First-Time Home Buyers Tax Credit



> Purchasing a home for the first time is perhaps one of the most daunting experiences one will have.

In order to ease one's first foray into the housing market, there are government programs in place that provide some financial relief in the form of rebates and tax refunds. Federally, the Government of Canada has the First-Time Home Buyer (FTHB) Tax Credit, and provincially, the province of British Columbia, Ontario and Prince Edward Island also have their own programs in place for first-time homebuyers. So if it is your first time entering the housing market, make sure you take advantage of such programs if you are eligible – a dollar saved can go along way when purchasing your first home!

GOVERNMENT OF CANADA

First-Time Home Buyer (FTHB) Tax Credit: $10,000 non-refundable income tax credit amount on homes purchased on or after January 1, 2022. First-time home owners would get a credit of $1,500 (calculated as $10,000 x 15%) when you file your taxes for the following year.

Home Buyers' Plan (HBP): The HBP allows you the prospective first-time homebuyer to withdraw up to $35,000 from their RRSPs to buy or build a qualified home. This applies to withdrawals made after March 19, 2019.

First Time Home Buyer Incentive: If you qualify, the government will cover 5% of the purchase price on a resale home or up to 10% on a newly constructed home.

BRITISH COLUMBIA

First-Time Home Buyer Program: Reduces or eliminates the amount of property transfer tax you pay when you purchase your first home.

Land Transfer Tax Refund for First-Time Home Buyers: Homes purchased for $500,000 or less will receive a full refund and homes between $500,000 and $525,000, are eligible for a partial refund.

ONTARIO

First-Time Home Buyer Program: First-time homebuyers are eligible for a refund of the land transfer tax – a tax you pay when you buy land or an interest in land in the province of Ontario.

PRINCE EDWARD ISLAND

Land Transfer Tax Refund for First-Time Home Buyers: You must have resided in PEI for 183 consecutive days before purchasing your home, or have occupied your newly purchased home for at least 183 consecutive days.

Want to know more? Call me today!



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