**UNDERUSED HOUSING TAX: IMPORTANT INFORMATION FOR NON-CANADIAN PROPERTY OWNERS (APRIL 30TH FILING DEADLINE)**

Are you a non-Canadian property owner on Charleston Lake? Are you a Canadian that owns your cottage through a Canadian corporation, partnership, or trust? If you answered “yes” to either of these questions, you **must submit a** **Underused Housing Tax return form (**[**form UHT-2900**](https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/uht-2900/uht-2900-22e.pdf)**) to the Canada Revenue Agency (CRA) by April 30.**

The new Underused Housing Tax (UHT) came into effect on January 1, 2022, and requires certain non-Canadian property owners (and, in certain circumstances, some Canadian owners if they own property through a Canadian corporation, partnership or trust) to file an annual return to report their ownership and, subject to certain exemptions, pay a 1% tax on the property’s value. Further information and up-to-date guidance on the UHT can be found on the CRA’s website at this [link](https://www.canada.ca/en/services/taxes/excise-taxes-duties-and-levies/underused-housing-tax.html).

Affected owners, including those who are not liable for the 1% UHT, must file Form UHT-2900, “Underused Housing Tax Return and Election Form”, for each Canadian residential property they own. Where a residential property has multiple owners, each affected owner must file a return for that property. These owners must also keep records to support the determination of their obligations and liabilities

Properties on Charleston Lake may be eligible for one of the following exemptions listed on page 5 of the UHT form:

* The “vacation property exemption” (Row 680), which applies to properties located within “eligible areas” of Canada that are used by the owner or their spouse for at least 28 days during the calendar year. According to the CRA’s “[vacation property designation tool](https://apps.cra-arc.gc.ca/ebci/sres/ext/pub/ntrUhtExpnTl?request_locale=en_CA)”, properties with the postal code K0E 1B0 or K0E 1L0 (which together cover all of Charleston Lake) are considered to be in an “eligible area” for purposes of the exemption.
* Exemption for properties that are not suitable for year-round use (Row 630)
* Exemption for properties that have limited seasonal access (Row 635)

However, even if an exemption applies and no tax is payable, affected property owners must still file a return by April 30. The minimum penalty for missing the filing deadline is **$5,000 per property**.

To file the UHT tax form, individual non-Canadian owners will need an Individual Tax Number (ITN), which is a 9-digit number issued to non-Canadian individuals who need an identification number when dealing with the CRA. If you do not have an ITN, you can apply for one by following the instructions at [this link](https://www.canada.ca/en/revenue-agency/services/tax/international-non-residents-tax/in-outside-canada/apply-individual-tax-number.html#how). Keep in mind that it could take up to six to eight weeks for the CRA to process the application.

*This post is for informational purposes only, and the Charleston Lake Association does not provide legal or accounting advice. For guidance on your personal taxation and filing obligations, you should contact your lawyer or accountant.*