



Land Transfer Tax Refunds For First-Time Homebuyers

- This bulletin sets out the requirements to qualify for and the procedures to apply for a refund of land transfer tax on the purchase of a qualifying home by a first-time purchaser. Under certain circumstances this refund applies on the purchase of either a newly constructed home or a resale.
- This bulletin replaces the Ontario Tax Bulletin LTT 4-2003 relating to the refund program for first-time purchasers of newly constructed homes.
- This bulletin provides general information. It is not exhaustive and should not be considered as a substitute for the *Land Transfer Tax Act* (Act) and its regulations.

General

Land transfer tax applies to all conveyances of land in Ontario. First-time homebuyers may be eligible for a refund of all or part of the tax payable.

- For agreements of purchase and sale entered into before December 14, 2007, the refund only applies on the purchase of a newly constructed home.
- For agreements of purchase and sale entered into after December 13, 2007, the refund applies to all homes, whether newly constructed or resale.

Qualifying taxpayers may claim an immediate refund at time of registration as follows:

- if registering electronically, by completing the required statements under the Explanation tab of the electronic land transfer tax affidavit, or
- if registering on paper, by filing an [Ontario Land Transfer Tax Refund Affidavit For First-Time Purchasers of Eligible Homes](#) at the Land Registry Office.

If the refund is not claimed at registration, the tax must be paid and a claim for the refund may be submitted directly to the Ministry of Revenue at the address at the end of this bulletin.

Amount of Refund

The amount of the refund claimed will, if granted, offset the land transfer tax payable. The maximum amount refundable is \$2,000.

Examples:

Cost of Home	Tax Payable	Tax Refund	Net Tax Payable
\$100,000	\$725	\$725	\$0
\$200,000	\$1,725	\$1,725	\$0
\$300,000	\$2,975	\$2,000	\$975

There is no interest paid on this refund.

Limitation	<p>The refund will be reduced if one or more of the purchasers are not a first-time home purchaser. The refund will be proportionate to the interest acquired by the individuals who qualify for the refund.</p> <p>For example, where a parent who is not a first-time purchaser and a child who is a first-time purchaser, purchase a home with equal 50/50 interests, the child may claim 50% of the land transfer tax refund. The child's claim cannot exceed 50% of the maximum allowable refund (i.e. 50% of \$2,000).</p> <p>A qualifying purchaser may also claim a refund in proportion to his or her spouse's interest if that purchaser's spouse has owned a home before becoming the purchaser's spouse, but not while that purchaser's spouse.</p>
Application Form	<p>If registering on paper or if claiming a refund through the Ministry of Revenue, after having paid the tax on registration, a qualifying purchaser must complete an Ontario Land Transfer Tax Refund Affidavit For First-Time Purchasers of Eligible Homes form in order to apply for the refund.</p>
Definitions	<p>“qualifying home” means,</p> <ul style="list-style-type: none">a) for agreements of purchase and sale entered into before December 14, 2007, a newly constructed home, andb) for agreements of purchase and sale entered into after December 13, 2007, an eligible home. <p>“eligible home” is defined as follows:</p> <ul style="list-style-type: none">a) a detached house;b) a semi-detached house, including a dwelling house that is joined to another dwelling house at the footing or foundation by a wall above or below grade or both above and below grade;c) a townhouse;d) a share or shares of the capital stock of a co-operative corporation if the share or shares are acquired for the purpose of acquiring the right to in-habit a housing unit owned by the corporation;e) a mobile home that complies with the Canadian Standards Association Standard CAN/CSA-Z240 Mobile Homes and is suitable for year round permanent residential occupation;f) a condominium unit;g) a residential dwelling that is a duplex, triplex or fourplex;h) a partial ownership interest as a tenant in common of real property if the ownership interest was acquired for the purpose of acquiring the right to inhabit a housing unit forming part of the real property;

- i) a manufactured home that is manufactured in whole or in part at an offsite location, that is intended for basement installation, that is suitable for year round permanent residential occupation and that complies with,
 - (i) the Building Code made under the *Building Code Act, 1992*;
 - (ii) if the manufactured home is constructed in sections that are not wider than 4.3 metres, Canadian Standards Association Standard Z240.2.1 Structural Requirements for Mobile Homes and Canadian Standards Association Standard Z240.8.1 Windows for Use in Mobile Homes; or
 - (iii) if the manufactured home is constructed in sections that are 4.3 metres or wider, Canadian Standards Association Standard A277 Procedure for Certification of Factory Built Houses, or
- j) any other residential property as may be prescribed.

