

# Home accessibility tax credit (HATC)

What is the home accessibility tax credit (HATC)?

For 2016 and subsequent tax years, Budget 2015 introduces a non-refundable HATC for qualifying expenses incurred for work performed or goods acquired in respect of a qualifying renovation of an eligible dwelling of a qualifying individual. A qualifying individual and eligible individuals can claim the HATC.

## Eligibility for home accessibility expenses

You can claim an amount for eligible expenses for qualifying renovations to an eligible dwelling if **one** of the following applies:

- You are a **qualifying individual**
- You are an **eligible individual** making a claim for a qualifying individual.

## Qualifying individual

A qualifying individual is one of the following:

- an individual who is eligible for the [Disability Tax Credit](#) (DTC) at anytime in the year.
- an individual who is 65 years of age or older at the end of the year.

## Eligible individual

An eligible individual is any of the following:

- a spouse or common-law partner of a qualifying individual
- a parent, grandparent, child, grandchild, brother, sister, aunt, uncle, nephew or niece of a qualifying individual, or the qualifying individual's spouse or common-law partner who has claimed the **amount for an eligible dependant, Canada caregiver amount for spouse or common-law partner, or eligible dependant age 18 or older**, or **Canada caregiver amount for other infirm dependants age 18 or older** for the qualifying individual or could have claimed the amount if the qualifying individual:
  - had no income
  - is a child and if that child had been 18 years of age or older in the tax year
  - was not married or in a common-law partnership (**amount for an eligible dependant**)
  - who is 65 years of age or older at the end of a year and is not eligible to claim the disability tax credit, was dependent on the individual because of mental or physical infirmity (Canada caregiver amount for other infirm dependants age 18 or older)
- if (2) does **not** apply, an individual who is entitled to claim the disability amount for the qualifying individual, or would be entitled to, if no amount was claimed for

the year by the qualifying individual or the qualifying individual's spouse or common-law partner.

## Eligible dwelling

An **eligible dwelling** is a housing unit (or a share of the capital stock of a co-operative housing corporation that was acquired for the sole purpose of acquiring the right to inhabit the housing unit owned by the corporation) located in Canada that meets **at least one** of the following conditions:

- It is **owned** (either jointly or otherwise) by the qualifying individual and is ordinarily **inhabited** (or is expected to be ordinarily inhabited) in the year by the qualifying individual.
- It is **owned** (either jointly or otherwise) by the eligible individual and is ordinarily **inhabited** (or is expected to be ordinarily inhabited) in the year by the eligible individual and the qualifying individual, and the qualifying individual does not, throughout the year, own (either jointly or otherwise) and ordinarily inhabit another housing unit in Canada.

## NOTE:

Generally, the land that the housing unit stands on, including adjacent land up to ½ hectare (1.24 acres), will be considered part of the eligible dwelling.

A qualifying individual may have **only one** eligible dwelling at any time, but may have more than one eligible dwelling in a year (for example, when an individual moves in the year). When a qualifying individual has **more than one** eligible dwelling in a year, the total eligible expenses for all such eligible dwellings of the qualifying individual **cannot be more than \$20,000**.

## Eligible and ineligible renovations and expenses

A **qualifying renovation** is a renovation or alteration that is of an enduring nature and is integral to the eligible dwelling (including the land that forms part of the eligible dwelling). The renovation must meet **one** of the following conditions:

- allow the qualifying individual to gain access to, or be mobile or functional within, the dwelling.
- reduce the risk of harm to the qualifying individual within the dwelling or in gaining access to the dwelling.

An item that you buy that will not become a permanent part of your dwelling is generally **not** eligible.

## Eligible expenses

Eligible expenses are outlays or expenses made or incurred during the year that are directly attributable to a qualifying renovation of an eligible dwelling. The expenses must be for work performed and goods acquired in the tax year.

## Work performed by you

If you do the work yourself, eligible expenses include:

- building materials
- fixtures
- equipment rentals
- building plans
- permits

However, the value of your labour or tools **cannot** be claimed as an eligible expense.

## Work performed by a family member

Expenses are **not** eligible if the goods or services are provided by a person related to the qualifying individual or the eligible individual **unless** that person is registered for goods and services tax/harmonized sales tax(GST/HST) under the Excise Tax Act.

