

Rental Housing Construction Tax Credit

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The 2013 Manitoba budget introduced a new tax credit equal to 8% of the capital cost of new rental housing construction in Manitoba. Eligible landlords must be residents of Manitoba or have a permanent establishment in Manitoba, and can operate on either a for-profit or not-for-profit basis, including rental housing co-operatives.

Eligible projects include the construction of five or more new residential rental units. New rental units include existing non-residential properties being converted into residential units, in which case capital costs related to the acquisition and conversion of the property are eligible for the credit. The maximum credit is set at \$12,000 per eligible rental unit. At least 10% of the units on an eligible project must be affordable housing units for the unit type.

The tax credit is earned on a project when it becomes available for rental and the affordable housing criteria are met. Eligible not-for-profit projects will receive a fully refundable tax credit in the year in which the tax credit is earned, as qualifying units are rented. The tax credit on for-profit projects will be non-refundable, claimable over a minimum of five years, and capped annually by the amount of Manitoba income tax payable by the landlord.

For-profit and not-for-profit landlords will be required to file an annual attestation for five years identifying the affordable units, the monthly rents assessed on those units as well as identifying the total new rental units constructed.

For more on this story, click [here](#).

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