“newly constructed home” means a home in respect of which the purchaser is entitled to a warranty under section 13 of the *Ontario New Home Warranties Plan Act (ONHWPA)* and which is sold to the purchaser by a vendor as defined in ONHWPA.

“purchaser” means an individual who is at least 18 years of age and who has never owned an eligible home anywhere in the world and whose spouse has not owned an eligible home anywhere in the world while he or she was a spouse of the individual.

“spouse” means spouse as defined in section 29 of the Family Law Act. At present, "spouse" means either of two persons who are married to each other, or who are not married to each other and who have cohabited,

- a) continuously for a period of not less than three years, or
- b) in a relationship of some permanence, if they are the natural or adoptive parents of a child.

Requirements to Qualify for a Refund

Eligibility Requirements

- The purchaser must be at least 18 years of age.
- The purchaser must occupy the home as his or her principal residence no later than nine months after the date of the conveyance or disposition.
- The purchaser cannot have previously owned a home, or had any ownership interest in a home, anywhere in the world, at any time.
- If the purchaser has a spouse, the spouse cannot have owned a home, or had any ownership interest in a home, anywhere in the world, while he or she was the purchaser's spouse. If this is the case, **no** refund is available to **either** spouse.
- The purchaser cannot have previously received an Ontario Home Ownership Savings Plan (OHOSP)-based refund of land transfer tax.

Time Limit to Apply for Refund A qualifying purchaser must apply for the refund no later than 18 months after the date of registration of the conveyance or the date the unregistered disposition occurs.

Procedures to Apply for the Refund

Electronic Registration In the electronic land registration system, the refund may be claimed by selecting the appropriate electronic statements located under the Explanation tab of the land transfer tax section. Statement 9028 or 9029 (whichever is applicable) must be completed.

As well the following statements must be completed:

9127 and
9128 or (9129 and either 9130 or 9131) and
9132 and

In addition, for agreements of purchase and sale entered in prior to December 14, 2007 where the home purchased must be a newly constructed home, the following statement must be completed:

9133

Statements 9028, 9029, 9127, 9131, 9132 and 9133 require additional information to be entered. The wording of these electronic statements is 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** **NAMES(S)** is/are (a) first-time home purchaser(s) as defined in the Land Transfer Tax Act and
- 9128** None of the 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 purchaser)
- 9132** The purchaser(s) will occupy the qualifying home as his/her/their principal residence on **YY/YY/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**.

Refunds Claimed at Land Registry Office

For paper registrations, qualifying taxpayers or their solicitors may claim an immediate refund at the time of registration by filing the [Ontario Land Transfer Tax Refund Affidavit For First-Time Purchasers of Eligible Homes](#) along with their Transfer/Deed and [Land Transfer Tax Affidavit](#) at a Land Registry Office.

Refunds Claimed at the Ministry of Revenue

Where a qualifying taxpayer is unable to claim the refund at registration, the tax will be payable at that time and a refund claim may be made directly to the Ministry of Revenue, at the address at the end of this bulletin. The following documentation must be submitted in order for a refund claim to be processed:

- A properly completed form – [Ontario Land Transfer Tax Refund Affidavit For First-Time Purchasers of Eligible Homes](#);
- A copy of the registered conveyance (transfer/deed). If not registered electronically, this should be a photocopy of the Land Registry Office's original which shows the tax paid;
- A copy of the docket summary will also be required if the conveyance was registered electronically;
- A copy of the agreement of purchase and sale, together with all schedules, amendments and assignments along with a copy of the statement of adjustments relating to the conveyance;
- Proof of occupancy, with the new address listed, such as copies of telephone/cable bills, credit card statements, driver's licence, newspaper/magazine subscriptions, etc., and
- For agreements of purchase and sale entered into before December 14, 2007, a copy of the Tarion New Home Warranty, which is also known as the Certificate of Completion and Possession.

Additional Information

If this bulletin does not completely address your particular situation, refer to the Act and related regulations, or contact the:

Ministry of Revenue
Tax Compliance Branch
Land Resources and Taxes Section
33 King Street West
PO Box 625
Oshawa, ON L1H 8H9

Tel.: 1 866 ONT-TAXS (1 866 668-8297)
Fax: 905 433-5770
Teletypewriter (TTY): 1 800 263-7776

This bulletin and various other English and French tax materials published by the Ministry of Revenue may be obtained online at ontario.ca/revenue.

The *Land Transfer Tax Act* and Ontario's other public statutes and regulations may be obtained online at www.e-laws.gov.on.ca.