



ONTARIO RETAIL SALES TAX (RST) TRANSITIONAL NEW HOUSING REBATE

Use this form if you are:

- an individual who entered into a written agreement of purchase and sale for a newly constructed or substantially renovated house in Ontario after June 18, 2009, and both ownership and possession of the house were transferred after June 2010;
a builder of a house in Ontario, the construction or substantial renovation of the house began before July 2010, and you are required to account for the HST on a self-supply of the house after June 2010; or
a person who converted a non-residential property in Ontario into a house, the conversion began before July 1, 2010, and you are required to account for the HST on a self-supply of the house after June 2010.

This rebate is not available for an owner-built house, a mobile home (which may include a modular home), a floating home, a house on leased land, or to the purchaser of a residential condominium unit. For this form, house means a detached house, semi-detached house, rowhouse unit or duplex where such housing is not a condominium.

For more information and instructions, see pages 3 and 4, go to www.cra.gc.ca/gsthst or call 1-800-959-8287.

Section A - Claimant information
Section B - Property information
Section C - Builder certification (to be completed by the builder)
Includes fields for claimant name, address, contact info, property address, legal description, date of HST payment, type of application, and builder certification details.

Section D – Rebate calculation

Complete Part I if you are using Method I (based on consideration or fair market value) or Part II if you are using Method II (based on interior floor space).

Part I – Method I rebate calculation

Total consideration paid or payable or, in the case of self-supply, the fair market value. Do **not** include any HST payable or any new housing rebate. For more information, see page 3. \$ _____ **A**

Estimated RST (multiply the amount on line A by 2%). \$ _____ **B**

Enter the rebate percentage (see "Rebate percentage" on page 3). _____ % **C**

RST transitional new housing rebate amount (multiply the amount on line B by the percentage on line C). \$ _____ **D**

Part II – Method II rebate calculation

Total interior floor space as certified by the builder in Section C (square metres). _____ m² **E**

Estimated RST (multiply the amount on line E by \$45.00). \$ _____ **F**

Enter the rebate percentage (see "Rebate percentage" on page 3). _____ % **G**

RST transitional new housing rebate amount (multiply the amount on line F by the percentage on line G). \$ _____ **H**

Section E – Multiple owners (to be completed by all owner(s) other than the claimant)

If more than one person owns the house, list all of the other owners below. All of the other owners must sign this section acknowledging that you are the claimant for this rebate. Where more than one person owns the house, only one owner may claim the rebate. If you need more space, copy this page and attach it to your application. If the rebate is for the purchase of a house, the claimant and all of the other co-owners must be individuals.

The undersigned hereby acknowledge that we are owners of the house; that the claimant identified in section A is one of the owners of this house; that we have not previously claimed a RST transitional new housing rebate for the property described in Section B of this form; and that the full amount of the RST transitional new housing rebate payable in respect of the house identified in section B will be paid to the claimant and may be offset against tax liabilities of the claimant.

First co-owner

Legal name (last name, first name and initial(s) for individuals) Signature

Second co-owner

Legal name (last name, first name and initial(s) for individuals) Signature

Third co-owner

Legal name (last name, first name and initial(s) for individuals) Signature

Fourth co-owner

Legal name (last name, first name and initial(s) for individuals) Signature

Fifth co-owner

Legal name (last name, first name and initial(s) for individuals) Signature

Sixth co-owner

Legal name (last name, first name and initial(s) for individuals) Signature

Section F – Certification (to be completed by the builder for Type 1 or by the purchaser for Type 2 or Type 3)

I certify that:
(i) the information given on this application is, to the best of my knowledge, true, correct, and complete in every respect;
(ii) I have not previously claimed a rebate of the estimated RST for any property described in Section B of this form; and
(iii) any relevant books and/or records are available for inspection.

_____ _____
Name (print) Title of authorized person (if applicable)

_____ _____
Signature Date

It is a serious offence to make a false statement.

Section G – Assignment of the Rebate**(to be completed by the purchaser for Type 2 applications only if the purchaser wants to assign this rebate to the builder)**

This part is to be completed only where the claimant is an individual who is entitled to claim the RST transitional new housing rebate for a house in Ontario and the individual assigns the rebate to the builder who made the taxable sale of the house to the individual .

