

Description of the Tax Credit for Home-Support Services for Seniors, Beginning January 1, 2007



Terms of the tax credit

The tax credit is equal to **25%** of eligible expenses.

The annual ceiling on eligible expenses for the tax credit is \$15,000. The maximum annual tax credit is \$3,750 ($25\% \times \$15,000 = \$3,750$).

The senior must be the person who paid for the home-support services in respect of which he or she is claiming the tax credit.

Applying for the tax credit

There are two ways to apply for the tax credit:

1. Seniors may apply for the tax credit in their **income tax return**.
2. If they prefer, seniors may apply to Revenu Québec for advance payments of the tax credit. To do so, they must
 - complete form TP-1029.MD.1-V, *Registration for Advance Payments*;
 - complete form TP-1029.MD.2-V, *Application for Advance Payments*, in which they indicate the amount of the eligible expense or expenses (whether or not included in their rent or condominium fees); and
 - send both forms to Revenu Québec.

They will then receive from Revenu Québec

- confirmation that they are registered for advance payments; and
- another copy of form TP-1029.MD.2-V, *Application for Advance Payments*, that they can use for any subsequent application.

Revenu Québec will **deposit directly** in the applicants' bank account the amount of the tax credit calculated on the basis of their expenses. Deposits will be made

- within 30 days following an application, in the case of an occasional expense; or
- before the 1st of each month, in the case of a regular expense (such as an expense included in the rent or an expense included in condominium fees that are paid in multiple instalments).

Advance payments received during the year will be taken into account when the income tax return is filed.

Eligible expenses included in the rent

Landlords must file the information return prescribed by Revenu Québec, *Information Return: Tax Credit for Home-Support Services for Seniors* (form TP-1029.MD.5-V). Instructions on how to complete the return are found in guide TP-1029.MD.5.G-V.

After completing the information return, landlords must send one copy to Revenu Québec and **two copies** to the tenant

- within 10 days after the initial lease is entered into;
- no later than the date of renewal of the lease, if form TP-1029.MD.5-V (formerly TP-1029.8.61.R-V) was not completed when the initial lease was entered into;
- no later than the date of renewal of the lease, if the terms of the lease make it necessary to modify the information in the form TP-1029.MD.5-V (formerly TP-1029.8.61.R-V) previously completed (for example, if a service that formerly did not qualify now gives entitlement to the tax credit). If the terms of the lease do not require any changes in the form previously completed, the landlord is not required to complete a new form.

Applying for the tax credit (cont.)

Eligible expenses included in the condominium fees (common expenses)

The condominium's administrators must file the information return prescribed by Revenu Québec, *Information Return: Tax Credit for Home-Support Services for Seniors* (form TP-1029.MD.5-V). Instructions on how to complete the form are found in guide TP-1029.MD.5.G-V. The administrators must

- submit the information return to Revenu Québec no later than the last day of February of the calendar year following the year for which a senior requests the return;
- send **two copies** of the information return to the senior concerned within the same deadline.

Eligible expenses

In addition to the expenses that were already eligible for the tax credit in 2006, **nursing services** are eligible beginning in 2007.

Clarifications have also been made respecting the following services: meal preparation and delivery, clothing care and maintenance work (outside a dwelling or inside a building).

Calculation of the tax credit

Example of how the tax credit is calculated

Cost of eligible services	\$1,000
Tax credit paid (25% x \$1,000)	\$250

Example of how the tax credit is calculated when it takes the form of advance payments on a monthly basis.

Monthly cost of eligible services	\$175
Tax credit paid each month (25% x \$175)	\$43.75

For more information, refer to the publication *The Tax Credit for Home-Support Services for Seniors* (IN-102-V).
