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QST AND GST REBATES

NEW OR SUBSTANTIALLY RENOVATED HOUSING

NEW OR SUBSTANTIALLY RENOVATED RESIDENTIAL RENTAL PROPERTY

revenuquebec.ca

**YOU MAY BE ABLE TO CLAIM
A REBATE OF THE TAX YOU
PAID ON THE PURCHASE,
CONSTRUCTION OR RENOVATION
OF A RESIDENTIAL COMPLEX.**

This document will help you determine if you are eligible.



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This publication is provided for information purposes only. It does not constitute a legal interpretation of the *Excise Tax Act*, the *Act respecting the Québec sales tax* or any other legislation.

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INTRODUCTION

The goods and services tax (GST) and the Québec sales tax (QST) are collected on most supplies¹ of property and services. The GST applies to the sale price of most transactions conducted in Canada at the rate of 5%. The QST applies to the sale price of transactions conducted in Québec at the rate of 9.975%.

Certain goods and services, such as basic groceries and prescription drugs, are zero-rated, which means they are subject to the GST and the QST at the rate of 0%. A small number of goods and services, such as healthcare services and long-term residential leases, are tax-exempt, which means they are subject to neither the GST nor the QST.

New housing is taxable. Construction services, materials and land are generally taxable as well. You may therefore be entitled to a rebate of the GST and the QST you paid on them.

This document sets out the main requirements you must meet in order to obtain a rebate of the taxes paid on the purchase or construction of new housing or new or substantially renovated residential rental property. It also provides information on the forms to file and the rebate application deadline.

This document provides information on general situations only. For more information about a specific case, call us at one of the numbers at the end of this document.

1. The provision of a good or a service in any manner, including by way of sale, barter, exchange, transfer, lease or gift. The term “sale” is used in this document because it is the most common type of supply.



GLOSSARY

The following definitions are largely based on those in the *Excise Tax Act* and the *Act respecting the Québec sales tax*.

Builder

A builder is a person that builds or substantially renovates a residential complex on land they own or lease or hires another person to do so. A manufacturer or seller of new mobile homes is also considered a builder.

Fair market value

The fair market value is the highest price that could be obtained for a given property on an open market, where the seller and the purchaser are dealing with each other at arm's length and are consenting and well-informed. The fair market value of housing includes the value of the lot but does not include the GST or QST.

Mobile home

A mobile home is a building, the manufacture and assembly of which is completed or substantially completed, that is:

- equipped with complete heating, electrical and plumbing facilities; and
- designed to be moved to a site for installation on a foundation and connection to service facilities and to be occupied as a place of residence

Travel trailers, motor homes, camping trailers and other vehicles or trailers designed for recreational use are not considered mobile homes.

Person

A person is a corporation, trust, individual, partnership or succession or a body that is an association, club, commission, union or other organization of any kind.

Primary place of residence

A primary place of residence means the residential unit an individual usually lives in. An individual can have **only one** primary place of residence at a given time.

Relation

A relation is an individual who is related to another individual by blood, marriage, de facto union or adoption. For example, an individual's child, grandchild, parent, grandparent, brother or sister is a relation, as is a brother-in-law or sister-in-law, or the child or parent of the individual's spouse. A former spouse and a former de facto spouse are also considered to be relations.

However, an individual's niece, nephew, aunt, uncle or cousin is not considered a relation.

Residential complex

A residential complex is a building in which one or more residential units are located, together with common areas, appurtenances to the building, and the land on which the building is situated.

Residential unit

A residential unit includes a detached house, semi-detached house, rowhouse unit, residential unit held in co-ownership (condominium unit), mobile home, floating home, or apartment; a room in a residence for students, seniors, individuals with a disability, or other individuals; or any other similar premises occupied as a place of residence or lodging.



Self-assessment

Self-assessment refers to the act of calculating and paying tax to Revenu Québec oneself.

Single-unit residential complex

A single-unit residential complex is a residential complex that contains only one residential unit and is not held in co-ownership.

For purposes of the rebate, a single-unit residential complex can be either:

- housing with two units or less, such as a duplex,² a detached or semi-detached house or a mobile home; or
- a multiple-unit residential complex that is owned by an individual, is used primarily (more than 50% of the time) as a residence of the individual or a relation, and contains one or more rooms intended to be rented for short-term accommodation (e.g., a bed-and-breakfast establishment).

Substantial renovation

Substantial renovation means the renovation or alteration of an existing building to such an extent that 90% or more of the building or part of the building, other than the foundation, external walls, interior supporting walls, floors, roof and staircases, has been removed or replaced.

90% completed

This expression is used where the construction or renovation of the housing is completed to the point where an individual may reasonably inhabit the premises.

2. A residential complex that contains two residential units under one legal title. For purposes of the rebate, the FMV limit applies to the total FMV of the two units



REBATE FOR NEW OR SUBSTANTIALLY RENOVATED HOUSING

Individuals may be entitled, under certain conditions, to a rebate of the GST and the QST paid on the purchase of a new or substantially renovated residential unit, and of the GST and the QST paid on the construction or substantial renovation of a residential unit.

