

Government Programs and Regulations

Land Transfer Tax Rebates (Provincial and Toronto)

Program

First-time buyers of new and re-sale homes are eligible to receive rebates of the provincial and Toronto land transfer taxes. The maximum provincial land transfer tax (LTT) rebate for first-time buyers is \$4,000 and the maximum Toronto LTT rebate for first time buyers is \$4,475. A FULL rebate of the Toronto land transfer tax is also available for ALL buyers who entered into Agreements of Purchase and Sale prior to December 31, 2007.

Details

Provincial LTT

- Provincial LTT is payable anywhere in Ontario (including Toronto)
- Maximum provincial LTT first-time buyer rebate is \$4,000.
- For RESALE homes, the provincial rebate applies only to first-time buyers who entered into Agreements of Purchase and Sale AFTER December 13, 2007.
- First-time buyers of NEWLY CONSTRUCTED HOMES are eligible for the provincial rebate even if they entered into Agreements of Purchase and Sale prior to December 13, 2007.
- The provincial LTT for residential properties is calculated as follows (An easy-to-use calculator is available at trreb.ca):
 - 0.5% of the amount of the purchase price up to and including \$55,000, plus
 - 1% of the amount of the purchase price between \$55,001 and \$250,000, plus
 - 1.5% of the amount of the purchase price between \$250,001 and \$400,000, plus
 - 2% of the amount of the purchase price between \$400,001 and \$2,000,000 plus
 - 2.5% of the amount of the purchase price above \$2,000,001



Government Programs and Regulations

Land Transfer Tax Rebates (Provincial and Toronto)

Toronto LTT

- Toronto LTT is payable only for properties in the City of Toronto.
- Maximum Toronto LTT first-time buyer rebate is \$4,475.
- ANY purchaser who entered into an Agreement of Purchase and Sale prior to December 31, 2007 is eligible for a FULL rebate of the Toronto LTT.
- Toronto LTT rebates are in addition to any provincial LTT rebate that the buyer qualifies for.
- The Toronto LTT for residential properties is calculated as follows (An easy-to-use calculator available at trreb.ca):



- 0.5% of the amount of the purchase price up to and including \$55,000, plus
- 1% of the amount of the purchase price between \$55,001 and \$250,000, plus
- 1.5% of the amount of the purchase price between \$250,001 and \$400,000, plus
- 2% of the amount of the purchase price between \$400,001 and \$2,000,000 plus
- 2.5% of the amount of the purchase price above \$2,000,000
- 3.5% of the amount of the purchase price between \$3,000,000 and \$4,000,000
- 4.5% of the amount of the purchase price between \$4,000,000 and \$5,000,000
- 5.5% of the amount of the purchase price between \$5,000,000 and \$10,000,000
- 6.5% of the amount of the purchase price between \$10,000,000 and \$20,000,000
- 7% of the amount of the purchase price over \$20,000,000

Government Programs and Regulations

Land Transfer Tax Rebates (Provincial and Toronto)

Provincial First-Time Purchaser Eligibility

To be eligible as a first-time buyer for the provincial LTT rebate:

- The purchaser must be at least 18 years old.
- The purchaser must occupy the home as their principal residence within nine months of the date of transfer.
- The purchaser cannot have ever owned an eligible home, or an interest in an eligible home, anywhere in the world, at any time.
- If the purchaser entered into an agreement of purchase and sale before December 14, 2007, the home must be a newly constructed home and the purchaser must be eligible for the Tarion New Home Warranty.
- If the purchaser has a spouse, the spouse cannot have owned an eligible home, or had any ownership interest in an eligible home, anywhere in the world, while he or she was the purchaser's spouse. If this is the case, **no** refund is available to **either** spouse.
- The purchaser cannot have previously received an Ontario Home Ownership Savings Plan (OHOSP) - based refund of land transfer tax.



Additional requirement:

- Beginning January 1, 2017, eligibility for the first-time homebuyers refund program is restricted to Canadian citizens and permanent residents of Canada.
- As a transitional measure, purchasers who entered into agreements of purchase and sale on or before November 14, 2016, would remain eligible for the refund regardless of citizenship or residency status.
- Purchasers who would otherwise be eligible for a refund, but who are not Canadian citizens or permanent residents of Canada when the transaction closes, have 18 months following registration to become eligible. Upon obtaining Canadian citizenship or permanent resident status, these purchasers may apply for the refund within the 18-month period following registration of the conveyance or the date the unregistered disposition occurs.

Government Programs and Regulations

Land Transfer Tax Rebates (Provincial and Toronto)

Additional requirement: *(continued)*

- **Toronto First-Time Purchaser Eligibility** You are a first-time purchaser of a newly constructed or re-sale residential property, if the following criteria is met:

For conveyances and dispositions before March 1, 2017, and a rebate of up to \$3,725:

The definition of a first-time purchaser is:

- The purchaser is at least 18 years of age.
- The purchaser must occupy the home as their principal residence no later than nine months after the date of the conveyance or disposition.
- The purchaser cannot have previously owned a home, or had any ownership interest in a home, anywhere in the world, at any time.
- If the purchaser has a spouse, the spouse cannot have owned a home, nor had any ownership interest in a home, anywhere in the world while they were the purchaser's spouse. If this is not the case, **no** rebate is available to **either** spouse.

For conveyances and dispositions of the eligible home on or after March 1, 2017, and a rebate of up to \$4,475:

The definition of a first-time purchaser includes all of the above, and:

- The purchaser is a Canadian citizen or permanent resident of Canada. If the purchaser becomes a Canadian citizen or permanent resident within 18 months of the transfer, they may apply for and may qualify for the rebate.
- If you are eligible for a rebate of all or a portion of the MLTT you owe, your lawyer will be able to claim the rebate electronically through Teraview software when he/she registers your transfer/deed.

More Information

Provincial LTT:
Ontario Ministry of Finance: 1-866-668-8297

Toronto LTT:
City of Toronto: 416-338-0338

**For more information contact the Ontario Ministry of Finance
or visit www.ontario.ca/page/ministry-finance**