

PRESENTATION SHEET:

HOME RENOVATION TAX CREDIT

INTRODUCTION

- [MPP NAME], we would like to discuss something with you that we feel will help restart Ontario's economy, a Home Renovation Tax Credit.

ISSUE

- COVID-19 hit Ontario's economy hard – almost 800,000 Ontarians lost their job at the peak of the pandemic.
- We've seen some modest improvements since that point, but the reality is that it is likely going to take several years for our economy to fully recover.
- A Home Renovation Tax Credit will help stimulate economic growth across supply chains, driving economic activity and helping get more Ontarians back to work.
- Additionally, a Home Renovation Tax Credit will be popular. Whether renovating to let family stay at home, or expand their home office – renovation is on many Ontarians' to-do list.

ACTION NEEDED

- [MPP NAME], we would like the implementation of a Home Renovation Tax Credit to be considered as part of either the Fall Economic Update in November or the Spring 2021 Budget.

REALTOR® PROPOSAL

- Following the economic meltdown in 2008 it was housing that played a leading role in getting the Canadian economy back on track. Housing has been the driving force behind economic renewal before, and it can do it again!
- In 2009 the Government of Canada introduced a Home Renovation Tax Credit that created \$4.3 billion in economic activity and helped over 3 million Canadians make improvements to their home.
- We believe the provincial Government should implement a similar policy in Ontario – a one-year, 15% tax credit on portions of eligible expenditures on household upgrades exceeding \$1,000, but not more than \$10,000, for a maximum tax credit of \$1,350.

- This will unleash **\$1.36 billion in consumer spending, generate \$970 million** in new economic activity and **create 12,800 jobs.**
- Particularly important following the pandemic as people will increasingly be looking to work from home more often and will likely be looking to invest in home office spaces.
- Since home owners will have to use licensed contracts, this proposal will lift activity out of the underground economy, helping the Province to **recover \$479 million in taxes.**
- Incentivizing renovations is important for seniors who may be uncomfortable with transitioning into Long Term Care facilities and may instead be looking to remain in their home for longer.

THE ASK:

WILL YOU WRITE A LETTER TO THE MINISTER OF FINANCE IN SUPPORT OF A HOME RENOVATION TAX CREDIT?

PLEASE TAKE DETAILED NOTES AND SUBMIT THE MPP VISIT REPORT FORM TO MIKE MCNEICE AT MIKEM@OREA.COM.

POTENTIAL MPP QUESTION:

HOW MUCH WILL A HRTC COST THE GOVERNMENT?

- We estimate that the net cost to the program for running the HRTC for one year will be about \$550 million/year.

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