You, the Receiver General, are hereby notified that I, _____ ,
 (name of purchaser/assignor)

of _____ in the province of _____ assign
 (address of purchaser)

to _____ of _____ the sum of \$ _____
 (name of builder/ assignee) (address of builder) (rebate amount)

being moneys due or becoming due from the Crown, as represented by the Minister of National Revenue, and any other sums of money due, or becoming payable to me, including any applicable interest, as the individual entitled to claim a rebate under section 256.21 of the *Excise Tax Act* for the RST transitional new housing rebate.

 Signature of purchaser/assignor

 Date

FOR INTERNAL USE ONLY

IC NC

Privacy Act, Personal Information Bank number CRA PPU 091

General information**What is the purpose of this rebate?**

Where the construction or substantial renovation of a house began before July 1, 2010, the Ontario retail sales tax (RST) would have applied to some of the construction costs the builder incurred before that date.

This rebate is intended to remove the estimated RST that is embedded in the cost of such a house in certain cases where either the purchaser had to pay the HST on the purchase of the house or the builder had to account for the HST on a self-supply of the house.

Who should complete this form?

Use this form if you are:

- an individual who entered into an agreement of purchase and sale for a newly constructed or substantially renovated house in Ontario after June 18, 2009, and both ownership and possession of the house were transferred to you after June 30, 2010;
- a builder who began the construction or substantial renovation of a house in Ontario before July 2010 and you are required to account for the HST on a self-supply of the house after June 2010; or
- a person who converted a non-residential property in Ontario into a house, the conversion began before July 1, 2010, and you are required to account for the HST on a self-supply of the house after June 2010.

This rebate is **not** available for an owner-built house, a mobile home (which may include a modular home), a floating home, or a home on leased land, or to the purchaser of a residential condominium unit. For this form, house means a detached house, semi-detached house, rowhouse unit or duplex where such housing is not a condominium.

To claim a RST transitional new housing rebate for residential condominiums, builders must use Form RC7001-ON, *Ontario Retail Sales Tax (RST) Transitional New Housing Rebate – Condominiums*, and for apartments use Form RC7002-ON, *Ontario Retail Sales Tax (RST) Transitional New Housing Rebate – Apartment Buildings*.

What is a self-supply?

Generally, a builder is considered to have made a self-supply (to have sold and repurchased the house) when possession or use of the house is first given for occupancy by an individual as a place of residence under a lease, licence, or similar arrangement. The builder has to account for the GST/HST on the fair market value of the house as of the date of the self-supply (the date tax becomes payable).

Completion instructions

All applicants have to complete sections A, B, D, and F. Builders have to complete Section C as well. If there is more than one owner, complete Section E. Where the purchaser assigns the rebate amount to the builder and the builder pays or credits the rebate amount to the purchaser, the purchaser has to complete and sign Section G.

Date tax becomes payable

Enter in section B the date the HST becomes payable based on the information below. You **cannot** claim this rebate before this date.

Purchase – tax becomes payable on the earlier of the day ownership of the house is transferred to the purchaser and the day possession of the house is transferred to the purchaser under the written agreement of purchase and sale.

Self-supply – where the builder gives possession or use of the house under a lease, licence or similar arrangement for its use by an individual who is the first to occupy it as a place of residence or, where the builder is an individual, the builder is the first to occupy the house as a place of residence, tax becomes payable on the later of:

- the day construction or substantial renovation of the house is substantially completed; and
- the day possession or use of the house is first given under the lease, licence or similar arrangement, or the builder first occupies the house.

Determining percentage of completion

The builder must determine and certify, by completing Section C, the percentage of completion of the construction or substantial renovation of the house as of July 1, 2010. The method the builder uses to determine the percentage of completion must be fair and reasonable. For example, it may be based on progress billings made before July 1, 2010, that relate to work preformed or materials delivered before July 1, 2010, as a percentage of the total consideration payable for the construction or substantial renovation of the house.

Note

The cost of land and costs associated with the purchase and maintenance of the land prior to construction, including related legal, accounting, and financing charges, and real estate taxes are not included in determining the percentage of completion of the construction or substantial renovation of the house.

