

Federal Aid for Home Buyers



By Brian Madigan LL.B.

The Conservatives have finally introduced a budget in the House of Commons. The Liberals have indicated that they will support it. Following its first reading on 27 January 2009, it should take about two weeks to pass through both the Commons and the Senate.

There are three programs that will assist home owners and home buyers:

1. Home Renovation Tax Credit (HRTC)

A 15% non-refundable tax credit for qualifying renovations and improvements of a qualifying home may be claimed up to \$1,350.00.

2. Home Buyers' Plan increases to \$25,000 for withdrawals after January 27, 2009.

Currently, first time buyers can withdraw up to \$20,000 from their RRSP's. This has been increased to \$25,000 with no other changes to the program.

3. First-Time Home Buyers Tax Credit

This tax credit - a \$5,000 non-refundable income tax credit amount on a qualifying home. The credit will provide up to \$750 in federal tax relief starting in 2009.

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