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MULLIN DEMEO ELECTRONIC LEGAL UPDATE **November 20, 2009**

Transitional Rules and New Housing Rebates for the BC HST

As you are no doubt aware, in June of this year the British Columbia ("BC") government announced the implementation of a new Harmonized Sales Tax ("HST"). The HST, proposed for enactment commencing July 1, 2010, would levy an additional sales tax on the purchase price of all housing on which Federal Goods and Services Tax ("GST") is currently payable. Concurrent with the rollout of the HST, the BC government announced a proposed rebate program whereby purchasers of HST eligible housing would receive rebates on the Provincial portion of the HST.

Despite outlining the general nature and scope of the proposed HST, the BC government did not provide many of the key details with respect to the HST, including the transitional rules, the dates of implementation and the types of property that would be eligible for the rebate.

On November 18, 2009, the BC Ministry of Finance clarified some of these outstanding questions by releasing a *Tax Information Notice*, filling in many of the details of the proposed HST. A copy of the *Notice* can be obtained by following this link:

http://www.sbr.gov.bc.ca/documents_library/shared_documents/HST/new-housing-rebates.pdf

We recommend that you consult the *Tax Information Notice* in full for more information. It is important to note that these are proposed, not final, rules and regulations. As the BC government introduces amends and passes the final HST legislation, regulations and interpretive bulletins, Mullin DeMeo will strive to keep you advised. In the meantime, should you have any questions or concerns with respect to the HST or any other aspect of real estate law, please contact Mullin DeMeo at lawyers@mdlawcorp.com, or (250) 477-3327.

Thank you for your time,