

Tax Tip
Week of June 8, 2009
Home Renovation Tax Credit

CRA has announced additional details of expenditures that will qualify for the home improvement tax credit. The Home Renovation Tax Credit applies to eligible expenditures of more than \$1,000, but not more than \$10,000, resulting in a maximum credit of \$1,350 [$(\$10,000 - \$1000) \times 15\%$].

Examples of qualifying expenditures include:

- Renovating a kitchen, bathroom or basement
- Windows and doors
- New carpet or hardwood floors
- A new furnace, woodstove, boiler, fireplace, water softener, water heater or oil tank
- Home ventilation systems
- Central air conditioner
- Permanent reverse osmosis systems
- Septic systems
- Wells
- Fixtures – blinds, shades, shutters, lights, fans, etc.
- Electrical wiring in the home (example: changing from 100 amp to 200 amp service)
- Home Security System (monthly fees do not qualify)
- Solar panels and solar panel trackers
- Painting of interior or exterior of a house
- Building an addition, garage, deck, garden/storage shed, 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
- 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, permits, professional services, equipment rentals and incidental expenses

Ineligible expenses

- Furniture, appliances, and audio and visual electronics
- Purchasing of tools
- Cleaning carpets
- House cleaning
- Maintenance contracts (e.g. furnace cleaning, snow removal, lawn care, and pool cleaning)
- Financing costs
- Curtains and draperies