



Tax Tips

September, 2012 page 1/3

At last, seniors are going to get a tax break on home renovations required to assist living at home. And the good news is, this is not one of those one year only deals, this tax break is here to stay for now. Here are the details.



The 2012 Ontario Healthy Homes Renovation Tax Credit is finally good news for seniors!

The Ontario Government has introduced a new 15% refundable Personal Income Tax credit to assist with the

cost of permanent home modifications that improve accessibility or help a senior be more functional or mobile at home.

How much can I claim?

The credit will be worth up to \$1,500 each year, calculated as 15 per cent of up to \$10,000 in eligible home renovation expenses that would help seniors stay safely in their homes. It could be claimed by senior homeowners and tenants, and people who share a home with a senior relative.

Amounts claimed by couples would be subject to a combined maximum of \$10,000 in eligible expenses per year. The \$10,000 limit would also apply to claims by different people in respect of the same

shared home in a year.

What about couples with separate residences?

Couples who live in separate homes because of medical necessity or because of a breakdown in their marriage or common-law relationship could each claim up to \$10,000 of expenses.

Am I eligible?

There would be no income test to qualify for this credit and you would be eligible if you are:

1. a senior (65 years of age or older by the end of the taxation year for which the credit is claimed) who **owns or rents** your home, or
2. a son, daughter or other family member (nieces & nephews) living with an elderly relative.
3. A landlord renting a home to a senior would **not** be eligible for the credit.

How do I claim the credit?

Seniors or family members living with a senior claim the tax credit on their annual Personal Income Tax return, beginning with the 2012 tax year. If someone not living with the senior or not related to the senior pays for modifications to the senior's home, the senior could still claim the credit but should keep the supporting receipts.

Do I have to submit any supporting documents with my Personal Income Tax return?

No. You would not have to submit any documentation when you file your income tax return. However, you would have to keep the documentation – receipts from suppliers and



Tax Tips

September, 2012 page 2/3

contractors – in case the Canada Revenue Agency (CRA) asks for them to verify your claim. If you file electronically, keep all documentation in case the CRA asks to see it.

What would be the eligible period?

Eligible expenses incurred on or after October 1, 2011 would qualify for the credit.

For the 2012 tax year, the \$10,000 maximum would apply to expenses paid or payable from October 1, 2011 to December 31, 2012.

For 2013 and all subsequent years, the maximum would apply to expenses paid or payable from January 1 to December 31 of the year.

What expenses are eligible?

Some examples of eligible expenses would include:

- certain renovations to permit a first-floor occupancy or secondary suite for a senior
- grab bars and related reinforcements around the toilet, tub and shower
- handrails in corridors
- wheelchair ramps, stair/wheelchair lifts and elevators
- walk-in bathtubs
- wheel-in showers
- widening passage doors
- lowering existing counters/cupboards
- installing adjustable counters and/or cupboards
- light switches and electrical outlets placed in accessible locations
- door locks that are easy to operate

- lever handles on doors and taps, instead of knobs
- pull-out shelves under counter to enable work from a seated position
- non-slip flooring in the bathroom
- a hand-held shower on an adjustable rod or high-low mounting brackets
- additional light fixtures throughout the home and exterior entrances
- swing clear hinges on doors to widen doorways
- creation of knee space under the basin to enable use from a seated position (and insulation of any hot-water pipes)
- relocation of tap to front or side for easier access
- hands-free taps
- motion-activated lighting
- touch-and-release drawers and cupboards

What expenses would not be eligible?

- general maintenance – such as plumbing or electrical repairs
- repairs to a roof
- aesthetic enhancements such as landscaping or redecorating
- installing new windows or regular flooring
- installing heating or air conditioning systems
- replacing insulation

Devices would not be eligible. These include:

- equipment for home medical monitoring
- equipment for home security (anti-burglary)
- Wheelchairs
- Walkers
- vehicles adapted for people with mobility limitations
- side swing ovens and appliances with front located controls
- fire extinguishers, smoke alarms, carbon monoxide detectors



JACQUES F. LIWANPO

CHARTERED ACCOUNTANT
CERTIFIED FINANCIAL PLANNER

Choose with confidence, get the CA and CFP advantage

Tax Tips

September, 2012 page 3/3

Services would not be eligible. These include:

- security or medical monitoring services
- home care services
- housekeeping services
- outdoor maintenance and gardening services

Tax Tip: Retain your receipts for expenses which are eligible for the Healthy Homes Renovation Tax Credit.

The information presented is only of a general nature, may omit many details and special rules, is current only as of its published date, and accordingly cannot be regarded as legal or tax advice. Please contact our office for more information on this subject and how it pertains to your specific tax or financial situation.