



[Canada.ca](#) › [Canada Revenue Agency](#) › [Forms and publications](#) › [Publications listed by number - CRA](#)

› [UHTN12 Exemptions for Deceased Individuals and Their Personal Representatives or Co-owners](#)

Exemptions for Deceased Individuals and Their Personal Representatives or Co-owners

From: [Canada Revenue Agency](#)

Underused Housing Tax Notice UHTN12

February 2023

The purpose of this notice is to help you determine if your ownership of a residential property qualifies for the exemptions for deceased individuals and their personal representatives or co-owners.

Except as otherwise noted, all statutory references in this publication are to the provisions of the Underused Housing Tax Act (UHTA) and its regulations. The information in this publication does not replace the law found in the UHTA and its regulations.

Table of Contents

- [Overview](#)
- [The underused housing tax](#)
- [Exemption for deceased individuals](#)
- [Exemption for personal representatives of deceased individuals](#)
 - [Who is a personal representative](#)
- [Exemption for co-owners of deceased individuals](#)
- [Clearance certificates](#)
- [Keeping records](#)

Overview

The Government of Canada has introduced an underused housing tax on the ownership of vacant or underused housing in Canada. The [Underused Housing Tax Act \(UHTA\)](#), which governs the underused housing tax, received royal assent on June 9, 2022. The underused housing tax took effect on January 1, 2022.

The underused housing tax

If you are an affected owner of a residential property on December 31 of a calendar year, you have to pay the underused housing tax for the residential property for the calendar year, unless your ownership of the residential property is exempt from the tax for the calendar year.

Where certain conditions are met, your ownership of a residential property may be exempt from the underused housing tax if the property is any of the following:

- a vacation property that is located in an eligible area of Canada
- used as a primary place of residence or for qualifying occupancy
- not suitable for year-round use
- seasonally inaccessible
- uninhabitable during the calendar year
- newly constructed

Your ownership of a residential property may also be exempt if you are any of the following:

- a partner of a specified Canadian partnership, a trustee of a specified Canadian trust, or a specified Canadian corporation
- a new owner
- a deceased individual, or their personal representative or co-owner

For more information about the above exemptions, refer to the various [Underused housing tax notices](#).

Even if your ownership of a residential property is exempt from the underused housing tax for a calendar year, as an affected owner, you still have to file a return for the residential property using [Form UHT-2900, Underused Housing Tax Return and Election Form](#).

There are significant penalties if you fail to file an annual return when it is due. Affected owners who are individuals are subject to a minimum penalty of \$5,000.

Affected owners that are corporations are subject to a minimum penalty of \$10,000. For more information, refer to [Underused Housing Tax Notice UHTN3, Filing a Return and Paying the Underused Housing Tax](#).

For an explanation of affected owner, owner and residential property, and to determine whether the underused housing tax applies to you, refer to [Underused Housing Tax Notice UHTN1, Introduction to the Underused Housing Tax](#).

Exemption for deceased individuals

If a deceased individual is an affected owner of a residential property on December 31 of a calendar year, the deceased individual's ownership of the residential property is exempt from the underused housing tax for the calendar year if either of the following conditions is met:

- the deceased individual died in the calendar year
- the deceased individual died in the previous calendar year

Example 1

Individual A is not a citizen or permanent resident of Canada. Individual A is the only person identified in the land registration system as an owner of a property in Canada (a detached house) that they purchased in 2017.

2022 calendar year

Individual A dies on December 15, 2022, and the property forms part of their estate. Under their will, Individual B is named as Individual A's executor. Individual B is also not a citizen or permanent resident of Canada.

The estate is not settled on December 31, 2022, and Individual A continues to be the only person identified in the land registration system as an owner of the property.

Individual A (through their executor, Individual B) has to file a return for the property for the 2022 calendar year by April 30, 2023. The underused housing tax is not payable for Individual A's 100% ownership percentage of the property for the 2022 calendar year because they died in that calendar year.

2023 calendar year

The estate is still not settled on December 31, 2023, and Individual A continues to be the only person identified in the land registration system as an owner of the property. Individual A (through their executor, Individual B) has to file a return for the property for the 2023 calendar year. The underused housing tax is not payable for Individual A's 100% ownership percentage of the property for the 2023 calendar year because they died in 2022, the previous calendar year.

Exemption for personal representatives of deceased individuals

If you are an affected owner of a residential property on December 31 of a calendar year, your ownership of the residential property is exempt from the underused housing tax for the calendar year if both of the following conditions are met:

- you are the personal representative of a deceased individual who was an owner of the residential property in the calendar year or the previous calendar year
- you were not an owner of the residential property in either of those calendar years, except as the personal representative of the deceased individual

Who is a personal representative

Generally, a **personal representative** of a deceased individual is any of the following:

- the executor of the individual's will
- the liquidator of the individual's succession
- the administrator of the estate of the individual
- any person that is responsible under the appropriate law for the proper collection, administration, disposition and distribution of the assets of the estate or succession of the individual

Example 2

Individual C is not a citizen or permanent resident of Canada. Individual C is the only person identified in the land registration system as an owner of a property in Canada (a detached house) that they purchased in 2017.

2022 calendar year

Individual C dies on December 15, 2022, and the property forms part of their estate. Under their will, Individual D is named as Individual C's executor. Individual D is also not a citizen or permanent resident of Canada.

