



February 21, 2012

BACKGROUND

BUDGET 2012 – TAX SAVINGS FOR B.C. FAMILIES

B.C. First-Time New Home Buyers' Bonus

The new B.C. First-Time New Home Buyers' Bonus will be a temporary, one-time refundable income tax credit for first-time home buyers who purchase a newly constructed home. The credit will be calculated as five per cent of the purchase price of the home, up to a maximum credit of \$10,000.

The credit will be phased out at a rate of 20 per cent of net income in excess of \$150,000 for single individuals and at a rate of 10 per cent of family net income in excess of \$150,000 for couples. Only one credit can be claimed per home.

The credit will be available on purchases of newly constructed housing where both the HST applies and where a written agreement of purchase and sale is entered-into on or after February 21, 2012.

B.C. Seniors' Home Renovation Tax Credit

The B.C. Seniors' Home Renovation Tax Credit will be a new refundable personal income tax credit to assist with the cost of permanent home renovations that provide individuals age 65 and over with increased independence, allowing them the flexibility to remain in their own homes longer.

The maximum credit will be \$1,000 annually, calculated as 10 per cent of eligible expenditures. The credit will be available to individuals who incur eligible expenditures on or after April 1, 2012. The credit can be claimed by seniors, whether they own their home or rent, and by individuals who share a home with a senior relative.

Children's Fitness Credit and Children's Arts Credit

The Children's Fitness Credit is a non-refundable tax credit of 5.06 per cent of eligible expenditures up to \$500 for each child, providing a benefit of up to \$25 per child.

The Children's Arts Credit is a non-refundable tax credit of 5.06 per cent of eligible expenditures up to \$500 for each child, providing a benefit of up to \$25 per child.

For both the Children's Fitness Credit and the Children's Arts Credit, eligible expenditures are those that qualify for the federal children's fitness and arts credits.

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For the Finance Minister's speech and more details on *Budget 2012*, visit www.bcbudget.ca.

Visit the Province's website at www.gov.bc.ca for online information and services.

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