

Local REALTORS® recommend HST relief for homebuyers

Starting July 1, 2010 Ontarians will begin paying a harmonized sales tax (HST). While the HST may be good for business, the tax is going to hit consumers where it hurts – their pocketbook.

Ontario's tens of thousands of annual home buyers and sellers will get hit particularly hard by the HST. These Ontarians will pay 8 per cent more on numerous items including home inspection fees, legal fees, moving costs, home appraisals, and real estate service fees or commissions.

For the average home in Ontario, the HST will mean about \$1,500 in new taxes on a transaction, effectively pricing some people right out of the market.

Fortunately, there are steps that the provincial government can take to help offset the HST. Specifically, local REALTORS® are urging the provincial government to offset the HST by reducing the provincial land transfer tax (LTT) rate in its upcoming 2010 Ontario Budget.

The provincial LTT is, essentially, a sales tax on homebuyers, which is calculated as a percentage of the purchase price of a homebuyer's home. For the average Ontario homebuyer, the provincial LTT adds about \$3,200 to their closing costs.

Cutting the provincial LTT rate by just 0.5 per cent across all property value tax brackets would offset the cost of the HST by saving the average Ontario homebuyer over \$1,500.

Ontario's REALTORS® have long been an advocate for reducing the tax burden on Ontario's homebuyers and sellers.

Let's ensure that the HST isn't a tax barrier that prevents Ontarians from achieving their dreams of homeownership. Local REALTORS® urge the provincial government to help home buyers and sellers by cutting the provincial LTT rate.

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