

June  
2005**Retail Sales Tax Rebate for Wind, Micro  
Hydro-Electric and Geothermal Energy Systems****About this  
Notice**

This notice explains how you can receive a rebate for Retail Sales Tax (RST) paid on the purchase of a wind, micro hydro-electric or geothermal energy system installed into residential premises, including a multi-residential building, or on any upgrade or expansion to that system.

**Background**

As part of the 2004 Ontario Budget, the Ontario government expanded the current RST rebate for solar energy systems to include wind energy systems, micro hydro-electric energy systems and geothermal energy systems installed in residential premises.

Please refer to the Information Notice, ***Retail Sales Tax Rebate for Solar Energy Systems***, dated May 2003, for details of the RST rebate on solar energy systems.

**Qualifying  
Alternate  
Energy  
Systems**

Rebates are available for qualifying alternate energy systems or its components, or upgrades or expansions made to existing or new systems purchased **on or after March 28, 2003 and on or before November 25, 2007.**

A “**wind energy system**” means a system of power generating equipment consisting of a turbine, gear box and generator designed to produce mechanical or electrical energy from wind and includes:

- generators, controllers, wiring, interconnection equipment and devices that convert direct current to alternating current, when sold for use as part of the system
- the first battery or batteries used to store the energy produced by the system, and
- the tower and associated civil works used to construct the tower and to provide support for the generating equipment that produces the mechanical or electrical energy from wind.

A “**micro hydro-electric energy system**” means a system of turbines and generators designed to produce mechanical or electrical energy from water and includes:

- controllers, wiring, interconnection equipment and devices that convert direct current to alternating current, when sold for use as part of the system
- the first battery or batteries used to store the energy produced by the system, and
- pipes and associated civil works used to deliver water from the intake point to the turbine and to the discharge point, when sold for use as part of the system.

A “**geothermal energy system**” means, in respect of residential premises, a system that is designed to absorb heat from solar-heated ground and includes:

- ground or water pipes incorporating either an open- or closed-loop system and the associated civil works for the system, and
- fluid pumps and heat pumps, including the heat exchanger, when sold for use as part of the system.

The rebate does not include the internal heat distribution system (i.e., ducts).

**Qualifying  
Premises**

This rebate applies only to residential premises used or intended to be used for residential purposes, including multi-residential buildings such as apartment buildings or townhouses. It also applies to newly-constructed homes or newly-constructed multi-residential buildings where the purchaser is entitled to a warranty under the *Ontario New Home Warranties Plan Act*.

## Who Can Claim the Rebate?

A rebate may be claimed by the owner of the residential premises, if the contract is with the owner, or by the builder if it is a newly-constructed home and the contract is with the builder. The owner cannot claim the rebate if the builder is eligible for the same purchase. However, if the system is added to the home by the owner (rather than the builder), the owner will be eligible for the rebate.

The owner or builder may apply for a rebate based on a percentage of the total contract price when there is a written agreement with a contractor to install an alternate energy system, or to upgrade or expand an existing system.

If the actual amount of RST paid by the contractor is not known, the percentage of the rebate will be calculated as follows:

- if the federal Goods and Services Tax (GST) is included in the contract price, the rebate is calculated by multiplying the payments made (including the GST) by 3%,
- if the GST is **not** included in the contract price, the rebate is calculated by multiplying the payments made by 3.4%.

For purposes of calculating the rebate, the following costs must not be included:

- land or land improvement costs
- the cost of obtaining a performance bond
- charges for development or for project consulting services
- building permit fees
- equipment rental charges, and
- the cost of tangible personal property that may be exempt from tax under any other section of the *Retail Sales Tax Act*.

If the contractor provides the owner or builder with actual receipts or a signed statement to confirm the actual amount of RST paid on the alternate energy system, then the owner or builder may choose to claim this amount.

If components of the alternate energy system are purchased directly from suppliers, the rebate is based on the RST paid on the components.

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## How to Claim a Rebate

To claim a rebate, you must submit a completed *General Application for Refund of Retail Sales Tax* form, along with supporting documentation to the Refund Unit, Retail Sales Tax Branch, 1600 Champlain Drive, Whitby, Ontario, L1N 9B2.

If you are claiming the actual amount of RST paid, you must include a copy of the sales contract, invoice or other receipt to show the date of purchase, date of installation and the amount of RST paid. If the claim is being made for an alternate energy system or an upgrade or expansion installed by a contractor, you must include a copy of the contract and proof of payment. As an alternative, if you are claiming a rebate of the actual RST paid by the contractor, you must provide copies of the contractor's invoices or a signed statement by the contractor stating the amount of the RST paid on the components of the system.

Rebate claims must be received by the Ministry of Finance within four years from the date the RST was paid or from the date the contract was paid. Please allow six to eight weeks for processing your rebate.

***Please note that interest is not payable on these rebate claims.***

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## For More Information

For more information, please contact the nearest Ontario Ministry of Finance Tax Office listed under Taxes - Provincial (Retail) Sales Tax in the blue pages of your telephone directory, call our TAX FAX Service at 1-877-4-TAX-FAX (1-877-482-9329), or visit our website at **[www.trd.fin.gov.on.ca](http://www.trd.fin.gov.on.ca)**.

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*Cette publication est disponible en français sous le nom « Remise de la taxe de vente au détail sur les systèmes d'énergie éolienne, microsystèmes hydro-électriques et systèmes d'énergie géothermique ». Vous pouvez en obtenir un exemplaire en appelant le 1-800-668-5821.*