



## Refunds of Land Transfer Tax

- This bulletin outlines the procedures to apply for refunds of land transfer tax.
- This bulletin was revised in August 2010 to update information pertaining to the First-Time Homebuyer Program.
- This bulletin provides general information. It is not exhaustive and should not be considered as a substitute for the *Land Transfer Tax Act* (Act) and its regulations.

### Types of Refunds

The Minister of Revenue may refund all or part of the land transfer tax paid when:

- tax is overpaid,
- the applicant qualifies for a first time homebuyer refund, or
- the transfer has not taken place.

#### Overpayment of Tax

Examples of overpayment of tax are:

- **Error in the Calculation of Tax Paid**, e.g., an incorrect value of the consideration is declared when registering a document electronically.
- **Wrong Rate of Tax Applied to the Value of the Consideration**, e.g., where the value of the consideration exceeds \$400,000 and the taxpayer incorrectly indicates that the land contains at least one and not more than two single family residences.
- **Double Payment of Tax on the Same Conveyance**, e.g., when land transfer tax is paid on the registration of a caution or notice of agreement of purchase and sale, and then paid a second time on registration of the Transfer/Deed to the same taxpayer.
- **Reduction in the Amount of the Value of the Consideration**, e.g., the parties agree to a reduced value of the consideration (i.e., as a result of a future event), or under subsection 1(2) of the Act (land purchased to replace land taken under statutory authority).
- **Payment of Tax Where No Tax is Payable**, e.g., some transfers are exempt from tax by regulation (refer to a list of exemptions at the [end of this bulletin](#)).

#### First Time Homebuyers

A refund of land transfer tax, up to a maximum of \$2,000, may be available to first time homebuyers. This refund is usually claimed at the time of registration. If not, the refund may be claimed directly from the ministry. For details, see Tax Bulletin [LTT 1-2008 Land Transfer Tax Refunds for First-Time Homebuyers](#).

**Transfer Has  
Not Taken  
Place**

A refund may be available where land transfer tax has been paid on the registration of a caution or notice of any kind (e.g., a notice of an agreement of purchase and sale), and the transfer has not taken place, has not been assigned, and is at an end.

The deletion of a notice or caution from title does not of itself provide evidence that the interest has not been assigned or the agreement is at an end. As evidence, the purchaser must confirm that:

- no action for specific performance has been or will be launched,
- there are no further negotiations with the vendor to amend the agreement, and
- there has been no assignment of the purchaser's interest.

## Application for Refund

To apply for a refund of land transfer tax, you must submit a written request setting out the reasons for the refund. There is no standard application form. Documentation to support your refund application must be included, as [described below](#).

**Address for  
Mailing**

Applications for the refund of land transfer tax must be forwarded to the Ministry of Revenue at:

Land and Resource Taxes Section  
Ministry of Revenue  
PO Box 625  
33 King Street West  
Oshawa ON L1H 8H9

Tel.: 1 866 ONT-TAXS (1 866 668-8297)  
Fax: 905 436-4511  
Teletypewriter (TTY): 1 800 263-7776

Please note land registration fees are not refundable as part of the Land Transfer Tax Program and should not be included in the amount of refund claimed.

Enquiries regarding land registration fees should be directed to ServiceOntario at the Land Registry Office where the document was registered. Visit Ontario's web page "[Land Registry Office Locations](#)" for addresses and phone numbers of Land Registry Offices in Ontario.

## Basic Documentation

**Supporting  
Documents**

The following documents must accompany every refund application:

- **Evidence that tax was paid,**
  - for electronic land registrations: a copy of the docket summary which relates to the transaction;
  - for paper registrations: a photocopy of the document bearing the Land Registry Office's notation that the tax was paid.
- **Copy of the agreement of purchase and sale,** including all schedules, amendments and assignments of the agreement.
- **Copy of the statement of adjustments.**

