Canada Revenue Agency
Agence du revenu du Canada

GST/HST New Residential Rental Property Rebate

Includes Forms GST524 and GST525

RC4231(E) Rev.06

Canada

Before you start

What's new

Effective July 1, 2006, under proposed legislation, the GST rate will be reduced from 7% to 6%, and the HST rate from 15% to 14%.

Also under proposed legislation, you may be entitled to claim a GST/HST transitional rebate if you purchased or self-assessed on a new residential complex and the transaction straddles the July 1, 2006, effective date. For more information, see "GST/HST Transitional rebate" on page 18.

This guide contains these proposed changes to the law, which were current at the time of publication.

Is this guide for you?

This guide provides information for landlords of residential rental properties on the new residential rental property rebate and how to complete Form GST524, *GST/HST New Residential Rental Property Rebate Application*, and Form GST525, *Supplement to the New Residential Rental Property Rebate Application – Multiple Units*.

This guide does not apply to you if you are an individual who purchases a new house from a builder or constructs it yourself for use only as a primary place of residence for yourself or a relation. If you only want to claim a GST/HST rebate for your new house, see the guide RC4028, *GST/HST New Housing Rebate*.

Internet

You can find information on the GST/HST and many of our publications and forms at **www.cra.gc.ca**.

How to contact us

If you need more information about the GST/HST, call us at **1-800-959-5525**. For questions on the status of your claim, call the Summerside Tax Centre at **1-800-565-9353**.

Forms and publications

You can order forms and publications at **www.cra.gc.ca/forms** or by calling us at **1-800-959-2221**.

To claim the new residential rental property rebate, file Form GST524, *GST/HST New Residential Rental Property Rebate Application*. If you are claiming a rebate for a multiple unit residential complex, also file Form GST525, *Supplement to the New Residential Rental Property Rebate Application – Multiple Units*. These forms are in the middle of this guide, as well as on our Web site.

For more information after reading this guide, see Technical Information Bulletin B-087, *GST/HST New Residential Rental Property Rebate*, which is also available on our Web site or by calling us.

Teletypewriter (TTY) users

If you have a hearing or speech impairment and use a TTY, you can call our toll-free, bilingual enquiry service at **1-800-665-0354** during regular hours of service.

Direct deposit

If you would like us to deposit your new residential rental property rebate into your account at a financial institution, complete Form GST469, *Direct Deposit Request*, and send it with your rebate application. If you already completed Form GST469, do not complete it again. Your rebate will be deposited automatically into your account.

GST/HST and Quebec

In Quebec, Revenu Québec administers the GST/HST. If you bought, constructed, or substantially renovated a residential rental property, or made an addition to such a property in Quebec, contact Revenu Québec at **1-800-567-4692**.

Visually impaired persons can get our publications in braille, large print, or etext (computer diskette), or on audio cassette, by visiting our Web site at **www.cra.gc.ca/alternate** or by calling **1-800-959-2221** weekdays from 8:15 a.m. to 5:00 p.m. (Eastern Time).

This guide uses plain language to explain the most common tax situations. If you need more help after you read this guide, call our Business Enquiries line at **1-800-959-5525**.

La version française de cette publication est intitulée *Remboursement de la TPS/TVH pour immeubles d'habitation locatifs neufs*.

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Terms we use in this guide

Basic tax content – The basic tax content of a property generally means the amount of GST/HST that you paid or owe on the property, and on any improvements to the property, less any amounts that were, or may be, reimbursed to you (such as rebates or remissions, but not input tax credits). You also have to consider the fair market value of the property as well as the value at last acquisition (including any improvements).

Builder – A builder of a residential complex or of an addition to a multiple unit residential complex generally means a person who constructs or substantially renovates a residential complex on land owned or leased by the person. A builder may also include one of the following:

- a manufacturer or vendor of a previously unoccupied mobile home or floating home;
- a person who buys an unoccupied new residential complex to resell or to lease to persons who are acquiring the complex in the course of a business or an adventure or concern in the nature of trade;
- a person who acquires an interest in the complex while the complex is under construction or substantial renovation; or
- a person who converts a commercial real property into a residential complex.

A builder does not include an individual who constructs or substantially renovates a residential complex otherwise than in the course of a business or an adventure or concern in the nature of trade.

Duplex – A duplex means a residential complex that contains two residential units under one legal title. For purposes of this rebate, a duplex is a single unit residential complex.

Fair market value – The fair market value is normally based on the value of both the building and applicable land. It generally means the highest price that can be obtained in the real estate market between unrelated parties and should be comparable to the values of similar housing in the local real estate market. It does not include any GST/HST that may be payable on the fair market value or provincial land transfer taxes.

Multiple unit residential complex – A multiple unit residential complex means a residential complex that contains more than one residential unit, but does not include a condominium complex or a duplex.

Percentage of total floor space – The percentage of total floor space of a residential unit forming part of a residential complex, or part of an addition to a multiple unit residential complex, is the total square metres of floor space occupied by the unit divided by the total square metres of floor space occupied by all the residential units in the residential complex or addition.

Person – A person means an individual, a partnership, a corporation, the estate of a deceased individual, a trust, or a body that is a society, union, club, association, commission, or other organization of any kind.

Purchase price – The purchase price is the total amount payable for a new residential complex. It does not include GST/HST payable on the purchase price or provincial land transfer taxes.

Qualifying portion of basic tax content – The qualifying portion of basic tax content of a property generally means the basic tax content of the property from which you removed the provincial part of the HST from all of the elements of the basic tax content calculation. For more information, see Technical Information Bulletin B-087, *GST/HST New Residential Rental Property Rebate*.

Qualifying residential unit – A qualifying residential unit of a person means:

- a residential unit the person owns, co-owns, leases, or sublets;
- a residential unit the person possesses under an agreement of purchase and sale; or
- a residential unit in a residential complex that the person leases or sublets.

In addition, **all** of the following conditions have to be met:

- The unit is a self-contained residence.
- The person holds the unit to:
  - make an exempt lease or sublease of the unit;
  - make an exempt sale of the unit and an exempt lease of the land; or
  - occupy the unit as a primary place of residence as long as another unit situated in the same complex is leased to another person on an exempt basis.
- The first use of the unit will or can reasonably be expected to be:
  - the primary place of residence of the person or a lessor (or a relation to the person or the lessor), for a period of at least one year (or for a shorter period if, after the shorter period, the unit is sold or leased to an individual who will occupy the unit as a primary place of residence); or
  - the primary place of residence of an individual who will occupy the unit continuously for a period of at least one year (or for a shorter period if the unit is sold to an individual who will occupy the unit as a primary place of residence or taken by the person or lessor, or a relation of the person or the lessor, for use as their primary place of residence).
- If, after the first use, the person occupies the unit or leases it to an individual who is a relation, shareholder, member, or partner, the unit will be the primary place of residence of the person or individual.

If substantially all (90% or more) of the residential units of a multiple unit residential complex that contains ten or more residential units are qualifying residential units, then all of the residential units in the complex are considered to be qualifying residential units.

For further information on the specific type of leases that are required to meet the definition of a qualifying

residential unit, see Technical Information Bulletin B-087, *GST/HST New Residential Rental Property Rebate*.

