

Homeowners: Let the CRA help you lay the foundation for tax-filing success!

Buying a home may be the largest financial investment you ever make. As with any major purchase, many factors and sleepless nights play into the decision. Whether you're jumping into the housing market for the first time or moving on up to accommodate a growing family, the Canada Revenue Agency (CRA) has resources and programs to help homeowners keep money in their pockets at tax time.



So, you're ready to take the plunge and "make yourself at home." The process to become a homeowner can be overwhelming—especially when it comes to securing finances for your down payment in a real estate market with climbing prices and a short supply of homes. If you have a registered retirement savings plan (RRSP), there's good news! Under the **Home Buyers' Plan**, you might be eligible to withdraw up to \$25,000 from your RRSP to use toward your down payment or to help with the construction of your new home. For more information about the Home Buyers' Plan, go to cra.gc.ca/hbp.

You've signed the paperwork, have the keys in hand, and are ready to open the door to your home sweet home. Being your own landlord is a dream come true, but the lack of extra funds resulting from your new mortgage payment (hello, house-poor!) is hitting a little too close to home. Fortunately, as a first-time home buyer or a person with a disability buying a more accessible home, you or your spouse or common-law partner may be eligible to claim the **home buyers' amount** of \$5,000. Your new home must be a qualifying home in Canada and be registered in your or your spouse's or common-law partner's name or in both your names. You and your spouse or common-law partner can split the claim, but the combined total cannot be more than \$5,000. To find out more about this tax credit, go to cra.gc.ca/hbtc.

If you bought a new home and paid less than \$450,000, you might be eligible for the **GST/HST new housing rebate**. The rebate may also apply if you built a new home on land you own or lease, as long as the fair market value is less than \$450,000. In either case, the home must be your main residence. For more information, go to cra.gc.ca/myhome and select “GST/HST housing rebate.”

Claiming expenses

Rental truck, check! Boxes packed, check! Welcome to moving day. Did you know that you might be able to deduct some of the costs of moving to your new home? To claim these costs, your new home must be at least 40 kilometres closer to your new place of work, business, or full-time school. Moving expenses may include costs related to selling your old home and buying your new home, such as realtor commissions, legal fees, and even mortgage penalties. You might also be able to deduct travel expenses, storage fees, and the cost of revising legal documents, such as your driver’s licence. Find out more at cra.gc.ca/moving.

Protect yourself!

Down the road, even minor jobs around the house could become costly when a professional is involved, which is why discounts for cash payments can be enticing. However, when you pay under the table, you’re participating in the underground economy. You might think you’re getting a deal by paying cash and avoiding taxes for such things as a small plumbing or electrical job, a roof fix, or even the construction of your dream porch, but it can leave you with no proof of payment or recourse should a goods or services provider not fulfill their obligations. Save yourself the trouble! Hire a reputable contractor who will treat you fairly and honestly, and will put their promises in writing. For more information and tips on how to hire a contractor, go to hiringacontractor.com.

Rental income

Spacious garden suite for rent! If you have a suite or extra room in your home that you rent to help cover your mortgage payments, you should remember that the money you earn throughout the year is generally considered rental income and should be reported on your income tax and benefit return. You may also be able to deduct expenses related to your rental suite, such as maintenance and repairs, property taxes, and utilities. Be sure to keep your receipts and records handy in case the CRA asks for them later. For more information, go to cra.gc.ca/rental.

After the celebratory champagne has been popped and you've started to settle in, don't forget to share the news and your new address with the CRA. You can update your information and stay up to date on many of your tax matters online when you register for **My Account** at cra.gc.ca/myaccount. To tell the CRA of your new address, you can use the **MyCRA** mobile app at cra.gc.ca/mobileapps or call the CRA at 1-800-959-8281. You can also send a signed letter to your tax centre that includes your social insurance number, new address, and moving date.

Declaring your principal residence

One day it will be time to move up the property ladder. Starting with the 2016 tax year, when you sell a property you'll have to report basic information on Schedule 3, *Capital Gains*, of your income tax and benefit return. This information includes the year of acquisition (that is, purchase), proceeds of disposition (that is, what you received for the sale), and the address of your **principal residence**. You won't have to pay tax on any capital gain when you sell your house if it was your principal residence for all the years you owned it and you did not use any part of it to earn income. For more information, go to cra.gc.ca and search for **principal residence and other real estate**.

Completing your tax return

Whether you're lord of the manor or queen of the castle, most Canadians have to file their 2016 tax return by April 30. However, since this date is a Sunday this year, the CRA will consider your

return as filed on time and your payment to be made if the CRA receives your submission or it is postmarked the no later than May 1. Self-employed individuals and their spouses or common-law partners have until June 15 to file their returns. But if those people have a balance owing to the CRA, the balance is due no later than **May 1**.

This year, you can file online as early as February 20. Last year, more than 84% of individuals filed online. To file online, you have to prepare your return using certified tax preparation software or a certified web application. The CRA has a list of certified tax preparation software on its website, including some that are free. To find out more, go to cra.gc.ca/netfile.

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