



IMPORTANT NOTICE TO OWENS CORNING CUSTOMERS

Help Homeowners Save up to \$1,350 in Tax Relief on Home Renovations

The Government of Canada recently proposed a new tax relief incentive that will encourage homeowners to undertake home improvement projects in 2009. The temporary tax credit will enable homeowners to claim a **15 per cent non-refundable tax credit** for the 2009 taxation year, up to a **maximum of \$1,350**. The tax credit will not only motivate homeowners to accelerate their planned future projects, but will also stimulate spending in Canada's housing stock and sector, and increase the demand for labour, building materials and other goods.

What this means to you...

- o Greater and immediate interest from homeowners to undertake renovations in 2009 – about 4.6 million Canadian families are expected to benefit from the credit
- o Increased demand from do-it-yourselfers and contractors for home building supplies and materials
- o Opportunity for improved sales and business growth in a down market
- o Government support for investment in Canada's housing stock and sector
- o Opportunity to target the 7-million under-insulated attics – a \$1.5 billion opportunity

What this means to your customers/homeowners...

- o May reduce the amount owed in federal taxes for the 2009 taxation year
- o Increased opportunity for energy-efficient home improvements and reductions on energy costs
- o Acceleration of planned home improvement projects
- o Smart investment in the long-term value of their homes
- o Can insulate the attic with reduced investment due to the Home Renovation Tax Credit and federal and provincial government grants

Home Renovation Tax Credit (HRTC) Scenarios

(as confirmed by representatives of the Canada Revenue Agency)

Attic Re-Insulation Project	
Scenario #1	Scenario #2
<p>You Owe Taxes to the Government</p>	<p>The Government Owes You a Refund</p>
<p>John spends \$1,000 on PINK FIBERGLAS® batt insulation and pays \$2,500 to hire an installation contractor to insulate his 1,200 square foot attic. The total cost for the attic project is \$3,500.</p> <p>John claims his attic renovation expenses on his 2009 tax return. After taking into account the \$1,000 minimum threshold for the HRTC, a 15 per cent tax credit is available on the remaining \$2,500, resulting in a total tax credit of \$375.</p> <p>After his 2009 income tax assessment, John finds he owes \$800 in taxes to the government. The HRTC will provide a relief of \$375, reducing his total amount owing in taxes to only \$475.</p>	<p>Sarah is a handy do-it-yourself renovator who spends \$2,000 on PINK FIBERGLAS® batt insulation to insulate her 2,500 square foot attic. She has decided not to use a contractor and will instead install the insulation herself.</p> <p>Sarah claims her attic renovation expenses on her 2009 tax return. After taking into account the \$1,000 minimum threshold for the HRTC, a 15 per cent tax credit is available on the remaining \$1,000, resulting in a total tax credit of \$150.</p> <p>After her 2009 income tax assessment, Sarah is entitled to a refund of \$500. She has paid \$2,500 in taxes in 2009. Since the tax credit does not cause the total amount of her refund to exceed the total income tax amount she paid in 2009, she will receive a total refund of \$650 (\$150 tax credit + \$500 refund).</p>

Information on the Home Renovation Tax Credit (HRTC)

What is the HRTC?

A temporary, non-refundable tax credit of 15 per cent applicable to eligible home renovation expenditures for work performed, or good acquired, after January 27, 2009 and before February 1, 2010. The HRTC can be claimed for renovations and enduring alterations to one or more of an individual's eligible dwellings, or the land on which it sits.

What is a non-refundable tax credit?

A non-refundable tax credit means that the amount of the credit cannot be refundable to a taxpayer if the credit exceeds the total amount of income tax paid. According to the *Canada Revenue Agency General Income Tax and Benefit Guide*, these credits reduce your federal tax. If the total of these credits is more than your federal tax, you will not get a refund for the difference. For more information, refer to www.cra-arc.gc.ca/E/pub/tg/5000-g/5000-g-08e.pdf.

How does the HRTC work?

The 15 per cent tax credit may be claimed on the portion of eligible expenditures exceeding \$1,000, but not more than \$10,000. The maximum tax credit that can be received is \$1,350 (\$9,000 x 15%) and is claimed when taxpayers file their 2009 tax returns. A new line will be incorporated in the 2009 personal income tax return to claim the credit.

Who can claim the HRTC?

Eligibility for the HRTC is family-based. A family is generally considered to consist of an individual, and where applicable, the individual's spouse or common-law partner, including children under 18. A family is allowed a single credit that may be shared within the family.

What is an eligible dwelling?

Properties eligible for the HRTC include houses, cottages and condominium units that are owned for personal use.

What are eligible expenditures?

Expenditures incurred in relation to a renovation or alteration to an eligible dwelling (or land) must be of a permanent nature and includes the cost of labour and professional services, building materials, fixtures, rentals, and permits.

Work performed by contractors (ie. architects, electricians, carpenters, etc.) in respect to eligible expenditures will qualify. Homeowners hiring construction, renovation or repair contractors should be encouraged to 'get it in writing'.

Routine repairs and maintenance will not qualify for the credit.

Some examples are:

Eligible Expenses	Ineligible Expenses
<ul style="list-style-type: none">o Renovating a basement, kitchen, or bathroomo Upgrading the amount of insulation in the attico Adding insulation, carpet or hardwood on floorso Building an addition, deck, or retaining wallo Re-shingling a roofo Associated cost such as permits, professional services, equipment rentals and incidental expenses	<ul style="list-style-type: none">o Furniture and appliances (refrigerator, stove, couch)o Purchase of toolso House and carpet cleaningo Maintenance contracts (furnace cleaning, snow removal, lawn care, etc.)

What should consumers do?

Save documentation for eligible expenses, such as agreements, invoices and receipts, which clearly identify the type and quantity of goods/services purchased.

How can I get more information about the HRTC?

Additional information on the HRTC will soon be available on the Canada Revenue Agency's website at www.cra.gc.ca. Information is also available at:

- o **Department of Finance Canada**
613-995-2855
www.fin.gc.ca

- o **Service Canada**
1-800-O-Canada (1-800-622-6232)

- o **Owens Corning Website**
www.insulationtaxcredit.ca (to go live next week)
www.creditimpotrénovationdomiciliaire.ca (to go live next)

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