Residential complex – A residential complex includes a building or part of a building in which one or more residential units are located, along with areas that are reasonably necessary for the use and enjoyment of the building as a place of residence for individuals. These include:

- part of any common areas and other appurtenances to the building;
- the land on which the building is situated; and
- the part of the land immediately adjoining the building.

A residential complex generally does not include a building or that part of a building that is a hotel, a motel, an inn, a boarding house, or similar place.

Residential condominium unit – A residential condominium unit (either an apartment unit or a townhouse) is a residential complex that is a separate unit within a building that is, or is intended to be, a bounded space in a building designated or described as a separate unit on a registered condominium or strata lot plan (or similar plan or description registered under provincial law). A residential condominium unit includes any interest in the common areas as well as land pertaining to the ownership of the unit.

Residential trailer park – A residential trailer park is a trailer park that includes at least two sites where the following two conditions are met:

- 90% or more of the sites are leased, or are intended to be leased, to individuals and continuous possession or use of a site is for at least:
  - one month, for mobile homes or other residential units; or
  - twelve months for travel trailers, motor homes, or similar vehicles that are not residential units.
- The sites would be suitable for use as a place of residence throughout the year by individuals occupying mobile homes (whether or not the park in fact has mobile homes). The sites must be serviced and accessible for use by a mobile home throughout the year.

This definition also includes any buildings, fixtures, and appurtenances to the park necessary for the use and enjoyment of the sites or for the operation of the park.

Residential unit – A residential unit means:

- a detached house, semi-detached house, rowhouse unit, condominium unit, mobile home, floating home, or apartment;
- a suite or room in a hotel, a motel, an inn, a boarding house or a lodging house, or in a residence for students, seniors, individuals with a disability, or other individuals; or
- any other similar premises;

or that part thereof that

- is occupied by an individual as a place of residence or lodging;
- is leased as a place of residence or lodging for individuals;
- is vacant, but was last occupied or supplied as a place of residence or lodging for individuals; or
- has never been used or occupied for any purpose, but is intended to be used as a place of residence or lodging for individuals.

When a residential unit in a building allows direct internal access to another living area of the building, with or without the use of a key, both are considered to be one unit. This rule does not apply to a residential unit that is a suite or room in a hotel, a motel, an inn, a boarding house or a lodging house or a residence for students, seniors, individuals with a disability, or other individuals.

Self-contained residence – A self-contained residence means a residential unit:

- that is a suite or room in a hotel, a motel, an inn, a boarding house or a lodging house or in a residence for students, seniors, individuals with a disability, or other individuals; or
- that contains private kitchen facilities, a private bath, and a private living area.

Single unit residential complex – A single unit residential complex means a residential complex containing not more than two residential units. It includes a duplex, a mobile home, and a unit in a co-operative housing corporation. It does not include a residential condominium unit.

A single unit residential complex generally includes other structures near or adjacent to the unit, such as detached garages or sheds. It also includes the land subjacent and immediately contiguous to the unit that can reasonably be regarded as contributing to the use and enjoyment of the unit as a place of residence. We consider that up to half a hectare (1.23 acres) of land may be reasonably necessary for the use and enjoyment of a unit. However, in some cases, more than half a hectare of land may be considered to form part of the complex (such as the minimum lot size imposed by a municipality or excess land necessary for you to access public roads).

Are you eligible to claim the rebate?

You generally pay GST/HST when you purchase a new residential property from a builder. Also, if you are the builder of the residential property, or if you make an addition to the property, you have to self-assess (declare and pay) the tax when you lease the first unit of the property or when you occupy a unit as a place of residence.

As a landlord, you cannot recover the tax paid because residential leases are exempt from GST/HST. However, you may be able to claim the new residential rental

property rebate to recover part of the GST/HST you paid to purchase a rental property or when you self-assessed the tax. This rebate is also available to a person who leases certain types of land for residential purposes.

You may be eligible to claim the rebate if:

- you buy a taxable residential complex or an interest in the complex from a builder and you lease units in the complex;
- you are a co-operative housing corporation (co-op) who buys a taxable residential complex or an interest in the complex from a builder and you lease units in the complex;
- you are a co-op who constructs or substantially renovates a residential complex, makes an addition to a multiple unit residential complex, or converts a commercial real property into a residential property and you lease units in the complex;
- you are a builder who constructs or substantially renovates a residential complex, makes an addition to a multiple unit residential complex, or converts a commercial real property into a residential property and you lease units in the complex;
- you are a builder who constructs or substantially renovates a residential complex, makes an addition to a multiple unit residential complex, or converts a commercial real property into a residential property, and you sell the building or part of it and you lease the land;
- you lease land to a person who will affix a residential unit to the land; or
- you lease sites in a residential trailer park.

Restrictions

The new residential rental property rebate will not be paid in the following situations:

- you are an individual who is entitled to claim the GST/HST new housing rebate for a new or a substantially renovated residential complex, whether the rebate is paid to you or credited to you by the builder;
- you are entitled to claim a rebate for land leased to a lessee who subleases the land for residential purposes;
- you are entitled to recover the tax paid on the property by way of a rebate, refund, or remission under any other law;
- you are not required to pay or remit tax under any other law;
- you are entitled to claim the public service bodies' rebate. A public service body includes a non-profit organization, charity, hospital authority, school authority, university, public college, and a municipality.

Note
Non-profit organizations that do not receive at least 40% of their revenues from government funding may be entitled to claim the new residential rental property rebate since they are not entitled to claim the public service bodies' rebate.

Application types

There are four different types of rebate applications. The information in this section will help you determine the type of rebate you will claim.

If you want to claim a rebate for a **single unit** residential complex or for a **lease of land**, complete sections A, B, C, D, and the applicable part of Section E on Form GST524, *GST/HST New Residential Rental Property Rebate Application*. For more information, see "Completing your rebate application" on page 9.

If you want to claim a rebate for a **multiple unit** residential complex, complete sections A, B, C, and D of Form GST524, and then also complete Form GST525, *Supplement to the New Residential Rental Property Rebate Application – Multiple Units*. Do not complete Section E on Form GST524. For more information, see "Completing the supplement" on page 14.

Required documents

You have to send appropriate documents with your application. The processing of your rebate claim may be delayed or your rebate denied if the application form is not completed in full, the rebate calculation is incorrect, or if the documents requested are not submitted with your application. The following information will indicate the specific documents you have to send. We accept photocopies of required documents.

You have to keep all of your records, including original receipts, invoices, written contracts, and agreements, for six years after the end of the year to which they relate. **All claims are subject to audit** and, if requested, you have to make your records available to us.

Application type 6: Lease of building and land

You can claim the rebate if you are a purchaser/landlord or a builder/landlord and you meet all of the following conditions.

Purchaser/landlord

- you are not a co-op;
- you purchase a taxable residential complex or an interest in it, and you are not a builder of the complex;
- you paid all the tax payable on the purchase, and you are not entitled to claim an input tax credit for the GST/HST you paid on your purchase; and
- you lease a qualifying residential unit in the residential complex.

Example
ABC Inc. purchases a new unoccupied multiple unit residential complex and pays all the GST/HST payable. All the units in the complex are qualifying residential units and will be leased for long-term residential rents. ABC Inc. cannot claim an input tax credit for the tax payable on the acquisition of the complex.

