



First-time buyers have been given a break in the new B.C. provincial budget when buying a new house or condo, or a home that has been substantially renovated.

\$10,000 TAX CREDIT GIVEN FIRST-TIME BUYERS

First-time home buyers who purchase a new or “substantially renovated” home are now eligible for a B.C. tax credit of up to \$10,000, according to measures in the recent BC provincial budget.

Finance Minister Kevin Falcon announced that those buying a brand new, or a home that has been 90 per cent renovated, will be allowed to claim the one-time refundable personal income tax credit.

Falcon said the credit should help new buyers secure their first home in B.C.’s strong housing market.

The tax credit is eligible to families who plan to live in the home for at least a year, but it includes income restrictions. The bonus begins phasing out for individuals and

families earning a net income of \$150,000 and is eliminated completely for individuals earning \$200,000 in net income and families earning \$250,000 net.

The bonus is equal to 5 per cent of the home’s purchase price, to a maximum of \$10,000.

Earlier, the government had announced that the province would raise the HST threshold from \$525,000 to \$850,000 for new housing, effective April 1, 2012. (The HST will be phased out by April 1, 2013.)

“Together, these measures serve the dual purpose of giving consumers a break, while supporting the new home and construction sectors,” Falcon said.

Those buying new secondary homes and recreational properties will also be eligible for the HST rebate.

The budget also gave some help to the home renovation sector. The BC Seniors’ Home Renovation Tax Credit, effective this year, is a credit of up to \$1,000 to help with the cost of permanent home renovations for people aged 65 and older. It is meant to reduce the costs of structural changes like wheelchair ramps, lower countertops or walk-in bathtubs.

Family members who share their home with an elderly relative can also claim the renovation credit, provided that the money goes towards upgrades to help the senior, such as constructing a first-floor suite.

The BC budget forecast a provincial deficit of \$2.5 billion for this fiscal year. The government is predicting surpluses by \$154 million in 2013-14 and \$250 million in 2014-2015.