

Buying a home? Get the facts on HST



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Strengthening our economy and creating more jobs for our families depended on being open to change, opportunities and our new world.

Ontario's move to a Harmonized Sales Tax (HST) was one of those big changes. It wasn't easy, but it was the right thing to do.

Independent economists say the HST and other tax changes will create nearly 600,000 more Ontario jobs over the next 10 years.

But we knew that over the near term, it meant that some purchases were going to cost more. We planned for this. We have a comprehensive package of tax changes that has put money directly into your pockets so that you can cover these additional costs.

In fact, the overwhelming majority of families come out ahead because of the tax changes we are making:

- Cutting personal income tax for 93 per cent of income tax payers.
- Providing up to \$1,000 for families (including single parents), or up to \$300 for single people, in Ontario Sales Tax Transition Benefits.
- Creating the new Ontario Sales Tax Credit that gives each member of your family up to \$260 a year.
- Increasing the energy and property tax relief provided to low- to middle-income people by 70 per cent.
- Delivering an additional \$500 a year to help senior homeowners pay their property taxes.

What You Need To Know If You Are Buying a Home

- The HST **does not** apply to resale homes.
- An Enhanced New Housing Rebate means that buyers of new homes receive a rebate of up to \$24,000 regardless of the price of the new home.
- Buyers of homes priced up to \$400,000 (about three-quarters of new homes built in Ontario) on average, pay no more – and possibly even less – tax than under the PST system.
- 93 per cent of all homes sold in Ontario, on average, are not subject to an additional tax amount under the HST.
- Since December 14, 2007, the Ontario government has extended a land transfer tax refund of up to \$2,000 to first time buyers of resale homes.
- On new homes over \$400,000, additional tax only applies to the portion of the price above \$400,000. For example, if a new house was priced at \$450,000, additional tax would only be applicable on \$50,000.