



Co-operative Housing Federation of BC
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BC Seniors' Home Renovation Tax Credit

This summary has been prepared for co-op members who are thinking about claiming the new BC Seniors' Home Renovation Tax Credit in their tax return (for the 2012 tax year or later).

What is the Seniors' Home Renovation Tax Credit?

The revised BC *Income Tax Act* introduced a new **refundable** tax credit in 2012 that allows seniors (and family members living with a senior) to claim a maximum of **\$1,000 per year**. The credit is calculated as 10% of qualifying renovation expenses (\$10,000 being the maximum expense amount per year).

Who is eligible?

Applicants must be **residents of BC** and either a senior (**65 years** or older as of December 31 for the relevant tax year) or a family member living with a senior. The credit is not income-tested, and co-op members, renters and owners are all potentially eligible.

If expenses are shared between spouses, or family members, then the contributors may allocate the maximum of \$10,000 of eligible expenses among themselves. Total expenses cannot exceed \$10,000 in a particular year for a particular dwelling.

Can housing co-ops claim the credit?

No. This tax credit is targeted to individuals, not co-operatives. If a co-op undertakes expenses to improve safety or accessibility, individual seniors may be able to claim the credit to the extent of their share of the eligible expenses. Individuals need notification, in writing, from the co-op of the individuals' shares of eligible expenses.

What expenses are eligible?

Eligible expenses are generally permanent renovations and upgrades that make seniors' homes **safer** and **more accessible**, allowing seniors to be more functional or mobile at their principle residences.

Examples of eligible expenses include grab-bar installations; non-slip flooring; walk-in bathtubs; replacement of round doorknobs with lever-types; moving electrical sockets, light switches, cabinets and cupboards to more accessible positions; widening passage doors and adding grab rails, etc. Removable versions of items that can be installed permanently – like bath lifts and modular ramps – may qualify. Work can be carried out by contractors, or by

seniors or their family members. (For work performed by applicants and their family members, only the cost of materials can be claimed.)

The seniors' credit can be claimed even if a portion, or all, of the eligible expenses are also eligible expenses for the purpose of claiming the medical expense tax credit during that same tax year.

Ineligible expenses include those for appliances, medical and security equipment (including wheelchairs, walkers, and home alarms) and regular maintenance expenditures (e.g., window, plumbing and roof replacements). Services are not eligible.

Please refer to the BC government website for more detailed information on eligible and ineligible expenses (see link below).

How should members calculate their share of renovations *made by the co-op*?

Each co-op must make this calculation, but CRA has not specified the formula to be used. If a co-op provides this information to members, it should do so in writing to individuals who were members at the time of the renovation expenditure. Possible options for determining a member's share of expenses include the member's *pro rata* share of gross housing charges or co-op shares. Only one method can be used, and the co-op must determine the method.

What documentation is needed to support the claim?

Applicants must retain receipts for materials and labour from suppliers and contractors for eligible expenses. (When work has been performed by a family member, applicants for the credit must have receipts for materials bearing an HST/GST number.)

Factors to consider

Here are some questions for members wondering whether to claim the new tax credit:

1. Are your expenses eligible?
2. Was the eligible work performed, or the goods acquired, between April 1, 2012 and December 31, 2012 (for the 2012 tax year), or during the relevant calendar year for subsequent tax years? Note that expenses are deemed to have been paid on the *earlier* of the date on which the expense was paid or the date it become payable.
3. Was the individual a member at the time of the qualifying expenditure?

Something else to consider: calculating each member's share of eligible common area expenses typically creates additional costs for the co-op, and the maximum credit of \$1,000 is not earned until the total expenses allocated to a particular unit reaches \$10,000.

More information

For more information, please refer to the [Provincial government website](#), or the empowering legislation, the BC *Income Tax Act*.

Consult your auditor if in doubt about how to calculate a member's share of qualifying expenditures or about any other details of the BC Seniors' Home Renovation Tax.

CHF BC does not promise or guarantee that any individual tax claim will be allowed, nor is CHF BC responsible for any adverse outcomes that may result from the allocation of expenditures by a housing co-op to its members.

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