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First-Time Home Buyers' Tax Credit (HBTC)

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1. What is the Home Buyers' Tax Credit (HBTC)?

For 2009 and subsequent years, the budget proposes to introduce a new non-refundable tax credit, based on an amount of \$5,000, for certain home buyers that acquire a qualifying home after January 27, 2009 (i.e., closing after this date).

2. How is the new HBTC calculated?

The HBTC is calculated by multiplying the lowest personal income tax rate for the year (15% in 2009) by \$5,000. For 2009, the credit will be \$750.

3. Who is eligible for the HBTC?

An individual will qualify for the HBTC if:

- 1. they acquire a qualifying home; and
- 2. neither the individual nor the individual's spouse or common-law partner owned and lived in another home in the year of purchase or any of the four preceding years.

If you are a person with a disability or are buying a house for a related person with a disability, you do not have to be a first time home buyer. However, the home must be acquired to enable the person with a disability to live in a more accessible dwelling or in an environment better suited to the personal needs and care of that person.

4. What is a qualifying home?

A qualifying home is a housing unit located in Canada. This includes existing homes and those being constructed. Single-family homes, semi-detached homes, townhouses, mobile homes, condominium units, and apartments in duplexes, triplexes, fourplexes, or apartment buildings, all qualify. A share in a co-operative housing corporation that entitles you to possess and gives you an equity interest in a housing unit located in Canada also qualifies. However, a share that only

provides you with a right to tenancy in the housing unit does not qualify.

As well, you or the related person with a disability must intend to occupy the home as a principal place of residence no later than one year after buying it.

5. If I buy a house, can my spouse or common-law partner claim the HBTC?

Either one of you can claim the credit or you can share the credit. However, the total of both your claims cannot exceed \$750.

6. My friend and I intend to purchase a home, and we both meet the conditions for the HBTC. Can we both claim the credit?

Either one of you can claim the credit or you can share the credit. However, the total of both your claims cannot exceed \$750.

7. Do I have to register the acquisition of the home under the applicable land registration system?

Yes. The individual's interest in the home must be registered in accordance with the applicable land registration system.

8. Who is considered a person with a disability for purposes of the HBTC?

For the purposes of the HBTC, an individual eligible for the [Disability Tax Credit \(DTC\)](#) is one for whom an amount can be claimed under the DTC for the year in which an agreement to acquire the home is entered into, or could be claimed if costs for an attendant care or care in a nursing home were not claimed for the [\[Medical Expense Tax Credit\]](#).

9. How will I claim the HBTC?

Beginning with the 2009 personal income tax return, a new line will be incorporated to allow you to claim the credit.

10. Do I have to submit any supporting documents with my income tax return?

No. However, you must ensure that this information is available, should it be requested by the CRA.

11. Is the HBTC connected to the existing Home Buyer's Plan?

No. Although some of the eligibility conditions for the HBTC and the Home Buyer's Plan are similar, they are not connected. Your eligibility for the HBTC will not change whether or not you also participate in the [Home Buyer's Plan](#).

12. Where can I get more information about the new HBTC?

The CRA encourages taxpayers to check our Web site often - all new forms, policies, and guidelines will be posted here as they become available.

Documents are also available immediately at [Department of Finance's Budget 2009](#) for details.

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