

## ONTARIO LAND TRANSFER TAX REFUND FOR FIRST-TIME HOME BUYERS NOW INCLUDES RESALE HOMES

The information in this newsletter has been supplied and prepared by the  
Ministry of Revenue

On May 14 2008, amendments to Ontario's *Land Transfer Tax Act* came into force which expanded the Ontario Land Transfer Tax Refund for First-Time Home Buyers to include purchases of resale homes.

Previously, eligible taxpayers had been able to claim a refund only if they purchased a newly constructed home. They were able to claim this refund upon electronic registration by selecting the appropriate statements, with any eligible refund being automatically deducted from the provincial land transfer tax otherwise payable upon registration.

The applicable statements have been amended in order to allow eligible taxpayers who purchase resale homes to also claim the refund upon electronic registration.

The new statements are as follows:

- 9028 Fraction of parties who are qualifying home purchasers: ALL OR FRACTION (N/D) and the agreement of purchase and sale was entered into before December 14, 2007.
- 9029 Fraction of parties who are qualifying home purchasers: ALL OR FRACTION (N/D) and the agreement of purchase and sale was entered into after December 13, 2007.
- 9127 NAME(S) is/are (a) first time home purchaser(s) as defined in the Land Transfer Tax Act, and
- 9132 The purchaser(s) will occupy the qualifying home as his/her/their principal residence on YYYY/MM/DD (Note: must be within 9 months of the date of registration or disposition), and
- 9133 Where the qualifying home is a "newly constructed home" in respect of which the purchasers are entitled to a warranty under the Ontario New Home Warranties Plan Act, the registration number for the builder of the newly constructed home is NUMBER.
- 9128 No purchaser(s) is/are a "spouse" as defined in section 29 of the Family Law Act
- 9129 The purchaser(s) has/have (a) "spouse(s)" as defined in section 29 of the Family Law Act, and
- 9130 (a) The spouse(s) has/have never owned an eligible home
- 9131 (b) The spouse(s) NAME(S) previously owned an eligible home at ADDRESS, but sold it on YYYY/MM/DD (Note: In order to qualify for a refund, any spouse must have sold any eligible home prior to becoming the spouse of the first time home purchaser)

Eligible taxpayers can make a refund claim with respect to the transfer of a resale home only if the agreement of purchase and sale was entered into after December 13, 2007. As such, different sets of statements must be selected depending on the date of the agreement of purchase and sale.

If the refund claim is with respect to an agreement of purchase and sale that was entered into before December 14, 2007, the registrant must select the following statements

**9028** and  
**9127** and  
**9132** and  
**9133** and  
**9128** or (**9129** and either **9130** or **9131**)

If the refund claim is with respect to an agreement of purchase and sale that was entered into after December 13 2007, the registrant must select the following statements

**9029** \* and  
**9127** and  
**9132** and  
**9128** or (**9129** and either **9130** or **9131**)

\* **Note re selecting Statement 9029 and older versions of Teraview** — the Ministry of Revenue has been advised by Teranet that upon the selection of statement 9029, the adjusted amount of Land Transfer Tax will not be reflected in the Tax Window of registrants who are using older versions of the Teraview software. To confirm the adjusted amount, it is recommended that such registrants close out their Work in Progress Documents and Refresh the document through the Instrument menu to view the recalculated Land Transfer Tax amount on screen. The adjusted Land Transfer Tax amount will be displayed on the Documentation Preparation and Registration Reports. This issue will be resolved with the release of Teraview version 5.4.

**Notes re statements (old and new):**

**Statement 9027** [*Fraction of parties who are new home purchasers .. and the agreement of purchase and sale was entered into on or before March 31 1999*] — this statement has been removed.

**Statement 9028** — This statement has been changed and must be selected if the claim is with respect to an agreement of purchase and sale that was entered into before December 14, 2007.

**Statement 9029** — This statement is new and must be selected if the claim is with respect to an agreement of purchase and sale that was entered into after December 13, 2007.

**Statement 9127** — This statement has not been changed and must always be selected by taxpayers who have purchased either a newly constructed or a resale home.

**Statements 9128, 9129, 9130 and 9131** — These statements have not been changed. They are various spousal declarations which have to be made for refund claims based on the purchase of newly constructed homes, and which now also apply with respect to claims based on the purchase of resale homes.

**Statement 9132** — This statement has not been changed. It sets out an occupancy requirement that had to be met by claimants who purchased a newly constructed home and which now also applies to a claim based on the purchase of a resale home.

**Statement 9133** — This statement has not been changed. It deals with the requirement that, to qualify as a newly constructed home, the builder of the home must be registered under the *Ontario New Home Warranties Plan Act*. This statement is only mandatory when Statement 9028 has been selected.

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