ABC Inc. may qualify for the new residential rental property rebate for part of the GST/HST it paid on the acquisition of the complex.

Builder/landlord

- you are not a co-op;
- you are a builder who constructs or substantially renovates a residential complex, makes an addition to a multiple unit residential complex, or converts a commercial real property into a residential complex;
- you lease a qualifying residential unit in the residential complex, or in an addition to a multiple unit residential complex, and the complex or addition includes one or more qualifying residential units;
- you have to self-assess (declare and pay) the tax on the fair market value of the entire complex, or addition, and you are not entitled to claim an input tax credit for the GST/HST you paid on self-assessment; and
- you report the tax on your GST/HST return for the reporting period in which you had to self-assess the tax and remit all net tax remittable for that period.

Example
Carol owns a construction business. As a builder, she undertakes a substantial renovation of a single unit residential complex that she then leases to Dave for one year. Dave will be the first individual to occupy the house as his primary residence after substantial completion of the renovation. Carol is required to self-assess GST/HST on the fair market value of the complex when she gives possession of the complex to Dave. Carol cannot claim an input tax credit for the tax paid on the self-assessment. Carol may qualify for the new residential rental property rebate for the GST/HST she paid on self-assessment and included in her net tax.

Filing deadline for application type 6

If you are a purchaser/landlord, you have to file the rebate application within two years after the end of the month in which tax first becomes payable on your purchase.

If you are a builder/landlord, you have to file the rebate application within two years after the end of the month in which you had to self-assess the tax.

Required documents for application type 6

If you are a purchaser/landlord, you have to send your signed purchase and sale agreement (excluding attachments), Statement of Adjustments for the purchase of the property **and** the rental/lease agreement with your rebate application.

If you are a builder/landlord, you have to send the rental/lease agreement with your rebate application.

Application type 7: Sale of building and lease of land

You can claim the rebate if all of the following conditions are met:

- you are not a co-op;
- you are a builder who constructs or substantially renovates a residential complex, makes an addition to a multiple unit residential complex, or converts a commercial real property into a residential complex;
- you make an exempt sale of the building or part of it and you make an exempt lease of, or an exempt assignment of a leasehold interest in, the land on which the building is situated. The lease of land must provide continuous possession or use of the land for a period of at least 20 years or must contain an option to purchase the land;
- you have to self-assess (declare and pay) the tax on the fair market value of the entire complex, or addition, and you are not entitled to claim an input tax credit for the GST/HST you paid on self-assessment;
- if you make an exempt sale of a single unit residential complex or a condominium unit, the purchaser is entitled to claim the GST/HST new housing rebate (for more information on the new housing rebate, see the guide RC4028, *GST/HST New Housing Rebate*);
- if the complex is a multiple unit residential complex or an addition to one, the complex or addition includes one or more qualifying residential units; and
- you report the tax on your GST/HST return for the reporting period in which you had to self-assess the tax and remit all net tax remittable for that period.

Note
When you sell a single unit residential complex or a residential condominium unit and lease the land, the purchaser may be entitled to claim a new housing rebate. For more information, see the guide RC4028, *GST/HST New Housing Rebate*. In that situation, you will have to deduct the purchaser's new housing rebate amount from your new residential rental property rebate. The formula in Form GST524 allows you to calculate and deduct the purchaser's rebate.

Example
XYZ Ltd. owns land on which it constructs a condominium unit. After construction is complete, XYZ Ltd. makes an exempt sale of the condominium and makes an exempt lease of the land to Nicole and Richard. The lease of land is for 10 years and contains an option to purchase the land. Nicole and Richard are the first individuals to occupy the condominium as their primary place of residence and are eligible to claim a GST/HST new housing rebate for the condominium. XYZ Ltd. is required to self-assess GST/HST on the fair market value of the condominium, including the land, when it gives possession of the complex to Nicole and Richard. XYZ Ltd. cannot claim an input tax credit for the

tax paid on the self-assessment. XYZ may qualify for the new residential rental property rebate for the GST/HST it paid on self-assessment and included in its net tax.

Because Nicole and Richard can claim the GST/HST new housing rebate, XYZ Ltd. will have to deduct the amount of the new housing rebate from its new residential rental property rebate.

Filing deadline for application type 7

You have to file the rebate application within two years after the end of the month in which you had to self-assess the tax.

Required documents for application type 7

As a builder/landlord, you have to send the signed agreement to purchase the building and lease the land (excluding attachments) and the Statement of Adjustments with your rebate application.

Application type 8: Co-operative housing corporation

You can claim the rebate if you are a co-op/purchaser or a co-op/builder and you meet all of the following conditions.

Co-op purchaser/landlord

- you are a co-op;
- you purchase a taxable residential complex or an interest in it, and you are not the builder of the complex;
- you paid all the tax payable on the purchase, and you are not entitled to claim an input tax credit for the GST/HST you paid on your purchase; and
- you supply, under an exempt long-term residential lease, a qualifying residential unit in the complex after the unit's construction or last substantial renovation.

Example
The Brown Co-op purchases a new, unoccupied, multiple unit residential complex and pays GST/HST on the purchase. All the units in the complex are qualifying residential units and will be leased for long-term residential rents. The co-op cannot claim an input tax credit for the tax payable on the acquisition of the complex. The co-op may qualify for the new residential rental property rebate for part of the GST/HST it paid on the acquisition of the complex.

Co-op builder/landlord

- you are a co-op;
- you are a builder who constructs or substantially renovates a residential complex, makes an addition to a multiple unit residential complex, or converts a commercial real property into a residential complex;
- you supply, under an exempt long-term residential lease, a qualifying residential unit in the complex after the unit's construction or last substantial renovation.
- you have to self-assess (declare and pay) the tax on the fair market value of the entire complex, or addition, and you are not entitled to claim an input tax credit for the GST/HST paid on self-assessment; and
- you report the tax on your GST/HST return for the reporting period in which you had to self-assess the tax and remit all net tax remittable for that period.

Note
If you sell a share that gives the purchaser a right to occupy the qualifying residential unit, the purchaser may be entitled to claim a GST/HST new housing rebate. For more information, see the guide RC4028, *GST/HST New Housing Rebate.* In that situation, you will have to deduct the purchaser's new housing rebate amount from your new residential rental property rebate. The formula in Form GST524 allows you to calculate and deduct the purchaser's rebate.

Example
The Black Co-op constructs a 20-unit addition to an existing multiple unit residential complex. The co-op makes an exempt one-year lease of a unit in the addition to John and Nancy to be used as their place of residence. The co-op is required to self-assess on the fair market value of the addition when it gives occupancy of the unit to John and Nancy. The co-op cannot claim an input tax credit for the tax paid on self-assessment. The co-op may qualify for the new residential rental property rebate for the GST/HST it paid on the self-assessment and included in its net tax. If John and Nancy purchased a share in the co-op, they may be eligible to claim a GST/HST new housing rebate. That rebate has to be deducted from the new residential rental property rebate that the co-op may be entitled to claim.