The estate remains unsettled on December 31, 2022, and Individual C continues to be the only person identified in the land registration system as an owner of the property.

Individual C (through their executor, Individual D) has to file a return for the property for the 2022 calendar year by April 30, 2023. The underused housing tax is not payable for Individual C's 100% ownership percentage of the property for the 2022 calendar year because they died in that calendar year.

2023 calendar year

As part of settling Individual C's estate, Individual D registers an application in the land registration system in February 2023 to have the title of the property transferred to them as Individual C's personal representative.

Individual C's estate remains unsettled on December 31, 2023, but Individual D is now the only person identified in the land registration system as an owner of the property.

Individual D has to file a return for the property for the 2023 calendar year by April 30, 2024. Individual D does not have to pay the underused housing tax for their 100% ownership percentage of the property for the 2023 calendar year because they are the personal representative of Individual C who was an owner of the property in 2022, the previous calendar year and Individual D is only an owner of the property in the 2023 calendar year as Individual C's personal representative.

Exemption for co-owners of deceased individuals

If you are an affected owner of a residential property on December 31 of a calendar year, your ownership of the residential property is exempt from the underused housing tax for the calendar year if both of the following conditions are met:

- an individual died in the calendar year or in the previous calendar year, and on the day of their death both you and that individual were owners of the residential property
- the deceased individual's ownership percentage at the time of death was at least 25%

For an explanation of ownership percentage, refer to [Underused Housing Tax Notice UHTN2, Calculating the Underused Housing Tax Payable](#).

Example 3

Individual E and Individual F are spouses who are not citizens or permanent residents of Canada. Each of them is identified in the land registration system as an owner of a property in Canada (a rowhouse unit) that they jointly purchased in 2020. Although their percentage of ownership is not indicated in the land registration system, each has a 50% ownership percentage for purposes of the underused housing tax (100% ownership ÷ 2 owners = 50 % ownership percentage).

2022 calendar year

Individual E dies on November 30, 2022. Their ownership of the property passes to Individual F and does not form part of Individual E's estate. Under Individual E's will, Individual G is named their executor. Individual G is also not a citizen or permanent resident of Canada.

As of December 31, 2022, neither Individual F nor Individual G has registered a survivor application in the land registration system to remove Individual E as an owner of the property. They intend to do so in 2023.

Individual E (through their executor, Individual G) has to file a return for the property for the 2022 calendar year by April 30, 2023. The underused housing tax is not payable for Individual E's 50% ownership percentage of the property for the 2022 calendar year because they died in that calendar year.

Individual F also has to file a return for the property for the 2022 calendar year by April 30, 2023. Individual F does not have to pay the underused housing tax for their 50% ownership percentage of the property for the 2022 calendar year because they were a co-owner of the property with Individual E on the day Individual E died in that calendar year and Individual E's ownership percentage at the time of death was at least 25%.

2023 calendar year

Despite their intention, neither Individual F nor Individual G register a survivor application in the land registration system in 2023 to remove Individual E as an owner of the property. On December 31, 2023, Individual E continues to be identified in the land registration system as an owner of the property.

Individual E (through their executor, Individual G) and Individual F each have to file a separate return for the property for the 2023 calendar year by April 30, 2024.

The underused housing tax is not payable for Individual E's 50% ownership percentage of the property for the 2023 calendar year because they died in 2022, the previous calendar year.

Individual F does not have to pay the underused housing tax for their 50% ownership percentage of the property for the 2023 calendar year because they were a co-owner of the property with Individual E on the day Individual E died in 2022, the previous calendar year, and Individual E's ownership percentage at the time of death was at least 25%.

Clearance certificates

The representative of a deceased individual's estate must obtain a clearance certificate from the Canada Revenue Agency (CRA) before the representative distributes any property belonging to the estate.

Generally, a clearance certificate confirms that all amounts of the underused housing tax and any other amounts (such as penalties and interest) that are payable by the deceased individual and by the representative, have been paid at the time the certificate is issued.

If a representative distributes property belonging to the estate before obtaining a clearance certificate from the CRA, the representative may be personally liable for paying any outstanding amounts.

Keeping records

Every affected owner of a residential property must keep records to enable the determination of their obligations and liabilities under the UHTA. Generally, you must keep the records for six years from the end of the year to which they relate.

If you do not have adequate records to support that your ownership of a residential property is exempt from the underused housing tax for a calendar year, the CRA may disallow your exemption.

Further information

For all technical publications related to the UHTA, go to [Underused housing tax technical information](#).

For general enquiries about the underused housing tax, call the applicable telephone number:

- if you are calling about a residential property that is owned by an individual and you are calling from:
 - within Canada or the United States, call **1-800-959-8281**
 - outside Canada and the United States, call **613-940-8495** (collect calls accepted)
- if you are calling about a residential property that is owned by a corporation and you are calling from:
 - within Canada or the United States, call **1-800-959-5525**
 - outside Canada and the United States, call **613-940-8497** (collect calls accepted)

To request a ruling or an interpretation related to the application of the underused housing tax, write to:

GST/HST Rulings Directorate
Canada Revenue Agency
Place de Ville Tower A 5th floor
320 Queen St
Ottawa ON K1A 0L5
Canada

Fax: **1-418-566-0319**

Refer to [GST/HST Memorandum 1-4, Excise and GST/HST Rulings and Interpretations Service](#), which explains the rulings and interpretations service offered by the Canada Revenue Agency.

Date modified:

2023-02-14