

St. Thomas – Elgin Social Housing

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Bulletin: #09-03	✓	Public Housing	✓	Federal section 26 & 27
Subject: Rent receipts	✓	Rent Supplement	✓	Provincial Reformed
Date: June 12, 2009	✓	Federal section 95	✓	Municipal Non-Profit

Issuing annual rent receipts

Ontario Property Tax Credits

Ontario Property Tax Credits (PTC) may be claimed annually on an individual's federal tax return (the T1 General Income Tax and Benefit Return). As a provincial tax credit program, the Ontario Ministry of Revenue establishes guidelines for the PTC. Details on eligibility criteria and applying for the PTC are outlined in the "General Income Tax & Benefit Guide".

Information required on rent receipts

Annual rent receipts issued to tenants or members for the purpose of claiming Ontario Property Tax Credits (PTC) must include:

1. the address of the unit
2. the date the receipt was issued
3. the period for which the rent was paid
4. the name of the landlord
5. the name of the person who paid the rent
6. the amount of rent paid for the period

How is "rent" defined?

Clarification was requested from the Ministry of Revenue on the definition of "rent" as it pertains to social housing geared-to-income rent. A written response was received dated May 4, 2009 from the Senior Tax Advisory Specialist in the Income Tax Related Programs Section of the Ministry.

The Ministry's response to specific questions are provided as follows:

Question #1:

Should social housing landlords use the Total Housing Charge or Total Monthly Rent amount shown on the lease/occupancy agreement as the eligible amount to record as “total amount of rent paid” on annual rent receipts? (See sample lease/occupancy agreements, Attachments B and C, below).

Answer #1:

Social housing landlords should use the geared-to-income rent amount (Rent Geared to Income Charge per lease agreement) to issue annual rent receipts to tenants. Please note that this amount, as stated on the sample lease agreement, excludes utility charges, utility allowances and other charges.

Question #2:

For co-op housing, should the sector support charge be included in the “total amount of rent paid” on receipts for the purposes of claiming the PTC?

Answer #2:

For co-operative housing, the sample lease shows that sector support charge is not included in either the market housing charge or the member’s housing charge. Therefore, it is not considered occupancy cost for PTC purposes.

Question #3:

Are any additional charges which are not itemized on the lease agreement considered rent for the purposes of the PTC? Other charges might include late payment fees or additional monthly water or maintenance charges imposed by co-operative housing providers by resolution of the co-op membership.

Answer #3:

Additional charges which have not been itemized on the lease, but have been included in rent, are considered rent for the calculation of the property tax credit.

References are provided, below, as follows:

- Attachment A:** Section 21 of Reg. 339/01 of the SHRA related to leases and occupancy agreements
- Attachment B:** First page of a sample lease agreement for a non-profit housing provider
- Attachment C:** First page of a sample Occupancy Agreement for a co-operative housing provider

**Section 21 of Reg. 339/01 of the SHRA
related to leases and occupancy agreements**

**PART V
LEASES AND OCCUPANCY AGREEMENTS**

Requirements

21. (1) Every housing provider and every household that rents or occupies a rent-geared-to-income unit in the housing provider's housing project shall enter into a lease or, in the case of a co-operative housing unit, an occupancy agreement that meets the following requirements:

1. In the case of a lease, the term of the lease must not exceed one year.
2. The lease or agreement must specify the amount of rent that would be payable if the unit were a market unit, the amount of geared-to-income rent payable for one month by the household as determined by the service manager, and all other charges that the housing provider may impose under this Regulation or the *Residential Tenancies Act, 2006*.
3. The lease or agreement must,
 - i. restrict the occupancy of the unit to the members of the household at the time the lease or agreement is entered into and any additional persons whose occupation of the unit is agreed to subsequently by the housing provider,
 - ii. require the household to advise the housing provider of any persons who cease to occupy the unit or commence to occupy the unit after the lease or agreement is executed, and
 - iii. prohibit the assignment of the lease or the agreement, as the case may be, and prohibit the household from renting or subletting the unit to any person.
4. The lease or agreement must provide that the amount of the geared-to-income rent payable by the household for the unit is subject to change if the household's financial circumstances change to such an extent that the service manager determines that the amount of the geared-to-income rent payable by the household should change or that the household is no longer eligible for rent-geared-to-income assistance.

Attachment B

**First page of a sample lease agreement
for a non-profit housing provider**

This Lease, made in duplicate, on the date below written.

Between:

Non-Profit Housing Corporation
(the "Landlord")

- and -

(the "Tenant")

- Defined Terms** 1 The definitions set out in Schedule "A", attached, form part of this Lease.
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- Leased Premises** 2 In exchange for the rents, agreements and obligations contained in this Lease, and of the
facts stated by the Tenant in the Application for Rental Accommodation, the Landlord
leases the Tenant the following premises (the "Leased Premises"):
Unit # situated at
and being in the of , Ontario
- Term** 3 The term of this Lease shall be one (1) month, commencing on the **first** day of
.
and terminating on the day of .
- Maximum Rent** 4 The current maximum monthly rent assigned to this unit is:
.
Market Rent \$
Utility Charges \$
Utility Allowances \$
Other Charges (Garbage) \$
Total Monthly Rent \$
- Rent Payable** 5 The Tenant shall pay to the Landlord at its Head Office or at any other place it may
designate, the total rent-geared-to-income monthly rent (the "Rent") set out in this
paragraph, in advance, on the first day of the month at the commencement of the Term:
Rent Geared to Income Charge \$
Utility Charges \$
Utility Allowances \$
Other Charges (Garbage) \$
Total Monthly Rent \$
- The amount of rent as set out in this section is subject to change if the household's financial circumstances changes sufficiently or if the household ceases to qualify for rent-geared-to-income assistance.
- Pro-Rated Rent** 6 In addition, the Tenant shall pay a pro-rated amount, based on the Rent, in the amount of

. \$, in advance to cover the broken period prior to the commencement of this Lease,
from the day of to the day of

Services Provided by the Landlord 7 The Landlord shall supply the following services and appliances:
.

Overholding 8 In the event the Tenant remains in occupation of the Leased Premises after the expiration of the Term, until a new lease is presented by the Landlord to the Tenant for signature, the Tenant shall be deemed to be a tenant from month to month. The terms and conditions contained in this Lease shall continue to have effect except that the Rent required to be paid by the Tenant may change from time to time by the Landlord, upon such notice to the Tenant as may be required by law.

First page of a sample Occupancy Agreement
for a co-operative housing provider

Charges to the Member

[legal co-op name]*

Unit: _____ Monthly charges
as of _____ :

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Market housing charge*	\$0.00
Less Geared-to-income assistance	<u>- 0.00</u>
Your housing charge*	\$0.00
Parking charge	0.00
Cable TV charge	0.00
Sector support charge	0.00
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Your total housing charge is:	<u>\$0.00</u>
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* does not include sector support charge

Member deposit: _____

Note: The figures stated may change from time to time as stated in the Co-op by-laws or the other rules governing geared-to-income assistance, if applicable. There may be other charges as permitted under the Co-op by-laws and Government Requirements.

Signatures of Members:

1. _____
Print name

Signature

Date