

Home ownership for the first time buyer has become a significant cost challenge for most. If you bought a home in 2013, the Canada Revenue Agency (CRA) has a tax credit and a plan that may help you save on this purchase. We hope that this month's newsletter will give you the information you need to leverage this opportunity.

2013 Tax Credit and Home Buyer's Plan (HBP)



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Part A: First Time Home Buyer \$750 tax credit

If you are a first-time home buyer, you may be able to claim a non-refundable tax credit of up to \$750 on the purchase of a qualifying home.

This is how you determine if you qualify:

1. you or your spouse or common-law partner must have bought a qualifying home; and
2. you can't have lived in another home owned by you or your spouse or common-law partner that year or in any of the four preceding years.

but there is also an exception:

1. If you are buying a home and are eligible for the disability tax credit or if you are an individual buying a home for a related person who is eligible for the disability tax credit, you may also qualify for this credit even if you have already owned a home.

What is a qualifying home?

1. A qualifying home must be registered in your name, in your spouse's or common-law partner's name, or in both names, according to the applicable land registration system.
2. Must be located in Canada.
3. Includes existing homes such as single-family houses, semi-detached houses, townhouses, mobile homes, condominium units, apartments in duplexes, triplexes, fourplexes, or apartment buildings, and homes under construction.

Part B: Home Buyers' Plan (HBP)

You may also be eligible to participate in the Home Buyers' Plan, which allows you to



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Newsletter

March, 2014 2/2

withdraw funds from your registered retirement savings plan to buy or build a qualifying home for yourself or for a related person with a disability.

You can withdraw up to \$25,000 in a calendar year, and you have up to 15 years to repay the amounts you take out under the HBP Plan.

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.