

Does CRA's new Underused Housing Tax (UHT) affect you?

If you own residential property, you may have to file or pay this new tax.

No need to file or pay the UHT.

No, I am an "excluded owner"!

Examples include owners of a residential property who are a:

- Canadian citizen or Permanent resident (unless trustee of a trust* or partner of a partnership*)
- Canadian incorporated businesses whose shares are publicly traded
- Trustee of a trust (e.g., for Canadian income tax purposes, Real estate investment, specified investment flow-through (SFT) trust, or mutual fund)

Yes, I am an "affected owner"!

Examples include owners of a residential property who are a:

- Canadian citizens or Permanent residents who are trustees of a trust* (including bare trusts but excluding representatives of a deceased individual) or in a partnership* with or without an associated CRA account.
- Canadian-controlled private corporation (CCPC)
- Non-Canadian incorporated businesses in any capacity
- Noncitizens or Permanent residents in any capacity

You need to file the UHT return, but do you need to pay?

What is a residential property?

- detached houses
- duplexes and triplexes
- laneway houses and coach houses
- cottages, cabins and chalets that are not commercial cottages, cabins and chalets
- semi-detached houses
- residential condominium units
- rowhouse units or townhouses

Examples of a non-residential property include:

- quadruplexes (buildings that have four dwelling units)
- buildings that are primarily (more than 50%) for retail or office use and that contain an apartment
- commercial cottages, cabins and chalets (that is, those that are used by the operator of an establishment to provide lodging to several unrelated business or leisure travellers at once in separate cottages, cabins or chalets)
- hotels, motels, inns, and bed and breakfasts
- mobile homes
- commercial condominium units
- boarding houses and lodging houses
- park model trailers
- travel trailers, motor homes and camping trailers

No, I do not need to pay the UHT because my property is or I am:

- a vacation property located in an eligible area of Canada
- used as a primary place of residence or for qualifying occupancy
- seasonally inaccessible
- uninhabitable during the calendar year
- a partner of a specified Canadian partnership
- a trustee of a specified Canadian trust or a specified Canadian corporation
- newly constructed
- a new owner
- a deceased individual, or their personal representative or co-owner
- not suitable for year-round use

If none of these apply to you:

Yes, you will need to file and pay the UHT

! Although the deadline for filing the UHT return and paying the UHT payable is still April 30, 2023, no penalties or interest will be applied for UHT returns and payments that the CRA receives before November 1, 2023.

* If you are uncertain about being a member of a Trust or Partnership, please consult with your professional tax or legal practitioner.