# Multigenerational Home Renovation Tax Credit (MHRTC)

The Multigenerational Home Renovation Tax Credit (MHRTC) is a refundable tax credit that can be claimed on your income tax and benefit return.

If you meet the eligibility requirements, you can use this credit for specific renovation costs aimed at creating a self-contained secondary unit. This unit must be designed to accommodate a senior or an adult who qualifies for the Disability Tax Credit, allowing them to live with a qualifying relative.

For each eligible renovation, you can claim up to $50,000 in qualifying expenses. The tax credit covers 14.5 per cent of your costs, with a maximum credit of $7,500 per eligible claim.

The eligibility checklist, online can help confirm your eligibility for the tax credit. You must meet all requirements on the checklist to be eligible.

CRA Checklist

## Expenses That Qualify

The renovation expenses that you can claim must be qualifying expenditures. A qualifying expenditure is all of the following:

- A reasonable expense that is directly attributable to the qualifying renovation of an eligible dwelling
- Made or incurred after December 31, 2022, and before the end of the renovation period
- Made or incurred by an eligible individual (or a trust of which the eligible individual is a beneficiary)

A qualifying expenditure may include:

- Goods acquired or services received, including work performed by professionals (such as electricians, plumbers, carpenters, or architects)
- Outlays or expenses for required permits
- Rental of equipment used in the course of the qualifying renovation

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## When to Claim

To claim the MHRTC, you must claim the qualifying renovation in the tax year when the renovation period ended, even if the renovation took more than one year.
The renovation period:

- Begins when the first qualifying expenditure is made or incurred for a qualifying renovation (for example, when you apply for a building permit)
- Ends when the qualifying renovation is completed (for example, when the qualifying renovation passes the final inspection or you receive proof of project completion)

More information is available on the CRA website:
https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/multigenerational-home-renovation.html

**Note:** This information is provided as a guide. The Toronto Regional Real Estate Board assumes no responsibility for the accuracy of this information. Please discuss any inquiries with a tax professional.

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