Filing deadline for application type 8

You have to file the rebate application within two years after the end of the month in which you first make an exempt supply of a qualifying residential unit in the complex or addition under a long-term residential lease.

Required documents for application type 8

If you are a co-op purchaser/landlord, you have to send the signed purchase and sale agreement (excluding attachments), your Statement of Adjustments for the purchase of the property **and** the rental/lease agreement with your rebate application.

If you are a co-op builder/landlord, you have to send the rental/lease agreement with your rebate application.

Application type 9: Lease of land

You can claim the rebate if you meet **all** of the following conditions:

- You make an exempt lease of land for a period of continuous possession or use of at least one month:
  - if the land is not a site in a residential trailer park, to the owner, lessee, or occupant of a residential unit that is or is to be affixed to the land for its use and enjoyment as a place of residence for individuals; or

– if the land is a site in a residential trailer park, to the owner, lessee, or occupant of a mobile home, travel trailer, motor home, or similar vehicle or trailer situated or to be situated on the site for its use and enjoyment as a place of residence for individuals.

- You have to self-assess (declare and pay) the tax because you are in one of the following situations:
  - you are a GST/HST registrant (other than an individual or a public service body that is not a financial institution) who last acquired the land for use as capital property in your commercial activities, but you start using it exclusively (90% or more) for other purposes, e.g., in exempt activities. In that case, you self-assess the tax equal to the basic tax content of the land;
  - you are a public service body who is also a GST/HST registrant who last acquired the land for use as capital property primarily (more than 50%) in your commercial activities, but you start using it primarily for other purposes, e.g., in exempt activities. In that case, you self-assess the tax equal to the basic tax content of the land;
  - you are an individual who is also a GST/HST registrant, who purchased the land for use as capital property in your commercial activities, but not primarily (more than 50%) for personal use. You start using it exclusively (90% or more) for other purposes, e.g., in exempt activities, or you start using it primarily for your personal use or for the personal use of a related individual. In that case, you self-assess the tax equal to the basic tax content of the land;
  - you make a certain exempt lease of land (other than a site in a residential trailer park) to a person for the first time without changing the use of the property. In that case, you may have to self-assess the tax on the fair market value of the land; or
  - you make a certain exempt lease of a site in a residential trailer park. In addition, it is the first time that you lease such a site in the park, or in an addition to the park, to the owner, lessee, or occupant of a mobile home, travel trailer, motor home, or similar vehicle or trailer, that is or is to be situated on the site. In that case, you may have to self-assess the tax on the fair market value of the park or the addition to the park.
- You are not entitled to claim an input tax credit for the GST/HST you paid on self-assessment.
- You report the tax on your GST/HST return for the reporting period in which you had to self-assess the tax and remit all net tax remittable for that period.

For more information on self-assessment rules, see GST/HST Memoranda Series, Chapter 19.2.3, *Residential Real Property – Deemed Supplies*.

Example 1
Darryl leases a parcel of land to Paula who builds a house on it and uses it as her primary place of residence. The lease is an exempt supply. Darryl is required to self-assess tax on the fair market value of the land when he gives possession of the land to Paula. Darryl cannot claim an input tax credit for the tax paid on the self-assessment. Darryl may qualify for the new residential rental property rebate for the tax he paid on the self-assessment and included in his net tax.

Example 2
Mobile Home Park Inc. (MHP) owns a residential trailer park and acquires some land adjacent to the park on which it pays tax. MHP develops 20 new sites on the land it acquired and leases, on an exempt basis, the first site in the addition to the park to Adam and Morgan who install their mobile home on the site. The mobile home is used as their primary place of residence. MHP is required to self-assess on the fair market value of the addition to the park when it gives possession of the site to Adam and Morgan. MHP cannot claim an input tax credit for the tax paid on the self-assessment. MHP may qualify for the new residential rental property rebate for the tax it paid on the self-assessment and included in its net tax.

Filing deadline for application type 9

You have to file the rebate application within two years after the end of the month in which you had to self-assess the tax.

Required documents for application type 9

If you are claiming a rebate type 9, you have to send the rental/lease agreement with your rebate application.

Completing your rebate application

To claim the new residential rental property rebate, all eligible claimants must complete sections A, B, C, and D of Form GST524, *GST/HST New Residential Rental Property Rebate Application*. If you claim the rebate for a single unit residential complex, a residential condominium unit, a duplex, or a lease of land, also complete the applicable part of Section E in Form GST524.

If you are claiming the rebate for a **multiple unit** residential complex, do not complete Section E on Form GST524. Instead, complete Form GST525, *Supplement to the New Residential Rental Property Rebate Application – Multiple Units*, in addition to completing sections A, B, C, and D of Form GST524.

Note
If you are claiming a rebate for a **condominium unit**, complete Form GST524 only. Do not complete Form GST525 even if the unit is located in a condominium complex. You have to complete a separate rebate application for each condominium unit.

You claim the new residential rental property rebate based on your percentage of ownership or leasehold interest in the property. If more than one person holds the rental property, each person (i.e., claimant) has to complete a separate rebate application and claim the rebate based on his or her percentage of ownership or leasehold interest in the property. Each formula takes into account the rebate

entitlement of each claimant. If a claimant holds a 100% interest in a property, the full rebate is payable to that claimant, if all the other conditions are met.

This part of the guide gives you step-by-step instructions to help you complete Form GST524, *GST/HST New Residential Rental Property Rebate Application*. The next part gives you instructions to complete Form GST525, *Supplement to the New Residential Rental Property Rebate Application – Multiple Units*.

Section A – Claimant information

Complete this section. Remember to indicate your percentage of ownership or leasehold interest in the appropriate box.

If you are a partnership, indicate the percentage of ownership or leasehold interest the partnership has in the property. Do not indicate the percentage each partner has in the partnership. Similarly, if you are a corporation, indicate the percentage of ownership or leasehold interest the corporation has in the property. Do not indicate the percentage of ownership of each shareholder. If you have a joint venture agreement and you made a joint venture election, the operator indicates the total percentage of ownership or leasehold interest in the property of the participants who made the election. If no joint venture election has been made, each participant in the joint venture indicates his or her percentage of ownership or leasehold interest in the property.

Section B – Property information

Complete this section. Indicate the date tax becomes payable on the purchase or is paid on self-assessment of the property or the date the co-op leases the first unit of the complex. This date depends on whether you are a purchaser, builder, co-op, or lessor of land for residential purposes.

Purchaser

Enter the date that tax becomes payable. If you are the purchaser (other than a co-op) of a taxable residential condominium unit, and the possession of the unit is transferred to you before the complex is registered as a condominium, tax becomes payable at the **earliest** of the following dates:

- the day that ownership of the unit is transferred to you; and
- the day that is 60 days after the day the complex is registered as a condominium.

In any other case, where you are the purchaser (other than a co-op) of a taxable residential complex, tax becomes payable at the **earliest** of the following dates:

- the day that ownership is transferred to you; and
- the day that possession is transferred to you under the sale agreement.

Builder

Enter the date that you had to self-assess the tax. If you are a builder (other than a co-op) who constructed or substantially renovated a residential complex, made an addition to a multiple unit residential complex, or converted a commercial real property into a residential property, tax becomes payable at the **latest** of the following dates:

- the day the construction or substantial renovation is substantially completed; and
- the day you first lease a unit to an individual for use as a place of residence, or you occupy a unit for use as a place of residence (if you are an individual).