For more information on determining the percentage of completion, see GST/HST Info Sheet GI-105, *How to Determine the Percentage of Completion for Purposes of the Provincial Transitional New Housing Rebates and the Transitional Tax Adjustment in British Columbia and Ontario*.

Interior floor space – means the main floor(s) living areas of a house but does not include basements, attics or storage rooms unless they are finished by the builder to a standard similar to the living areas.

A partially completed basement that has, for example, roughed-in plumbing and partially completed walls is not considered to form part of the interior floor space.

Interior floor space does not include garages, parking areas, crawl spaces, open porches, balconies or decks, or any areas set aside for the placement of equipment for the heating or cooling of, or the supply of water, gas, or electricity to the house.

Which calculation should I complete?

Calculate your estimated RST transitional new housing rebate by completing Part I or Part II in Section D.

Part I – Method I

For Type 1, enter the fair market value of the house (building and land) at the time of self-supply on line A. Do not include the HST payable on the fair market value.

For Type 2 or Type 3, enter the consideration paid or payable (not including any HST payable for the house or any new housing rebates) on line A.

Part II – Method II

You can calculate your rebate based on the interior floor space by completing Part II of Section D.

Rebate percentage

The amount of the rebate is based on the percentage of completion of the construction or substantial renovation of the house as of July 1, 2010, as certified by the builder in Section C. If the percentage of completion is:

- less than 10%, **enter 0**;
- 10% or more, but less than 25%, **enter 25%**;
- 25% or more, but less than 50%, **enter 50%**;
- 50% or more, but less than 75%, **enter 75%**;
- 75% or more, but less than 90%, **enter 90%**; or
- 90% or more, **enter 100%**.

If you are using Method I, enter the rebate percentage on **line C** in Part I of Section D.

If you are using Method II, enter the rebate percentage on **line G** in Part II of Section D.

Additional information for builders

A builder that is claiming a RST transitional new housing rebate must attach a valid provincial *Letter of Good Standing* to its first RST transitional new housing rebate application and file that application with the Canada Revenue Agency (CRA). The Government of Ontario will issue a *Letter of Good Standing* to a builder that has no applicable outstanding provincial debts. If there is more than one builder, each builder must provide CRA with a *Letter of Good Standing*.

We will not process any Type 1 or Type 2 RST transitional new housing rebate claims without this provincial *Letter of Good Standing*.

When do I file my rebate application?

You can only file this rebate application on or after the day the HST becomes payable on the purchase or the self-supply of the house (the date you entered in section B). You have to file this rebate application no later than July 1, 2014.

How do I file my rebate application?

Purchasers

If you purchased the housing and the builder has not paid or credited this rebate to you, mail this completed form, along with the Statement of Adjustments, to the address below. If you assigned the rebate to the builder by completing section G, give the rebate application to the builder.

Builders

If you are a builder and are claiming a **Type 1** RST transitional new housing rebate by including it on your GST/HST return for a reporting period, you have to file your return using GST/HST NETFILE. In this case, if you have other transitional information to report on Schedule A, *Builders Transitional Information*, enter the amount of this rebate on line 1301 of Schedule A. Otherwise, enter the amount on line 111 of the return.

If you are a builder and are claiming a **Type 2** RST transitional new housing rebate by including it on your GST/HST return for a reporting period, you have to file your GST/HST return for that period using GST/HST NETFILE. In this case, report the amount of the RST transitional new housing rebate(s) on line 1300 of Schedule A, *Builders Transitional Information*, of your GST/HST NETFILE return.

Enter in Section C of this form the reporting period of the GST/HST NETFILE return in which you reported the amount of this rebate.

You have to send this form no later than the day you file your return to the address below.

If you are not including the amount of this rebate on your GST/HST return, send this form to the address below.

**Summerside Tax Centre
275 Pope Road
Summerside PE C1N 6A2**

The processing of your claim may be delayed or your rebate denied if this form is not completed in full, the rebate calculation is incorrect, or the documentation requested is not submitted with this rebate application. For each house that qualifies for this rebate, you can only submit one rebate application and a separate application must be made for each house.

For more information

For more information, go to www.cra.gc.ca/gsthst or call 1-800-959-8287.