

CRA Extends the Underused Housing Tax Deadline (Again) to April 30, 2024

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29 November 2023

On 31 October 2023, the Canada Revenue Agency (“**CRA**”) announced that owners affected by the Underused Housing Tax (“**UHT**”) will have until 30 April 2024, to file their return for the 2022 calendar year and pay any UHT owing, without being charged penalties or interest, provided the return is filed and is paid by the new deadline.

The CRA had previously announced that it would waive penalties and interest for any late-filed returns and late-paid UHT until 31 October 2023.

The UHT is an annual 1% tax on the ownership of vacant or underused housing in Canada. Only “affected owners” are required to file a return, and returns must be filed whether or not any tax is payable. Examples of owners of residential property who are considered “affected owners” are individuals who are not citizens or permanent residents, individuals who are citizens or permanent residents acting as a trustee of a trust or as a partner of a partnership, or owners of a Canadian private corporation.

Of particular significance with regard to trusts, each trustee of a trust, including bare trusts, may be required to file a return and pay UHT based on their proportionate ownership as the trustee of a residential property. There are some narrow exceptions to filing a UHT return and several more exemptions from paying the tax for trustees.

Every person who fails to file a return before 30 April 2024, will be liable to a minimum penalty of \$5,000 if the person is an individual, or \$10,000 if the person is not an individual.

If you have any questions about the above information, please contact a member of Gardiner Robert LLP’s experienced Tax and Estates Planning Group.

(This blog is provided for educational purposes only, and does not necessarily reflect the views of Gardiner Roberts LLP).

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