Co-operative housing corporation

Enter the date you supply the first unit to an individual for use as a place of residence under an exempt long-term residential lease.

Land

Enter the day you had to self-assess the tax on the first lease or on a change of use.

Section C – Housing and application type information

Complete this section. Check the box that applies to your situation (type of claimant, type of construction, type of housing, and type of application). Remember to check only one box in each category. For more information on the different types of applications, see "Application types" beginning on page 6.

For more information on where to send your rebate, see "Filing your rebate application" on page 18.

If you are a GST/HST registrant, you can claim your new residential rental property rebate amount on **line 111** of your GST/HST return. Do not include the rebate amount on any other lines of the GST/HST return.

Section D – Certification

Every claimant, or an authorized person, has to complete this section. Remember to sign and date your application.

Note
To authorize a person to sign for you, send us Form RC59, *Business Consent Form*, or a letter of authorization naming the person as your authorized representative. If the person has a power of attorney, send us a copy of the power of attorney document.

Section E – Rebate calculation

If you are claiming a rebate type 6, 7, or 8 for a **multiple unit** residential complex, do not complete this section of Form GST524. Instead, complete Form GST525, *Supplement to the New Residential Rental Property Rebate Application – Multiple Units*, and send it to us along with Form GST524. Remember that a condominium unit and a duplex are treated as a **single unit** residential complex for purposes of this rebate.

Part I – Rebate calculation for type 6 – Lease of building and land

If you paid HST on the complex, complete lines A and B. If you paid GST on the complex, complete line C.

Line A

If you purchased the residential complex, enter on line A the total HST paid on the purchase of the complex.

If you built the residential complex, enter on line A the total HST paid on the self-assessment of the complex.

Line B

As a result of the 1% reduction in the rate of the GST/HST, the maximum rebate amounts have changed. Complete only the calculation that corresponds to the rate of tax that you paid.

If you paid HST at 14%, multiply the amount on line A by 6/14 and enter the result on line B.

If you paid HST at 15%, multiply the amount on line A by 7/15 and enter the result on line B.

Line C

If you purchased the residential complex, enter on line C the total GST paid on the purchase of the complex.

If you built the residential complex, enter on line C the total GST paid on the self-assessment of the complex.

Line D

Enter on line D the fair market value of the residential complex (building and land) at the time of purchase or self-assessment, excluding any GST/HST that is payable on the fair market value.

> **Note**
> If the residential complex is a residential condominium unit, the fair market value is the value of the condominium and the land on which it is situated. If the residential complex is a duplex, the fair market value is the value of the duplex (that is the value of the two residential units forming the duplex) and the land on which it is situated.

Line E

If you purchased the residential complex, enter on line E the purchase price of the complex, excluding GST/HST. Otherwise, leave the line blank.

Line F

If you paid 6% GST or 14% HST, multiply the amount on line B or C, whichever applies, by 36%. Enter the result of your calculation on line F, **to a maximum of $7,560**.

If you paid 7% GST or 15% HST, multiply the amount on line B or C, whichever applies, by 36%. Enter the result of your calculation on line F, **to a maximum of $8,750**.

Line G

If the amount on line D is $350,000 or less, copy the amount from line F onto line G. If the amount on line D is more than $350,000, complete the calculation as indicated and enter the result on line G.

If the result is negative, enter "0." This means that a rebate amount is not payable since the fair market value exceeds the maximum threshold of $450,000 for the complex.

Line H

Copy the amount from line G. This is the total rebate amount.

Line I

Multiply the amount on line H by your percentage of ownership or leasehold interest in the property, as indicated in Section A of the form. Enter the result on line I. This is your portion of the rebate amount.

Part II – Rebate calculation for type 7 – Sale of building and lease of land

If you paid HST on the complex, complete lines A and B. If you paid GST on the complex, complete line C.

Line A

Enter on line A the total HST paid on the self-assessment of the complex.

Line B

As a result of the 1% reduction in the rate of the GST/HST, the maximum rebate amounts have changed. Complete only the calculation that corresponds to the rate of tax that you paid.

If you paid HST at 14%, multiply the amount on line A by 6/14 and enter the result on line B.

If you paid HST at 15%, multiply the amount on line A by 7/15 and enter the result on line B.

Line C

Enter on line C the total GST paid on the self-assessment of the complex.

Line D

Enter on line D the fair market value of the residential complex (building and land) at the time of self-assessment, excluding any GST/HST that is payable on the fair market value.

> **Note**
> If the residential complex is a residential condominium unit, the fair market value is the value of the condominium and the land on which it is situated. If the residential complex is a duplex, the fair market value is the value of the duplex (that is the value of the two residential units forming the duplex) and the land on which it is situated.

Line E

If you paid 6% GST or 14% HST, multiply the amount on line B or C, whichever applies, by 36%. Enter the result of your calculation on line E, **to a maximum of $7,560**.

If you paid 7% GST or 15% HST, multiply the amount on line B or C, whichever applies, by 36%. Enter the result of your calculation on line E, **to a maximum of $8,750**.

Line F

If the amount on line D is $350,000 or less, copy the amount from line E onto line F. If the amount on line D is more than $350,000, complete the calculation as indicated and enter the result on line F.

If the result is negative, enter "0." This means that a rebate amount is not payable to you since the fair market value exceeds the maximum threshold of $450,000 for the complex.

Line G

Complete lines G to I only if the purchaser of the complex is entitled to claim the GST/HST new housing rebate. If not, enter "0" on line I.

Enter on line G the total amount of the sale price for the structure (i.e., **building only**) paid by the purchaser.

Line H

If you gave possession of the complex to the purchaser after June 30, 2006, and you self-assessed the tax at the rate of 6% or 14%, multiply the amount on line G by 2.04%. Enter the result on line H, **to a maximum of $7,560**.

In any other situation, multiply the amount on line G by 2.34%. Enter the result on line H, **to a maximum of $8,750**.

Line I

If you gave possession of the complex to the purchaser after June 30, 2006, and you self-assessed the tax at the rate of 6% or 14%, complete line I as follows:

- If the amount on line D is $371,000 or less, copy the amount from line H onto line I.
- If the amount on line D is more than $371,000, complete the calculation as indicated and enter the result on line I. If the result is negative, enter "0."

In any other situation, complete line I as follows:

- If the amount on line D is $374,500 or less, copy the amount from line H onto line I.
- If the amount on line D is more than $374,500, complete the calculation as indicated and enter the result on line I. If the result is negative, enter "0."

Note
If the result for line I is negative, no rebate amount is payable to the purchaser since the maximum threshold amount was exceeded.

Line J

Subtract the amount on line I from the amount on line F. Enter the result on line J.

Line K

Copy the amount from line J. This is the total rebate amount.

Line L

Multiply the amount on line K by your percentage of ownership or leasehold interest in the property, as indicated in Section A of the form. Enter the result on line L. This is your portion of the rebate amount.

Part III – Rebate calculation for type 8 – Co-operative housing corporation

If the co-op paid HST on the complex, complete lines A and B. If the co-op paid GST on the complex, complete line C.

