ 25,000	\$ 0	\$25,000

² Rebate on provincial portion

The rebate on the provincial portion of the HST is calculated as follows:

- 75% of the provincial component of the HST to a maximum of \$24,000.
- The rebate is available to the max of \$24,000 on all price points (i.e. it is not eliminated for purchases over a certain dollar value as is the case with the GST new housing rebate).

E.g.:

Purchase Price	Provincial Portion		
	8%	Rebate – 75% of the 8%	Net
\$250,000	\$ 20,000	\$15,000	\$ 5,000
\$400,000	\$ 32,000	\$24,000	\$ 8,000
\$500,000	\$ 40,000	\$24,000	\$16,000

- If the purchaser buys the house, but leases the land, the rebate is 5.31% of the price paid for the building of the house to a max of \$24,000.
- For an owner built home, a rebate can be claimed on the land based on 75% of the provincial component of the HST paid to a max of \$24,000. Where the provincial portion of the HST is not paid on the land, the rebate is 75% of the provincial portion of the HST paid to a max of \$16,080.

In Summary:

Purchase Price	Federal Portion			Provincial Portion			Total HST net payable	Purchase price including the HST, minus any applicable GST/HST rebates
	5%	Rebate	net	8%	Rebate	net		
\$250,000	\$ 12,500	\$4,500	\$ 8,000	\$20,000	\$15,000	\$ 5,000	\$ 13,000	\$ 263,000
\$500,000	\$ 25,000	\$ 0	\$25,000	\$40,000	\$24,000	\$16,000	\$ 41,000	\$ 541,000
\$600,000	\$ 30,000	\$ 0	\$30,000	\$48,000	\$24,000	\$24,000	\$ 54,000	\$654,000

³ Transitional new housing rebate

- The transitional rebate is temporary in nature as it is only applicable to eligible properties that are at least 10% complete on July 1, 2010. Any homes that are not 10% complete at July 1, 2010 or are built entirely after July 1, 2010 will not be eligible.
- If the transitional rebate applies or if your customer is not certain if they are eligible for the transitional rebate but confirms with the builder that they are, an Amendment/Addendum from their builder reflecting a purchase price inclusive of the HST minus any applicable rebates including the transitional rebate is required.

Additional Information:

- For questions specific to HST and Federal or Provincial New Housing Rebate eligibility, customers must contact their builder or solicitor directly.
- www.rev.gov.on.ca/en/notices/hst/pdf/02.pdf - Information Notice No. 2 – Helping Homebuyers and the Housing Industry with an Enhanced New Housing Rebate, a New Rental Housing Rebate and Transitional Rules, released on June 18, 2009.

- www.rev.gov.on.ca/en/notices/hst/pdf/04.pdf - Harmonized Sales Tax Information Notice 4 - Additional Information for Homebuyers and the Housing Industry under Ontario HST, released November 19, 2009.