

OLDER AND WISER: New tax credit hits home

Program aims to help seniors with health-related home renovations

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Older and **WISER**

Tom Carney



Aging in place. It's what most of us want. Not everyone can.

One of the potential problems for people hoping to age in place is that their homes may not be senior friendly. Many seniors live in homes with narrow interior doors, hard to reach kitchen cupboards, and potentially dangerous bathroom fixtures. Making your home senior friendly can be costly. A new Home Accessibility Tax Credit for seniors and persons with disabilities can help with that. The purpose of the HATC is to help to ensure that seniors and persons with disabilities can live healthy, independent lives in the comfort of their own home or family's home. The HATC isn't effective until 2016, but that is only a few weeks away. The HATC is simple and inclusive. Spend up to \$10,000 for eligible home renovation expenditures: get back up to \$1,500 in tax relief.

I've looked at a number of programs like this one over the years. Often they have so many restrictions that they're not worth bringing to the attention of my readers. This isn't that. A dwelling for the purpose of the HATC is your principal residence that is owned by you and your spouse or partner or other eligible relative and ordinarily occupied by you during the year. Rentals do not qualify. Condominiums do.

To qualify for the HATC the renovations must improve the safety and/or the accessibility of your home and be "integral" to the eligible dwelling. The items that qualify for the credit include things like the purchase and installation of wheelchair ramps, walk-in bathtubs, wheel-in showers and grab bars, lowering existing countertops/cupboards, additional light fixtures throughout the home and exterior entrances and certain renovations to permit first floor occupancy or a secondary suite for a senior.

Examples of expenses that do not qualify include roof repairs, furniture, installing a new furnace or an air conditioning system, new windows or regular flooring and esthetic enhancements such as landscaping or redecorating. That hot tub in the back yard doesn't qualify either.

You can claim the cost of labour and professional services, building materials, fixtures, equipment rentals and permits on your renovation. If you google HATC you will find a full list of what is and isn't covered by the program. Aging in place is not the same as staying put. In my opinion some seniors need to recognize that moving rather than renovating is the best option and doing it earlier rather than later is probably, if you will pardon the pun, the best move of all.

A \$1,500 tax credit gets my attention. For others, not so much. Bundle the HATC with some other tax credits and the whole proposition becomes more attractive. For example some of the renovations that qualify for the HATC may also qualify for the medical expense tax credit METC and you could claim both credits in 2016. Throw in the B.C. Seniors Home Renovation Tax Credit and you are talking about some real money here. Given that the HATC is a permanent tax credit you can use it more than once. Make a list of what needs to be done: your kitchen, bathroom, front entrance etc. and claim the HATC each year. I know two people who want to renovate their kitchen: My wife and daughter. I'm less enthused. And I'm outnumbered. I don't know if they are familiar with the HATC. Lucky for me they don't usually read my column.

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