The rebate can reach up to 36% of the GST paid and up to 50% of the QST paid, for a maximum GST rebate of \$6,300 and a maximum QST rebate of \$9,975. The amount of the rebate is progressively reduced when the purchase price or fair market value (FMV) of the land and the new or renovated residential unit is more than \$350,000 for GST purposes and \$200,000 for QST purposes. There is no rebate once the purchase price or FMV reaches \$450,000 for GST purposes or \$300,000 for QST purposes.

The conditions for claiming a rebate vary depending on the situation and are explained in the following sections.

You can print the rebate application forms from our website (revenuquebec.ca). You can also order them online or by calling one of the numbers at the end of this document.

You purchase a new or substantially renovated residential unit (and the land on which it is located) from a builder

You may be entitled to a rebate if all the following conditions are met:

- You are an individual.
- The unit is a single-unit residential complex or a residential unit held in co-ownership.
- You purchased the unit and the land at the same time, from the same builder, under a single sales contract.
- You paid GST and QST on the purchase.
- The construction or renovation work was at least 90% completed when ownership of the unit was transferred to you.
- When the work was completed, you or a relation was the first occupant of the unit.
- The unit is your primary place of residence (or that of a relation).
- The purchase price of the unit and the land was under \$450,000 for GST purposes and under \$300,000 for QST purposes.

Rebate application deadline

Your rebate application must be filed no later than two years after the date on which ownership was transferred to you.

Only one rebate application may be submitted for each residential complex. In the case of a complex held in co-ownership, all the owners must meet the conditions even though only one of them can file a rebate application.

You or the builder can file the rebate application with Revenu Québec. If the builder does so, they must pay or credit the rebate directly to you.



Form to file

To apply for a rebate, file form [FP-2190.AC-V](#), *GST-QST New Housing Rebate Application for a New Home Purchased from a Builder*.

You build a residential unit or hire someone to do so

You may be entitled to a rebate if all the following conditions are met:

- You are an individual.
- The unit is a single-unit residential complex or a residential unit held in co-ownership.
- You owned or rented the land before construction began.
- You paid GST and QST on the purchase.
- You or a relation was the first occupant of the unit after construction began.
- The unit is your primary place of residence (or that of a relation).
- The FMV of the unit and the land is under \$450,000 for GST purposes and under \$300,000 for QST purposes when construction is 90% completed.

If you lived in the unit during its construction, expenses incurred more than two years after the day on which you or a relation first occupied the unit after construction began do not give entitlement to the rebate.

Rebate application deadline

Your application must be filed no later than two years after the earliest of the following dates:

- the date that construction was 90% completed;
- the date that is two years after the date that you (or a relation) first occupied the unit after construction began;
- the date that ownership was transferred³ to a third party.

Only one rebate application can be filed for all the construction work related to a single residential complex.

You must file your rebate application with Revenu Québec yourself.

Form to file

To apply for a rebate, file form [FP-2190.P-V](#), *GST-QST New Housing Rebate Application: Owner of a New or Substantially Modified Home*.

3. Ownership must be transferred before the unit is occupied.



You substantially renovate your residential unit or hire someone to do so

You may be entitled to a rebate if all the following conditions are met:

- You are an individual.
- The unit is a single-unit residential complex or a residential unit held in co-ownership.
- You paid the GST and QST on the renovation work.
- You or a relation was the first occupant of the unit after renovations began.
- The unit is your primary place of residence (or that of a relation).
- The FMV of the unit and the land is under \$450,000 for GST purposes and under \$300,000 for QST purposes when the renovation is 90% completed.

If you lived in the unit during the renovations, the expenses incurred more than two years after the day on which you or a relation first occupied the unit after renovations began do not give entitlement to the rebate.

Rebate application deadline

Your application must be filed no later than two years after the earliest of the following dates:

- the date that the renovation work was 90% completed;
- the date that is two years after the date that you (or a relation) first occupied the unit after the renovation work began;
- the date that ownership was transferred⁴ to a third party.

You must file your rebate application with Revenu Québec yourself.

Form to file

Only one rebate application can be filed for all the renovation work related to a single residential complex.

To apply for a rebate, file form [FP-2190.P-V](#), *GST-QST New Housing Rebate Application: Owner of a New or Substantially Modified Home*.

4. Ownership must be transferred before the property is occupied.



REBATE FOR NEW OR SUBSTANTIALLY RENOVATED RESIDENTIAL RENTAL PROPERTY

If the owner (individual, corporation, etc.) of a new or substantially renovated residential rental complex rents one or more units in the complex on a long-term basis, the owner may, under certain conditions, be entitled to a rebate of the GST and the QST paid on the purchase, construction or substantial renovation of the complex. However, the owner must not be eligible for an input tax credit (ITC) or input tax refund (ITR) respecting the GST and the QST paid on the purchase of the complex or self-assessed.

