

New Canadian Government program dramatically lowers your cost for new windows!



For the last few years the Canadian Govt. has been paying you \$30 per opening (matched in Ontario with an additional \$30) for the installation of Energy Star Windows. The new Canadian Federal Budget makes it even easier for you to replace your windows. Your costs for new windows will be 100% tax deductible to a maximum of \$1,350! This program is called the "Home Renovation Tax Credit" or HRTC.

TEMPORARY, TIMELY AND TARGETED STIMULUS:

The HRTC will apply to eligible home renovation expenditures such as windows for work performed, or goods acquired, after January 27, 2009 and before February 1, 2010, pursuant to agreements entered into after January 27, 2009. The temporary nature of the credit will provide an immediate incentive for Canadians to undertake new renovations or accelerate planned projects.

The 15-per-cent tax credit may be claimed on the portion of eligible expenditures exceeding \$1,000, but not more than \$10,000, meaning that the maximum tax credit that can be received is \$1,350. The credit can be claimed on eligible expenditures incurred on one or more of an individual's eligible dwellings. Properties eligible for the HRTC include houses, cottages and condominium units that are owned for personal use.

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

Who Can Claim the HRTC? About 4.6 million families in Canada are expected to benefit from the credit. Taxpayers can claim the HRTC when filing their 2009 tax return.

Eligibility for the HRTC will be family-based. 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. Family members will be able to share the credit.

Examples of HRTC Eligible and Ineligible Expenditures

EXAMPLES OF ELIGIBLE EXPENSES THAT QUALIFY FOR THE CREDIT:

- Renovating a kitchen, bathroom, or basement
- New carpet or hardwood floors
- Building an addition, deck, fence or retaining wall
- A new furnace or water heater
- Painting the interior or exterior of a house
- Resurfacing a driveway Laying new sod

EXAMPLES OF INELIGIBLE EXPENSES THAT DO NOT QUALIFY FOR THE CREDIT:

- Furniture and appliances (refrigerator, stove, couch)
- Purchase of tools
- Carpet cleaning
- Maintenance contracts (furnace cleaning, snow removal, lawn care, pool cleaning, etc.)

THE FOLLOWING EXAMPLE ILLUSTRATES HOW HOMEOWNERS CAN BENEFIT FROM THE HRTC.

Sally and Ed are a couple who have recently purchased a house. In response to the temporary HRTC, they decide to replace their old windows and improve the insulation in their home in 2009, instead of waiting, incurring \$10,000 in expenditures. After taking into account the \$1,000 minimum threshold, a 15-per-cent credit will be available on \$9,000 in eligible expenditures, providing tax relief of \$1,350.