



Another "Timely Information You Can Use" Fact Sheet Compliments of Frank Lee

The HST and the PTT

What will happen after July 1, 2010 for home purchasers?

On July 1st, the Harmonized Sales Tax (HST) will come into effect in BC. This tax is a combined tax of the Goods and Services Tax (GST) and the BC Provincial Sales Tax (PST). This will apply to all real estate transactions where GST is applicable. However, you may qualify for a rebate. See chart below.

COMPLETIONS OR POSSESSIONS WHERE HST (12%) APPLIES

- PTT (Property Transfer Tax) for FTHB (First Time Home Buyers) exempt under \$425,000; phased out between \$425,000 and \$450,000; NIL over \$450,000.
- GST Rental and Residential Rebates at 36% of GST payable under \$350,000; Phased out between \$350,000 and \$450,000; NIL over \$450,000.
- Provincial Portion of HST (7%) rules apply. Buyers of new homes will be eligible for a rebate of 71.43% of the Provincial portion of the HST paid on the new home up to a maximum rebate of \$26,250. Homes prices of more than \$525,000 will be eligible for a flat rebate of \$26,250.

The chart below shows a few examples:

Purchase Price	PTT (Property Transfer Tax)	PTT Rebate if FTHB (First Time Home Buyer)	GST (5%)	GST Rebate (36% of 5%)	PST (7%)	PST Rebate (71.43% of 7%) max.\$26,250
\$300,000	\$4,000	\$4,000 100% Rebate	\$15,000	\$5,400	\$21,000	\$15,000
\$350,000	\$5,000	\$5,000 100% Rebate	\$17,500	\$6,300 (Maximum Rebate)	\$24,500	\$17,500
\$425,000	\$6,500	\$6,500 100% Rebate	\$21,250	\$1,575 = $\$6,300 \times (\$450,000 - \$425,000) \div 100,000$	\$29,750	\$21,250
\$450,000	\$7,000	Nil	\$22,500	Nil	\$31,500	\$22,500
\$525,000	\$8,500	Nil	\$26,250	Nil	\$36,750	\$26,250 (Maximum Rebate)
\$1,000,000	\$18,000	Nil	\$50,000	Nil	\$70,000	\$26,250

The above is provided for information purposes only. Care has been taken to ensure its accuracy and completeness; however, should this information differ from that set by the Government of BC, the latter shall prevail. E. &O.E.



The Mortgage Centre

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