If your family member is registered for GST/HST and all other conditions are met, the expenses will be eligible for the home accessibility tax credit (HATC).(goods and services tax/harmonized sales tax).

## Work performed by professionals

Generally, paid work completed by a professional (such as an electrician, plumber, carpenter or architect) qualifies as an eligible expense.

If you're planning to hire a contractor to do construction, renovation, or repair work on your home, see [Protect Yourself - Get it in Writing!](#)

## TIP:

See [The underground economy: Be part of the solution](#) for tips to protect yourself when hiring a contractor.

## Ineligible expenses

The following expenses are **not** eligible for the HATC :(home accessibility tax credit):

- amounts paid to acquire a property that can be used independently of the qualifying renovation.
- the cost of annual, recurring, or routine repairs or maintenance
- amount paid to buy household appliances

- amount paid to buy electronic home-entertainment devices
- the cost of housekeeping, security monitoring, gardening, outdoor maintenance, or similar services
- financing costs for the qualifying renovation
- the cost of renovation incurred mainly to increase or maintain the value of the dwelling

## Medical expense tax credit (METC)

If you have an eligible expense that also qualifies as a medical expense, you can claim the expense as a medical expense **and** a home accessibility expense. For more information about medical expenses, see [lines 33099 and 33199](#).

## Condominium and co-operative housing corporations

For condominium or co-operative housing corporations, your share of the cost of eligible expenses for common areas qualifies for the HATC (home accessibility tax credit)

## Other government grants and credits

The HATC is **not** reduced by government assistance, including grants, forgivable loans, or tax credits, from the federal or a provincial or territorial government. (home accessibility tax credit)

## Vendor rebates or incentives

Eligible expenses are generally **not** reduced by reasonable rebates or incentives offered by the vendor or manufacturer of goods or services.

## Business and rental use of part of an eligible dwelling

If you earn business or rental income from part of an eligible dwelling, you can only claim the amount for eligible expenses that is incurred for the personal-use areas of your dwelling. For expenses incurred and goods acquired for common areas or that benefit the housing unit as a whole (such as a ramp or hand rails), you must divide the expense between personal use and income-earning use. For more information, see [Guide T4002: Self-employed Business, Professional, Commission, Farming, and Fishing Income](#) OR [Guide T4036: Rental Income](#)

## Completing your tax return

To claim home accessibility expenses, complete the chart for line 31285 using your [Federal Worksheet](#) and enter the result on **line 31285** of your return.

A qualifying individual can claim up to \$20,000 per year in eligible expenses. When there is **more than one** qualifying individual for an eligible dwelling, the total eligible expenses **cannot be more than \$20,000** for the dwelling.

The claim can be split between the qualifying individual and the eligible individuals for the qualifying individual. If the claimants cannot agree on what amount each person can claim, the CRA will determine the amounts. (Canada Revenue Agency)

## Supporting documents

Eligible expenses must be supported by acceptable documentation, such as agreements, invoices, and receipts. They must clearly identify the type and quantity of goods bought or services provided, including, but not limited to, the following information, as applicable:

- information that clearly identifies the vendor/contractor, their business address, and, if applicable, their GST/HST registration number(goods and services tax/harmonized sales tax)
- a description of the goods and the date when they were bought
- the date when the goods were delivered (keep your delivery slip as proof) or when the work or services were performed
- a description of the work done, including the address where it was done  
the amount of the invoice
- proof of payment (receipts or invoices must show that bills were paid in full or be accompanied by other proof of payment, such as a credit card slip or cancelled cheque)
- a statement from a co-operative housing corporation or condominium corporation (or, for civil law, a syndicate of co-owners) signed by an authorized individual identifying:
  - the amounts incurred for the renovation or the alteration work
  - your part of these expenses if the work is done for common areas as a condominium owner
  - information that clearly identifies the vendor/contractor, their business address and, if applicable, their GST/HST registration number(goods and services tax/harmonized sales tax)
  - a description of the work done or services performed and the dates when the work was done or the services were performed

To verify whether someone is registered for GST/HST, consult the (goods and services tax/harmonized sales tax) [GST/HST Registry](#)

## Forms and publications

- [Guide RC4064: Disability related information](#)
- [Form T2201: Disability Tax Credit Certificate](#)

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