



REAL PROPERTY Election to Make Certain Sales Taxable

Use this form if you are an individual or a personal trust and you want GST/HST to apply to the sale of real property (other than a residential complex or an interest in a residential complex) you make in the course of an adventure or concern in the nature of trade. You may also use this form if you are a supplier who is returning a previously purchased property to a recipient who is registered for GST/HST, and

- the property is a residential complex or an interest in a residential complex; or
 - the property is real property that is not a residential complex or an interest in a residential complex, and the supplier is an individual or a personal trust.
- If you are a supplier who is returning a property to a registered recipient, you and the recipient must jointly elect to have the GST/HST apply to the sale of the property back to the recipient.

For information on eligibility for each type of election see the back of this form or call our Business Enquiries line at **1-800-959-5525**. If you are eligible to make an election, check one of the boxes below to indicate which type of election you want to make. **Once you make one of these elections, you cannot revoke it.**

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|---|---|--|
| <input type="checkbox"/> Election type 1 – real property (other than a residential complex or an interest in a residential complex) sold in the course of an adventure or concern in the nature of trade | <input type="checkbox"/> Election type 2 – return of a residential complex or an interest in a residential complex | <input type="checkbox"/> Election type 3 – return of real property (other than a residential complex or an interest in a residential complex) |
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A – Identification of recipient – Complete this section if you have checked the box for election types 2 or 3

Legal name of recipient		Business Number	
Operating, trading, or partnership name of recipient (if different from legal name)			
Mailing address	City	Province	Postal code
Contact person	Title	Phone number	

B – Identification of supplier – Complete this section for all elections

Legal name of supplier		Business Number (if applicable)	
Operating, trading, or partnership name of supplier (if different from legal name)			
Mailing address	City	Province	Postal code
Contact person	Title	Phone number	

C – Identification of property – Complete this section for all elections

Legal description of property: Lot, concession, plan, range, parcel, section, etc. (As it appears at your provincial land title office or land registry office, or on your deed, or other land transfer document. If necessary, add on a separate piece of paper.)

D – Election – Complete this section for all elections

Check this box for election type 1. <input type="checkbox"/> I elect to have GST/HST apply to the sale of the property described in section C.	Check this box for election type 2 or 3. <input type="checkbox"/> We, the recipient and the supplier, jointly elect to have GST/HST apply to the sale of the property described in section C.
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E – Certification (recipient) – Complete this section if you are the recipient identified in Section A

I, _____, (print name), certify that the information given on this form and in any attached documents with respect to the person identified in Section A is, to the best of my knowledge, true, correct, and complete in every respect, and that I am the recipient or that I am authorized to sign on behalf of the recipient.

Signature of recipient or authorized person	Title	Year	Month	Day
		_	_	_

F – Certification (supplier) – Complete this section if you are the supplier identified in Section B

I, _____, (print name), certify that the information given on this form and in any attached documents with respect to the person identified in Section B is, to the best of my knowledge, true, correct, and complete in every respect, and that I am the supplier or that I am authorized to sign on behalf of the supplier.

Signature of supplier or authorized person	Title	Year	Month	Day
		_	_	_

ELECTION INFORMATION

Treatment without an election

The GST/HST legislation exempts from GST/HST most sales of real property by an individual or a personal trust. For example, the sale of recreational land that is held for the personal use of an individual is generally exempt from GST/HST. The sale of vacant land that was purchased for resale by an individual is generally exempt unless the land is sold in the course of a business of an individual or unless one of the other exclusions to the exemption applies. The sale of a residential complex or an interest in a residential complex made by a person who is not a builder of the residential complex or an addition to it is generally exempt from GST/HST.

Effect of an election

If you elect to have GST/HST apply to your sale of real property, you may have to include the sale of the property in your total taxable supplies used to determine your GST/HST registration and reporting requirements.

If you file the election and you are registered for GST/HST, you may be entitled to claim an input tax credit for the GST/HST you paid on the acquisition of the property and improvements made to it. If you are not registered for GST/HST, you may be able to claim a rebate (using Form GST189, *General Application for Rebate of GST/HST*) for previously unrecovered GST/HST when you make a taxable sale of the property.

Check election type 1 if you meet the following criteria:

- you are an individual or a personal trust; and
- you are making a supply of real property (other than a residential complex or an interest in a residential complex) in the course of an adventure or concern in the nature of trade.

Filing instructions

You have to file this election with your tax services office **before** the sale is completed. We generally consider this to be the time when the recipient would ordinarily become liable for GST/HST if the supply was a taxable supply, (i.e., the earlier of the time legal ownership is transferred or possession is transferred under an agreement of purchase or sale). When there is a written agreement of purchase and sale for the real property, the sale may be considered to take place when you enter into the agreement.

General criteria for election types 2 and 3

You may be eligible to make an election of type 2 or type 3 if you meet the following criteria:

- the recipient of the property is registered for GST/HST;
- the recipient of the property had previously made a taxable sale of the same property to the supplier and this previous sale was the most recent sale of the property;
- the sale agreement for this previous sale gave the recipient the right or obligation to repurchase the property in the present circumstances; and
- the sale that returns the property to the recipient was made on or before the day that is the earlier of one year from the day:
 - the supplier took possession of the property; and
 - the supplier took ownership of the property.

Note:

You may still be eligible to make an election of type 2 or 3 if the supplier is a trust that was not the recipient of this previous sale. The supplier may be:

- a personal trust (other than a testamentary trust), the settlor of which was the recipient of the previous sale; or
- a testamentary trust that arose from the death of an individual who was the recipient of the previous sale.

Check election type 2 if you meet the general criteria for election types 2 and 3 and the following criteria:

- the property is a residential complex or an interest in a residential complex;
- the supplier of the residential complex is not a builder of the residential complex, or, if the residential complex is a multiple unit residential complex, a builder of an addition to the complex;
- the residential complex was not used by any individual as a place of residence or lodging after the construction or last substantial renovation was substantially completed; and
- the sale that returns an **interest** in a residential complex was made on or before the day that is one year after the day the supplier acquired the interest.

Check election type 3 if you meet the general criteria for election types 2 and 3 and the following criteria:

- the property is real property other than a residential complex or an interest in a residential complex; and
- the supplier is an individual or a personal trust.

Filing instructions

A type 2 or type 3 election must be filed with the recipient's GST/HST return for the reporting period that includes the re-purchase of the property.

Note:

Election types 2 and 3 can only be made for a sale that returns the property to the original vendor occurring after October 4, 2000.