Line A

If the co-op purchased the residential complex, enter on line A the total HST paid on the purchase of the complex.

If the co-op built the residential complex, enter on line A the total HST paid on the self-assessment of the complex.

Line B

As a result of the 1% reduction in the rate of the GST/HST, the maximum rebate amounts have changed. Complete only the calculation that corresponds to the rate of tax that you paid.

If the co-op paid 14% HST, multiply the amount on line A by 6/14 and enter the result on line B.

If the co-op paid 15% HST, multiply the amount on line A by 7/15 and enter the result on line B.

Line C

If the co-op purchased the residential complex, enter on line C the total GST paid on the purchase of the complex.

If the co-op built the residential complex, enter on line C the total GST paid on the self-assessment of the complex.

Line D

Enter on line D the fair market value of the residential complex (building and land) at the time of purchase or self-assessment, excluding any GST/HST that is payable on the fair market value.

Line E

If the co-op purchased the residential complex, enter on line E the purchase price of the complex, excluding GST/HST. Otherwise, leave the line blank.

Line F

If the co-op paid 6% GST or 14% HST, multiply the amount on line B or C, whichever applies, by 36%. Enter the result of your calculation on line F, **to a maximum of $7,560**.

If the co-op paid 7% GST or 15% HST, multiply the amount on line B or C, whichever applies, by 36%. Enter the result of your calculation on line F, **to a maximum of $8,750**.

Line G

If the amount on line D is $350,000 or less, copy the amount from line F onto line G. If the amount on line D is more than $350,000, complete the calculation as indicated and enter the result on line G.

If the result is negative, enter "0." This means that a rebate amount is not payable since the fair market value exceeds the maximum threshold of $450,000 for the complex.

Line H

Complete lines H to J only if the purchaser of a share of the capital stock of the co-op is entitled to claim the GST/HST new housing rebate. If not, enter "0" on line J.

Enter on line H the total amount of the sale price for the share of the capital stock.

Line I

If the co-op paid 6% GST or 14% HST, multiply the amount on line H by 2.04%. Enter the result on line I, **to a maximum of $7,560**.

If the co-op paid 7% GST or 15% HST, multiply the amount on line H by 2.34%. Enter the result on line I, **to a maximum of $8,750**.

Line J

If the co-op paid 6% GST or 14% HST, complete line J as follows:

- If the amount on line H is $371,000 or less, copy the amount from line I onto line J.
- If the amount on line H is more than $371,000, complete the calculation as indicated and enter the result on line J. If the result is negative, enter "0."

If the co-op paid 7% GST or 15% HST, complete line J as follows:

- If the amount on line H is $374,500 or less, copy the amount from line I onto line J.
- If the amount on line H is more than $374,500, complete the calculation as indicated and enter the result on line J. If the result is negative, enter "0."

Note
If the result for line J is negative, no rebate amount is payable to the purchaser since the maximum threshold amount was exceeded.

Line K

Subtract the amount on line J from the amount on line G. Enter the result on line K.

Line L

Copy the amount from line K. This is the total rebate amount.

Line M

Multiply the amount on line L by your percentage of ownership or leasehold interest in the property, as indicated in Section A of the form. Enter the result on line M. This is your portion of the rebate amount.

Part IV – Rebate calculation for type 9A – Lease of land (other than a site in a residential trailer park)

If you paid HST on the land, complete lines A and B. If you paid GST on the land, complete line C.

Line A

If you self-assessed HST on the fair market value of land (because you are leasing the land for the first time without changing its use), enter on line A the total HST paid on the fair market value at the time of self-assessment.

Line B

As a result of the 1% reduction in the rate of the GST/HST, the maximum rebate amounts have changed. Complete only the calculation that corresponds to the rate of tax that you paid.

If you paid HST at 14%, multiply the amount on line A by 6/14 and enter the result on line B.

If you paid HST at 15%, multiply the amount on line A by 7/15 and enter the result on line B.

Line C

If you self-assessed GST on the fair market value of the land (because you are leasing the land for the first time without changing its use), enter on line C the amount of GST paid on the fair market value at the time of self-assessment.

If you self-assessed the tax equal to the basic tax content of the land (as a result of a change of use), enter on line C the qualifying portion of basic tax content of the land at the time of self-assessment. For more information on how to calculate the qualifying portion of basic tax content, see Technical Information Bulletin B-087, *GST/HST New Residential Rental Property Rebate*.

Line D

Enter on line D the fair market value of the land at the time of self-assessment, excluding any GST/HST that is payable on the fair market value.

Line E

Multiply the amount on line B or C, whichever applies, by 36%. Enter the result on line E.

Line F

If the amount on line D is $87,500 or less, copy the amount from line E onto line F. If the amount on line D is more than $87,500, complete the calculation as indicated and enter the result on line F.

If the result is negative, enter "0." This means that a rebate amount is not payable since the fair market value exceeds the maximum threshold.

Line G

Copy the amount from line F onto line G. This is the total rebate amount.

Line H

Multiply the amount on line G by your percentage of ownership or leasehold interest in the property, as indicated in Section A of the form. Enter the result on line H. This is your portion of the rebate amount.

Part IV – Rebate calculation for type 9B – Lease of land in a residential trailer park

If you paid HST on the residential trailer park or on an addition to it, complete lines A and B. If you paid GST on the residential trailer park or on an addition to it, complete line C.

Line A

If you self-assessed HST on the fair market value of the residential trailer park or on an addition to it (because you are leasing a site in the residential trailer park or in the addition for the first time without changing the use), enter on line A the total HST paid on the fair market value.

Line B

As a result of the 1% reduction in the rate of the GST/HST, the maximum rebate amounts have changed. Complete only the calculation that corresponds to the rate of tax that you paid.

If you paid HST at 14%, multiply the amount on line A by 6/14 and enter the result on line B.

If you paid HST at 15%, multiply the amount on line A by 7/15 and enter the result on line B.

Line C

If you self-assessed GST on the fair market value of the residential trailer park or on the addition to it (because you are leasing a site in the residential trailer park or in the addition for the first time without changing the use), enter on line C the amount of GST paid on the fair market value at the time of self-assessment.

If you self-assessed the tax equal to the basic tax content of the residential trailer park or the addition to it (as a result of a change of use), enter on line C the qualifying portion of basic tax content of the residential trailer park or addition. For more information on how to calculate the qualifying portion of basic tax content, see Technical Information Bulletin B-087, *GST/HST New Residential Rental Property Rebate*.

Line D

Enter on line D the fair market value of the residential trailer park or the addition to it at the time of self-assessment, excluding any GST/HST that is payable on the fair market value.

Line E

Multiply the amount on line B or C, whichever applies, by 36%. Enter the result on line E.

Line F

Enter on line F the total number of sites in the residential trailer park or in the addition to it at the time of self-assessment.

Line G

Divide the amount on line D by the number of sites indicated on line F and enter the result on line G.

Line H

If the amount on line G is $87,500 or less, copy the amount from line E onto line H. If the amount on line G is more than $87,500, complete the calculation as indicated and enter the result on line H.

If the result is negative, enter "0." This means that a rebate amount is not payable since the fair market value exceeds the maximum threshold.

