

January 16, 2002

Notice of Change

GST/HST Memorandum 19.3.8, *New Housing Rebates and the HST*

The electronic version of GST/HST Memorandum 19.3.8, *New Housing Rebates and the HST* is being changed to reflect legislative amendments.

Paragraph 13 of the Memorandum is being changed to reflect an amendment to subsection 254.1(2.1). Subsection 254.1(2.) provides a rebate of part of the provincial component of the HST to a purchaser of a qualifying new residence in Nova Scotia where the builder supplies the building by way of sale and the related land is leased. The amendment to this subsection ensures that the residence in question was not grandfathered from the application of the provincial component of the HST, i.e., a rebate of tax will be available only if the property were subject to the tax. Consequently, paragraph 13 is being revised to read as follows:

13. If an individual purchases a newly constructed or substantially renovated single unit residential complex or a residential condominium unit from a builder and leases the associated land from the builder, the purchaser may apply for a rebate of part of the federal component as well as part of the provincial component of the HST that is imbedded in the purchase price. The rebate of part of the provincial portion of the HST is available only if possession of the complex is given to the individual under the agreement for the supply of the complex after March 1997 and the agreement is not an agreement in writing entered into before October 24, 1996.

Similarly, paragraph 15 of the memorandum is being revised to reflect the amendment to subsection 255(2.1). Amended subsection 255(2.1) clarifies that the partial rebate of the provincial component of the HST is only available where the cooperative housing corporation paid the 8% component of the HST in respect of a taxable supply to the corporation of the complex. Paragraph 15 is being revised to read as follows:

15. An individual who purchases a share of the capital stock in a cooperative housing corporation may qualify for a housing rebate. If an individual qualifies for a rebate on the federal component and the share is in respect of a cooperative housing unit in Nova Scotia, the individual may apply for an additional rebate in respect of the provincial component of the HST. The rebate in respect of the provincial component of the HST is available only if the cooperative has paid tax under subsection 165(2), i.e., has paid the provincial component of the HST, in respect of a taxable supply to the cooperative of the complex.

In addition, an error in paragraph two of this memorandum is being corrected. The last sentence in that paragraph reads, "See paragraphs 8 to 18 of this section." It is being revised to read, "See paragraphs 9 to 19 of this Memorandum."