## Additional Documentation

Exemptions	If tax has been paid on a transfer and an exemption applies, the documentation supporting the exemption must also be submitted.
Reduction in the Value of the Consideration	<p>If the refund is the result of a reduction in the value of the consideration, copies of all amending agreements must be provided along with the amended <a href="#">Land Transfer Tax Affidavit</a> showing the amended Total Consideration.</p> <p>Where the value of the consideration is reduced as a result of land being purchased to replace expropriated land, please refer to <a href="#">Tax Bulletin LTT 4-2000 Land Taken Under Statutory Authority</a>.</p>
First Time Homebuyers	<p>If first time homebuyers have not claimed a refund at registration, the following additional documents are required:</p> <ul style="list-style-type: none"> <li>• a properly completed <a href="#">Ontario Land Transfer Tax Refund Affidavit for First-Time Purchasers of Eligible Homes</a>, and</li> <li>• proof of occupancy, with the new address listed, such as copies of telephone/cable bills, credit card statements, driver's licence, newspaper/magazine subscriptions,</li> <li>• if the agreement of purchase and sale was entered into prior to December 14, 2007, a copy of the Ontario New Home Warranty Certificate.</li> </ul> <p>For more information on this refund, please refer to <a href="#">Tax Bulletin LTT 1-2008 Land Transfer Tax Refunds for First-Time Homebuyers</a>.</p>
Transfer Has Not Taken Place	<p>Where the refund is with respect to a transfer that has not taken place, the following must also be submitted:</p> <ul style="list-style-type: none"> <li>• a letter from the purchaser verifying that: <ul style="list-style-type: none"> <li>○ the transaction is at an end,</li> <li>○ the purchaser did not acquire an interest in the land,</li> <li>○ the agreement has not been assigned, and</li> <li>○ no action for specific performance has been or will be launched.</li> </ul> </li> <li>• a copy of the withdrawal of notice or caution, or any mutual release or agreement bringing the matter to an end.</li> </ul>

## Time Limits for Applying for a Refund

18 Months	An application for a refund by a first time homebuyer must be received within <b>18 months</b> from the date of conveyance or disposition.
Four Year Time Limit	For most land transfer tax refunds, the application must be received by the ministry within four years from the date tax was paid.
No Time Limit	There is no time limit to claim a refund for a transfer that has not taken place.

## Points to Consider

Additional Information	The minister may require additional documents and information to verify refund eligibility.
Refunds Subject to Review and Audit	<p>All refund applications are subject to initial review and subsequent audit. Where a person is not entitled to a refund, in whole or in part, a statement of disallowance will be issued and any additional tax will be assessed.</p> <p>Where a refund has been issued, and a subsequent audit determines that the person was not entitled to some or all of the refund, a notice of assessment may be issued to recover the refund.</p> <p>The minister may assess or reassess any person within four years from the day the tax became payable. However, there is no time limit on assessments where a person has:</p> <ul style="list-style-type: none"> <li>made any misrepresentation that is attributable to neglect, carelessness or willful default,</li> <li>committed any fraud, in supplying any information under the Act, in making any affidavit required by the Act, or in omitting to disclose any information, or</li> <li>failed to deliver any return required by the Act.</li> </ul>

## Regulatory Exemptions from Land Transfer Tax

	The following is a summary of land transfer tax exemptions contained in the regulations to the Act.
Oil and Gas Pipe Lines Easements	Regulation 695, R.R.O. 1990. More information can be found in <a href="#">Tax Bulletin LTT 1-2001 Guide to the Application of the Land Transfer Tax Act to Certain Transactions</a> .
Certain Transfers Between Spouses	Regulation 696, R.R.O. 1990.
Conveyances of Family Farms	Regulation 697, R.R.O. 1990. More information can be found in <a href="#">Tax Bulletin LTT 3 -2008 Exemption for Certain Transfers of Farmed Land</a> .
Conveyances of Family Businesses	Regulation 697, R.R.O. 1990. More information can be found in <a href="#">Tax Bulletin LTT 2-2008 Exemption for Certain Transfers of Land to Family Business Corporations</a> .
Mineral Lands	Regulation 703, R.R.O. 1990. More information can be found in <a href="#">Tax Bulletin LTT 3-2004 Land Transfer Tax Exemption For Certain Conveyances of Mineral Lands</a> .
Employee to Employer	Ontario Regulation 71/91.

Toronto Islands	Ontario Regulation 63/94.
Hospital Restructuring	Ontario Regulation 676/98.
Life Lease Interests	Ontario Regulation 88/04. More information can be found in <a href="#">Tax Bulletin LTT 1-2004 Exemption for Certain Transfers of Life Lease Interests</a> .
Municipal Water/Sewage Transfer	Ontario Regulation 374/04.

### Additional Information

If this bulletin does not completely address your particular situation, refer to the Act and related regulations, or contact the:

Ministry of Revenue	Tel.: 1 866 ONT-TAXS (1 866 668-8297)
Audit, Inspections and Resource Taxes Branch	Fax: 905 433-5770
Land and Resource Taxes Section	Teletypewriter (TTY): 1 800 263-7776
33 King Street West	
Oshawa, ON L1H 8H9	

This bulletin and various other English and French tax materials published by the Ministry of Revenue may be obtained online at [ontario.ca/revenue](http://ontario.ca/revenue).

The *Land Transfer Tax Act* and Ontario's other public statutes and regulations may be obtained online at [ontario.ca/e-laws](http://ontario.ca/e-laws).

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