Line I

Copy the amount from line H. This is the total rebate amount.

Line J

Multiply the amount on line I by your percentage of ownership or leasehold interest in the property, as indicated in Section A of the form. Enter the result on line J. This is your portion of the rebate amount.

Completing the supplement

If you want to claim a rebate for a multiple unit residential complex, you have to complete Form GST525, *Supplement to the New Residential Rental Property Rebate Application – Multiple Units*. Also complete sections A, B, C, and D of Form GST524, *GST/HST New Residential Rental Property Rebate Application*. Send us both forms together.

Section A – Claimant information

Complete the identification section. The information will be the same as on Form GST524.

Section B – Rebates

Answer the questions that apply to your situation.

Type 6

Purchaser/landlord

If you purchased a property that contains a residential part and a non-residential part, you have to allocate the tax paid and purchase price between the residential part and the non-residential part of the property. The allocation must be fair and reasonable. You can claim the rebate on the residential part only. You also have to establish the fair market value of the residential part only.

Example

On August 1, 2006, you purchased a four-story building in Ontario for $500,000 and paid $30,000 GST on the purchase. The fair market value of the property at that time was $600,000. The main floor contains a retail store and the three upper floors are leased for long-term residential purposes. If you determine that 75% of the building relates to the residential part, you will use 75% of the GST paid ($22,500) and 75% of the purchase price ($375,000) to calculate your rebate. You would enter those amounts on lines C and E in Part I of Section C. You will need to establish the fair market value of the residential part and enter that amount on line D in Part I of Section C.

Note
The amounts you enter on lines A to E on page 2 of the form must only include the residential part of the property.

Builder/landlord

If you constructed a building that contains a residential part and a non-residential part, you should already have allocated the amounts between the residential part and the non-residential part when you self-assessed the tax, since self-assessment is required only on the residential part of the property.

Proceed to Part I of Section C on pages 2 and 3 to calculate your rebate. Once you have completed your calculations, enter on line (i) of Section B on page 1 the total rebate amount that you calculated on page 3. If you used more than one chart, add up the total rebate amounts you calculated on each page 3 and enter the result on this line.

On line (ii) of Section B on page 1, enter your portion of the rebate that you calculated on page 3. If you used more than one chart, add up your portions of the rebate from each page 3 and enter the result on this line.

Type 7

If you are claiming a rebate for type 7, answer question 2 and proceed to Part I of Section C on pages 2 and 3 to calculate your rebate. Once you have completed your calculations, enter on line (i) of Section B on page 1 the total rebate amount that you calculated on page 3. If you used more than one chart, add up the total rebate amounts you calculated on each page 3 and enter the result on this line.

On line (ii) of Section B on page 1, enter your portion of the rebate that you calculated on page 3. If you used more than one chart, add up your portions of the rebate from each page 3 and enter the result on this line.

Type 8

If you are claiming a rebate for type 8, answer question 3 and proceed to Part II of Section C on page 4 to calculate your rebate. Enter on line (iii) of Section B on page 1 the amount from line R on page 4.

Section C – Rebate calculation

Part I – Rebate calculation for type 6 – Lease of building and land
Rebate calculation for type 7 – Sale of building and lease of land

For these types, complete one rebate application (Form GST524) and one supplement (Form GST525) to include all of the qualifying residential units in a multiple unit residential complex. Complete one row per unit and complete pages 2 and 3 for each unit. You can enter up to 20 units in the chart. If the residential complex contains more than 20 units, photocopy the chart or use another one.

If you use many charts, number the pages and attach them together. Send them together with your rebate application (Form GST524).

Round off your calculations to two decimal places.

If you paid HST on the complex, complete lines A and B. If you paid GST on the complex, complete line C.

Line A

If you purchased the residential complex, enter on line A the total HST paid on the purchase of the complex.

If you built the residential complex, enter on line A the total HST paid on the self-assessment of the complex.

Line B

As a result of the 1% reduction in the rate of the GST/HST, the maximum rebate amounts have changed. Complete only the calculation that corresponds to the rate of tax that you paid.

If you paid HST at 14%, multiply the amount on line A by 6/14 and enter the result on line B.

If you paid HST at 15%, multiply the amount on line A by 7/15 and enter the result on line B.

Line C

If you purchased the residential complex, enter on line C the total GST paid on the purchase of the complex.

If you built the residential complex, enter on line C the total GST paid on the self-assessment of the complex.

Line D

Enter on line D the fair market value of the residential complex at the time of purchase or self-assessment, excluding any GST/HST that is payable on the fair market value.

Line E

If you purchased the residential complex, enter on line E the purchase price of the complex, excluding GST/HST. Complete this line only if you are applying for a type 6 rebate.

Line F

Multiply the amount on line B or C, whichever applies, by 36%. Enter the result on line F.

Line G

Enter on line G the square metres of floor space for all the residential units in the complex (including any residential units that are not qualifying residential units). Do not include the square metres for common areas.

If all the residential units of the complex are qualifying residential units, then the number of square metres you indicate on line G must equal the total number of square metres of floor space of all the units in column 2 for all the pages.

If the residential complex contains ten or more residential units and substantially all (90% or more) of these units are qualifying residential units, then all the units are considered qualifying residential units. In that case, the number of square metres you indicate on line G must equal the total number of square metres of floor space of all the units in column 2 for all the pages.

Line H
Enter on line H the total number of qualifying residential units for which you are claiming a rebate.

Column 1
Enter in column 1 the unit number for which you are claiming a rebate. Remember that only qualifying residential units are eligible for the rebate. See "Terms we use in this guide" on page 4 for the definition of a qualifying residential. Complete one row of the chart per unit.

Column 2
Enter in column 2 the square metres of floor space of the unit.

Column 3
Calculate the percentage of floor space of each unit. To do this, divide the number of square metres of floor space of the unit in column 2 by the square metres of floor space of all the residential units on line G. Multiply the result by 100 to get a percentage. Enter this percentage in column 3.

Column 4
Calculate the unit fair market value. To do this, multiply the amount from line D by the percentage of floor space of the unit in column 3. Enter the result in column 4.

Column 5
Multiply the amount from line F by the percentage of floor space of the unit in column 3. Enter the result in column 5.

Column 6
If you paid 6% GST or 14% HST on the purchase or self-assessment of the residential complex, enter the amount in column 5 or $7,560, whichever is less, for each unit.

Or, **if you paid 7% GST or 15% HST** on the purchase or self-assessment of the residential complex, enter the amount in column 5 or $8,750, whichever is less, for each unit.

Column 7
If the amount in column 4 is $350,000 or less, enter $350,000 in column 7. If the amount in column 4 is more than $350,000, copy the amount from column 4 in column 7.

Column 8
Subtract from $450,000 the amount from column 7. Enter the result in column 8. If the result is negative, enter "0." This means that there is no rebate for this unit.

Column 9
Divide the amount in column 8 by 100,000 and enter the result in column 9.

Column 10
Calculate the total rebate per unit. To do this, multiply the amount in column 6 by the amount in column 9. Enter the result in column 10.

For easier reference, re-enter in the last column, on the right side of column 10, the unit number you entered in column 1.

