

### **Underused Housing Tax And Filing Requirements**

To follow up from our May 2023 newsletter, the government had passed a new legislation last year that requires reporting of residential properties owned by affected owners (via form UHT-2900). A 1% tax on the value of the property may be assessed if you do not qualify for any of the exemptions. An affected owner may include:

- an individual who is not a Canadian citizen or permanent resident
- a Canadian private corporation;
- a foreign corporation;
- a Canadian citizen or permanent resident that owns a residential property as a partner of a partnership;
- a Canadian citizen or permanent resident that owns a residential property as a trustee of a trust, except for trustees acting in the capacity of a personal representative of a deceased individual such as an executor or administrator.

The due date for UHT returns and the taxes owing are ordinarily due April 30<sup>th</sup> of the following calendar year. The due-date for the 2022 reporting year has been extended to October 31<sup>st</sup> of this year.

The minimum penalties are significant, \$5,000 for individual owners, and \$10,000 for affected owners that are a corporation.

Please contact our office for more information if you are an affected owner. A UHT return is still required for affected owners even if you qualify for one of the tax exemptions.

For more information, please visit the government's website here:

<https://www.canada.ca/en/services/taxes/excise-taxes-duties-and-levies/underused-housing-tax.html>