

Notice of Change – February 20, 2002

GST/HST Memorandum 19.3.4, *Rebate for Owner-Built Homes*

Bill C-13, which became law on June 14, 2001, introduced an amendment to the definition of “single unit residential complex” as it appeared in sections 254, 254.1 and 256 of the Act. A single unit residential complex can qualify for a new housing rebate under one of these sections, provided the other requirements of the section are satisfied. As a result of the amendment, a bed and breakfast establishment is now treated under these sections as a single unit residential complex if it meets certain conditions.

Consequently, the following paragraph has been inserted into this Memorandum:

Bed and breakfast establishments	3.1 Effective June 1, 1997, the definition of a single unit residential complex in section 256 is extended to include a residential complex that contains one or more residential units that are for supply as rooms in a hotel, motel, inn, boarding house, lodging house or similar premises if the residential complex is owned by an individual and is for use primarily (more than 50%) as the primary place of residence of the owner, a related individual, the owner’s former spouse or former common-law partner. This amendment to the definition of a single unit residential complex applies for the purpose of determining any rebate of a person under section 256 in respect of a residential complex that the person has constructed or substantially renovated, or has engaged another person to construct or substantially renovate, if the construction or substantial renovation is not substantially completed until after May 1997.
----------------------------------	---

The following paragraph has been added to this Memorandum.

Transitional rules – bed and breakfast establishments	28. As noted in paragraph 3.1 of this Memorandum, effective June 1, 1997, the definition of a single unit residential complex in section 256 is extended to include a bed and breakfast establishment that meets certain conditions. A special transitional rule is provided to address circumstances in which all or part of the normal two-year limitation period for claiming the new housing rebate under section 256 has expired. A special rule is also provided in cases where a person had previously filed a rebate claim that was assessed based on the pre-amended definition, since the Act generally does not permit more than one rebate application to be filed with respect to the same matter. The transitional rules provide that a person has until March 31, 2003, to file an original or second application for a rebate in respect of a residential complex newly covered by the extended definition of “single unit residential complex”.
---	--