The rebate can reach up to 36% of the taxes paid on each qualifying residential unit, for a maximum GST rebate of \$6,300 and a maximum QST rebate of \$7,182. The amount of the rebate is progressively reduced when the purchase price or FMV of the new or renovated residential unit is more than \$350,000 for GST purposes and \$200,000 for QST purposes. There is no rebate once the purchase price or FMV reaches \$450,000 for GST purposes or \$225,000 for QST purposes.

The conditions for claiming a rebate vary depending on the situation and are explained in the following sections.

You purchase a new or substantially renovated residential rental complex

You may be entitled to a rebate if all the following conditions are met:

- You purchased the complex in a single transaction.
- You paid the GST and QST when you purchased the complex.
- At least one unit in the complex is rented on a long-term basis (at least 12 months) as a primary place of residence.
- The FMV of each unit for which a rebate is being claimed is under \$450,000 for GST purposes and under \$225,000 for QST purposes.

Rebate application deadline

You must file your rebate application no later than two years after the end of the month in which the taxes on your purchase become payable.

Only one GST rebate application can be submitted for a single residential complex even if the complex is held in co-ownership. For the QST, all the co-owners must file their own separate rebate application based on their percentage of ownership.

You must file your rebate application with Revenu Québec yourself.

Forms to file

To apply for a rebate, file the following forms:

- For the GST, file form [FP-524-V](#), *New Residential Rental Property GST Rebate Application*. If there are more than two units in the complex, also file form [FP-525-V](#), *New Residential Rental Property GST Rebate Application Supplement – Multiple Units*.
- For the QST, file form [VD-370.67-V](#), *New Residential Rental Property QST Rebate*.



You build a residential rental complex

You may be entitled to a rebate if all the following conditions are met:

- You owned the land before construction began.
- You self-assessed and paid the taxes on the FMV of the complex.
- At least one unit in the complex is rented on a long-term basis (at least 12 months) as a primary place of residence.
- The FMV of each unit for which a rebate is being claimed is under \$450,000 for GST purposes and under \$225,000 for QST purposes.

Rebate application deadline

You must file your application no later than two years after the end of the month in which the taxes are deemed to have been paid.

Only one GST rebate application can be submitted for a single residential complex even if the complex is held in co-ownership. For the QST, all the co-owners must file their own separate rebate application based on their percentage of ownership.

You must file your rebate application with Revenu Québec yourself.

Forms to file

To apply for a rebate, file the following forms:

- For the GST, file form [FP-524-V](#), *New Residential Rental Property GST Rebate Application*. If there are more than two units in the complex, also file form [FP-525-V](#), *New Residential Rental Property GST Rebate Application Supplement – Multiple Units*.
- For the QST, file form [VD-370.67-V](#), *New Residential Rental Property QST Rebate*.



You substantially renovate a residential rental complex

You may be entitled to a rebate if all the following conditions are met:

- You owned the complex before renovation work began.
- The renovation work is at least 90% completed.
- You self-assessed and paid the taxes on the FMV of the complex.
- At least one unit in the complex is rented on a long-term basis (at least 12 months) as a primary place of residence.
- The FMV of each unit for which a rebate is being claimed is under \$450,000 for GST purposes and under \$225,000 for QST purposes.

Rebate application deadline

You must file your application no later than two years after the end of the month in which the taxes are deemed to have been paid.

Only one GST rebate application can be submitted for a single residential complex even if the complex is held in co-ownership. For the QST, all the co-owners must file their own separate rebate application based on their percentage of ownership.

You must file your rebate application with Revenu Québec yourself.

Forms to file

To apply for a rebate, file the following forms:

- For the GST, file form [FP-524-V](#), *New Residential Rental Property GST Rebate Application*. If there are more than two units in the complex, also file form [FP-525-V](#), *New Residential Rental Property GST Rebate Application Supplement – Multiple Units*.
- For the QST, file form [VD-370.67-V](#), *New Residential Rental Property QST Rebate*.



TO CONTACT US

Online

revenuquebec.ca



By telephone

Individuals and individuals in business

Monday to Friday: 8:30 a.m. to 4:30 p.m.

Québec City

418 659-6299

Montréal

514 864-6299

Elsewhere

1 800 267-6299 (toll-free)

Businesses, employers and agents for consumption taxes

Monday, Tuesday, Thursday and Friday: 8:30 a.m. to 4:30 p.m.

Wednesday: 10:00 a.m. to 4:30 p.m.

Québec City

418 659-4692

Montréal

514 873-4692

Elsewhere

1 800 567-4692 (toll-free)

Complaints – Bureau de la protection des droits de la clientèle

Monday to Friday: 8:30 a.m. to noon and 1:00 p.m. to 4:30 p.m.

Québec City

418 652-6159

Elsewhere

1 800 827-6159 (toll-free)

Individuals with a hearing impairment

Montréal

514 873-4455

Elsewhere

1 800 361-3795 (toll-free)

By mail

Individuals and individuals in business

Montréal, Laval, Laurentides, Lanaudière and Montérégie

Direction principale des relations avec la clientèle des particuliers

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