On the line called "Total rebate for this page" near the bottom of page 3, add all the amounts in column 10. If you used only one chart, copy this amount onto line (i) of section B of the form. If you used more than one chart, add all sub-totals from each page 3 of each chart and enter the total on line (i) of Section B on page 1.

On the line called "Claimant's portion" near the bottom of page 3, multiply the "Total rebate for this page" by the percentage of ownership or leasehold interest you indicated in Section A of Form GST524. If you used only one chart, copy this amount on line (ii) of section B on page 1. If you used more than one chart, add all sub-totals from each page 3 of each chart and enter the total on line (ii) of Section B on page 1.

Part II – Rebate calculation for type 8 – Co-operative housing corporation

For a co-op, complete one rebate application (Form GST524) and one supplement (Form GST525) for each qualifying residential unit in the complex.

If the co-op paid HST on the complex, complete lines A and B. If the co-op paid GST on the complex, complete line C.

Line A
If the co-op purchased the residential complex, enter on line A the total HST paid on the purchase of the complex.

If the co-op built the residential complex, enter on line A the total HST paid on the self-assessment of the complex.

Line B
As a result of the 1% reduction in the rate of the GST/HST, the maximum rebate amounts have changed. Complete only the calculation that corresponds to the rate of tax that you paid.

If the co-op paid HST at 14%, multiply the amount on line A by 6/14 and enter the result on line B.

If the co-op paid HST at 15%, multiply the amount on line A by 7/15 and enter the result on line B.

Line C
If the co-op purchased the residential complex, enter on line C the total GST paid on the purchase of the complex.

If the co-op built the residential complex, enter on line C the total GST paid on the self-assessment of the complex.

Line D
Enter on line D the fair market value of the residential complex (building and land) at the time of purchase or self-assessment, excluding any GST/HST that is payable on the fair market value.

Line E
If the co-op purchased the residential complex, enter on line E the purchase price of the complex, excluding GST/HST. Otherwise, leave the line blank.

Line F
Enter on line F the total floor space, in square metres, of the unit.

Line G
Enter on line G the total floor space, in square metres, of all the residential units of the complex.

Line H
Calculate the unit percentage of floor space. To do this, divide the amount of square metres of floor space for the unit on line F by the total square metres of floor space of all the residential units on line G. Multiply the result by 100 to get a percentage. Enter this percentage on line H.

Line I
Calculate the unit fair market value. To do this, multiply the amount from line D by the percentage of floor space of the unit on line H. Enter the result on line I.

Line J
Multiply the amount on line B or C, whichever applies, by 36% and by the percentage of floor space as calculated on line H. Enter the result on line J.

Line K
If the co-op paid 6% GST or 14% HST, enter on line K the lesser of the amount on line J and $7,560.

If the co-op paid 7% GST or 15% HST, enter on line K the lesser of the amount on line J and $8,750.

Line L
If the amount on line I is $350,000 or less, copy the amount from line K to line L. If the amount on line I is more than $350,000, complete the calculation as indicated and enter the result on line L. If the result is negative, enter "0." This means that no rebate is available for this unit.

Line M
Complete lines M to O only if the purchaser of a share of the capital stock was entitled to claim the GST/HST new housing rebate. If not, enter "0" on line O.

Enter on line M the total amount of the sale price for the share of the capital stock.

Line N
If the co-op paid 6% GST or 14% HST, multiply the amount on line M by 2.04%. Enter the result on line N, **to a maximum of $7,560**.

If the co-op paid 7% GST or 15% HST, multiply the amount on line M by 2.34%. Enter the result on line N, **to a maximum of $8,750**.

Line O
If the co-op paid 6% GST or 14% HST, complete line O as follows:

- If the amount on line M is $371,000 or less, copy the amount from line N onto line O.
- If the amount on line M is more than $371,000, complete the calculation as indicated and enter the result onto line O.

If the co-op paid 7% GST or 15% HST, complete line O as follows:

- If the amount on line M is $374,500 or less, copy the amount from line N onto line O.
- If the amount on line M is more than $374,500, complete the calculation as indicated and enter the result on line O.

Note
If the result for line O is negative, enter "0." This means that a rebate was not payable to the purchaser of the share.

Line P
Subtract the amount on line O from the amount on line L. Enter the result on line P.

Line Q
Copy the amount from line P. This is the total rebate amount.

Line R
Multiply the amount on line Q by your percentage of ownership or leasehold interest in the property, as you indicated in Section A of Form GST524. Enter the result on line R. This is your portion of the rebate amount. Copy this amount onto line (iii) of Section B of Form GST525.

More information

Repayment of the rebate

You will have to repay the new residential rental property rebate if you claimed a rebate for type 6 – Lease of building and land, and all the following conditions are met:

- the rebate was for a qualifying residential unit (other than a unit located in a multiple unit residential complex);
- the unit is sold within one year after it is first occupied as a place of residence after its construction or after the last substantial renovation of the unit was substantially completed (except when the unit is seized or repossessed by a creditor, or transferred to an insurer to settle an insurance claim); and
- the purchaser is not buying the unit for his or her use as a primary place of residence or for a relation of the purchaser.

In this situation, you will have to repay to the Receiver General an amount equal to the rebate plus interest at the prescribed rate. The interest will apply for the period beginning on the day the rebate was paid to you or used to reduce an amount you owed and ending on the day you repay the rebate to the Receiver General.

GST/HST transitional rebate

Under proposed amendments, a GST/HST transitional rebate may be available to a purchaser of a new residential complex.

You may be entitled to claim the transitional rebate if the following conditions are met:

- you signed the purchase and sale agreement before May 3, 2006; and
- both ownership and possession are transferred to you after June 30, 2006.

This rebate accounts for the reduction in the rate of GST from 7% to 6%, or the rate of HST from 15% to 14%. If you can claim a new residential rental property rebate, the transitional rebate will take this into account. If you cannot claim a new residential rental property rebate because the maximum threshold is exceeded, you may still be eligible to claim the transitional rebate.

For more information, see Form GST193, *GST/HST Transitional Rebate Application for Purchasers of New Housing*.

Builders may also be able to claim the transitional rebate when they self-assess on a new residential complex and sell the building part of the complex to a person who leases the land part of the complex from that same builder. For more information, see Form GST192, *GST/HST Transitional Rebate Application for Builders of New Housing on Leased Land*.

You can get these forms from our Web site at **www.cra.gc.ca/forms** or by calling us at **1-800-959-2221**.

Filing your rebate application

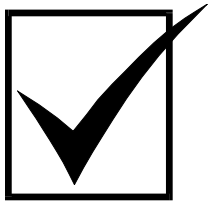
If you are a registrant claiming an adjustment on line 111 of your GST/HST return, send your rebate application (Form GST524), the supplement (Form GST525), if applicable, and all other required documents together with your GST/HST return to the address shown on your GST/HST return.

Otherwise, send your rebate application and all required documents to:

Summerside Tax Centre
275 Pope Road
Summerside PE C1N 6A2

If you have any questions about the status or processing of your claim, call us at **1-800-565-9353**.

Your opinion counts!



We review our publications each year. If you have any comments or suggestions that would help us improve them, we would like to hear from you.

Please send your comments to:

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Canada Revenue Agency
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