

Home Renovations Tax Credit (HRTC)

Eligible and ineligible expenses

The expenses are eligible when they are incurred in relation to a renovation or alteration to an eligible dwelling (including the land that forms part of the eligible dwelling) and are of an enduring nature and integral to the dwelling. As a general rule, if the item purchased will not become a permanent part of the eligible dwelling, it is not eligible. There are items, however, that have been explicitly excluded.

Examples of eligible expenses

- Renovating a kitchen, bathroom, or basement
- Windows and doors
- New flooring - carpet, linoleum, hardwood, floating laminate, etc.
- New furnace, woodstove, boiler, fireplace, water softener, water heater, or oil tank
- Permanent home ventilation systems
- Central air conditioner
- Permanent reverse osmosis systems
- Septic systems
- Wells
- Electrical wiring in the home (e.g., changing from 100 amp to 200 amp service)
- Home security system (monthly fees do not qualify)
- Solar panels and solar panel trackers
- Painting the interior or exterior of a house
- Building an addition, garage, deck, garden/storage shed, or fence
- Re-shingling a roof
- A new driveway or resurfacing a driveway
- Exterior shutters and awnings
- Permanent swimming pools (in ground and above ground)
- Permanent hot tub and installation costs
- Pool liners
- Solar heaters and heat pumps for pools (does not include solar blankets)
- Landscaping: new sod, perennial shrubs and flowers, trees, large rocks, permanent garden lighting, permanent water fountain, permanent ponds, large permanent garden ornaments
- Retaining wall
- Associated costs such as installation, building plans, permits, professional services, equipment rentals, and incidental expenses
- Fixtures - blinds, shades, shutters, lights, ceiling fans, etc.

Window coverings, such as blinds, shutters and

shades that are directly attached to the window frame and whose removal would alter the nature of the dwelling are generally considered to be fixtures (i.e. have become part of the home) and therefore would qualify for the HRTC.

In some circumstances, draperies and curtains may qualify for the HRTC, if they would not keep their value or usefulness if installed in another dwelling. If these qualifying criteria are not met, it is likely that draperies and curtains would not qualify for the HRTC.

Examples of ineligible expenses

- Furniture, household appliances, and electronic home-entertainment devices
- Purchasing of tools
- Carpet cleaning
- House cleaning
- Maintenance contracts (e.g., furnace cleaning, snow removal, lawn care, and pool cleaning)
- Financing costs
- Amount paid as part of the purchase of your new house, including "upgrades"
- Expenses to acquire goods that have been previously used or leased by you or an eligible family member (e.g., hot water tank)
- Expenses incurred to the rental and/or business part of an eligible dwelling

Do it yourself

Eligible expenses include expenses for building materials, fixtures, equipment rentals, building plans and permits. However, eligible expenses would not include the value of labour or tools.

Work performed by electricians, plumbers, carpenters, architects

Generally, work performed by electricians, plumbers, carpenters, architects, etc. in respect of an eligible expense qualifies for the HRTC.

Family member hired for renovations

Expenses are not eligible if the goods or services are provided by a person related to the claimant, unless that person is registered for the Goods and Services Tax/Harmonized Sales Tax (GST/HST) under the *Excise Tax Act*. If a family member is registered for the GST/HST and if all other conditions are met, the expenses are eligible for the HRTC.