



First Time Homebuyer Incentives

RRSP Withdrawal To Purchase A Home: \$25,000 Maximum Per Buyer

The Home Buyers Plan allows first-time home buyers to withdraw up to \$25,000 PER BUYER, from an RRSP to purchase a home without having to pay tax on the withdrawal. The federal government recently increased the maximum amount to give additional access to their registered retirement savings plans (RRSP's) for home purchases.

Remember, the \$25,000 per buyer does not HAVE to be used solely for down payment—it can be used for:

- ✓ **Closing costs**
- ✓ **Paying off some debt**
- ✓ **Moving expenses**
- ✓ **Furniture...**
- ✓ **or even a vacation to celebrate!**

For more information • www.cra-arc.gc.ca/tx/ndvdl/tpcs/rrsp-reer/hbp-rap/menu-eng.html

British Columbia Land Transfer Tax Credit

BC's Land Transfer Tax is a provincial tax payable by the purchaser of a property. Therefore, if you purchase a property or land you are responsible for paying Land Transfer Tax to the Province at the time the transaction closes. First Time Homebuyers receive an exemption on the tax for a property with threshold fair market value of up to \$425,000. Should you purchase a property above \$425,000, then a proportionate amount is payable over and above this threshold. Your real estate lawyer will confirm if you qualify for this credit.

For more information—BC Government Property Transfer Tax Website Page • www.sbr.gov.bc.ca/business/Property_Taxes/Property_Transfer_Tax/first_Time_home_buyer.htm

First Time Homebuyers' Tax Credit: \$750.00

Through Canada's Economic Action Plan, the federal government has introduced a First-Time Home Buyers' Tax Credit (HBTC) to help with the purchase of a first home. This will assist first-time homebuyers with the costs associated with the purchase of a home, such as legal fees, disbursements and land transfer taxes. An individual will be considered a first-time home buyer if neither the individual nor the individual's spouse or common-law partner owned and lived in another home in the calendar year of the home purchase or in any of the four preceding calendar years. The HBTC amount will apply to qualifying homes purchased after January 27, 2009, and will provide up to \$750 in a Tax Credit. The credit for a taxation year will be calculated by reference to the lowest personal income tax rate for the year and is claimable for the taxation year in which the home is acquired.

For more information • www.cra-arc.gc.ca/gncybdgt/2009/fqhbtc-eng.html

—Steve Bucher