

Legislative  
Assembly  
of Ontario



Assemblée  
législative  
de l'Ontario

1ST SESSION, 44TH LEGISLATURE, ONTARIO  
4 CHARLES III, 2026

# Bill 114

**An Act to amend the Retail Sales Tax Act to enable credits  
and payments to be made respecting certain tax paid or payable  
in respect of residential property and to provide for other related matters**

**The Hon. P. Bethlenfalvy**  
Minister of Finance

**Government Bill**

1st Reading      May 5, 2026

2nd Reading

3rd Reading

Royal Assent



#### EXPLANATORY NOTE

The Bill amends the *Retail Sales Tax Act* to enable the Minister to, by regulation, provide for credits and payments to be made to a person in respect of all or part of the federal component of the tax that is paid or payable under Part IX of the *Excise Tax Act* (Canada) in respect of residential property and to provide for other related matters, including measures to recover amounts credited or paid to a person who was not entitled to the credit or payment.

**An Act to amend the Retail Sales Tax Act to enable credits  
and payments to be made respecting certain tax paid or payable  
in respect of residential property and to provide for other related matters**

His Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

**1 (1) Subsections 20 (2.1), (4.1), (4.2) and (4.3) of the *Retail Sales Tax Act* are amended by adding “or subsection 51.2 (1)” after each instance of “subsection 51.1 (1) (Rebates for First Nations)”.**

**(2) Subsection 20 (4.5) of the Act is amended by striking out “section 51.1” and substituting “sections 51 to 51.3”.**

**2 (1) Subsections 32 (6) and (7) of the Act are amended by adding “or subsection 51.2 (1)” after each instance of “subsection 51.1 (1) (Rebates for First Nations)”.**

**(2) Subsection 32 (8) of the Act is amended by adding “or subsection 51.2 (1)” after “subsection 51.1 (1)”.**

**3 Subsection 48 (4) of the Act is amended by striking out “A regulation is” at the beginning and substituting “Any regulation made under this Act is”.**

**4 The Act is amended by adding the following section:**

**Interpretation, sections 51.1 to 51.3**

**51.0.1** Expressions used in sections 51.1 to 51.3 have the same meaning as in section 51 unless the context requires otherwise.

**5 (1) Subsection 51.1 (1) of the Act is amended by striking out “*Excise Tax Act (Canada)*” and substituting “Federal Act”.**

**(2) Subsections 51.1 (3) to (7) of the Act are repealed.**

**6 The Act is amended by adding the following sections:**

**Rebates re residential property**

**51.2 (1)** The Minister may, by regulation, provide for credits and payments to be made to a person in respect of all or part of the federal component of the tax that is paid or payable under Part IX of the Federal Act in respect of residential property.

**Limitation**

**(2)** A credit or payment under a regulation under subsection (1) shall not exceed \$50,000.

**Same**

**(3)** If a regulation under subsection (1) establishes as a condition for eligibility for a given credit or payment that an agreement of purchase and sale for the supply of a residential property must have been entered into by a certain date, that date must be no later than March 31, 2027.

**Scope of regulation**

**(4)** Without limiting the generality of subsection (1), a regulation under that subsection may,

- (a)** set out the amount of the credit or payment or a manner of determining the amount;
- (b)** authorize the Federal Minister or a supplier to credit or pay an amount on behalf of the Crown in right of Ontario;
- (c)** authorize a person entitled to a payment under the regulation to assign the payment to another person.

**Authority to pay**

**(5)** The Minister of Finance may make any payments provided for by a regulation under subsection (1) out of the Consolidated Revenue Fund.

**Rebates, general rules**

**Obligation to repay**

**51.3 (1)** If a person receives a credit or payment under a regulation under subsection 51.1 (1) or 51.2 (1) to which the person is not entitled, the person shall pay to the Minister the amount to which the person was not entitled.

**Assignment**

(2) If the payment referred to in subsection (1) is a payment under a regulation under subsection 51.2 (1) that was assigned to another person, the person who assigned the payment and the person to whom the payment was assigned are jointly and severally liable to pay to the Minister the amount of the payment under subsection (1).

**Same**

(3) This Act applies in respect of an amount payable to the Minister under subsection (1) as if the person were a purchaser and as if the amount were a tax payable under this Act.

**Same**

(4) An amount payable under subsection (1) that has not been paid to the Minister constitutes a debt to the Crown in right of Ontario and may be recovered by way of deduction or set-off or in proceedings commenced at any time in a court of competent jurisdiction or in any other manner provided by this Act.

**Deduction or set-off from payment to Ontario**

(5) Subsections 51 (9) and (10) apply, with necessary modifications, with respect to amounts credited or paid under section 51.1 by the Federal Minister.

**Same**

(6) Subsection 51 (9) applies, with necessary modifications, with respect to amounts credited or paid under section 51.2 by the Federal Minister, and the Minister may, by regulation, provide that subsection 51 (10) also applies, with necessary modifications, with respect to those amounts.

**Commencement**

**7 This Act comes into force on the day it receives Royal Assent.**

**Short title**

**8 The short title of this Act is the *HST Relief Implementation Act (Residential Property Rebates), 2026.***