

RENT DECLARATIONS FOR TRILLIUM BENEFIT (OEPTC)

Client attends tax clinic without a rent receipt:

Rent may still be claimed if the client knows the amount paid and either has a receipt at home or is reasonably confident they can obtain one or provide other acceptable proof of payment.

Clients should be advised that the CRA may later request documentation. If a rent receipt or sufficient proof cannot be provided, the CRA may require repayment of Ontario Trillium Benefit (OEPTC) amounts, and interest or penalties may also apply.

A person doesn't have a rent receipt and will never be able to get one:

The *Ontario Taxation Act, 2007* does not expressly require rent receipts, nor does the *Income Tax Act*. However, the *Ontario Taxation Act, 2007* requires taxpayers to “*keep records... and the records... must be in such form and contain such information as will enable the determination of... taxes payable.*”¹ This obligation extends to proof of rent, and the onus is on the taxpayer to provide reasonable and credible evidence of rental payments.

If a rent receipt is unavailable, alternative documentation must be provided. Such evidence should identify the landlord and demonstrate that payments were actually made. A lease agreement alone is inadequate, as it shows only an agreement to pay, not proof that rent was paid. Similarly, bank statements showing cheque withdrawals or e-transfers are insufficient by themselves, since they may not clearly identify the landlord as the payee.

However, a combination of documents—such as a lease agreement together with bank or e-transfer records—may constitute adequate proof.²

Social Assistance Office direct payment of rent for OW and ODSP recipients:

In some cases, individuals receiving Ontario Works (OW) or Ontario Disability Support Program (ODSP) benefits have their rent paid directly to the landlord by the Social Assistance Office. These payments are included in the individual's T5007 slip.

Such payments may be declared as rent. However, because the rent is paid by the office rather than the client, receipts are often not provided to clients. If the client cannot obtain a receipt, they instead may be able to request supporting records from the social assistance office.

A *Statement of Assistance* may list amounts directed to the landlord, but it reflects intended rather than completed payments. As a result, this document alone may not satisfy CRA requirements for proof of rent.

Landlords are required by law to provide a rent receipt:

¹ Section 141. This section mirrors s.250 of the federal Income Tax Act.

² On a CRA webpage that no longer exists, the CRA set out a method of proving rent without a receipt. The webpage was not about the Trillium benefit, but something else, but nevertheless it is helpful. The CRA advised that if a rental receipt cannot be provided, they will ask for “a lease agreement along with bank statements, credit card statements, cancelled cheques (front and back), or e-transfer receipts to support the amount you entered as rent paid”.

Landlords are legally required to provide a receipt as long as it is requested no later than 12 months after a tenancy is terminated. The *Ontario Residential Tenancies Act, 2006* states:

109 (1) A landlord shall provide free of charge to a tenant or former tenant, on request, a receipt for the payment of any rent, rent deposit, arrears of rent or any other amount paid to the landlord.

(2) Subsection (1) applies to a request by a former tenant only if the request is made within 12 months after the tenancy terminated. 2006, c. 17, s. 109 (2).

While this legal requirement exists, it does **not** mean that the CRA can insist on a rent receipt as the only acceptable proof when determining eligibility for benefits.

That said, obtaining a receipt whenever possible is strongly recommended. It helps avoid potential disputes or difficulties with the CRA.

Sublets and Assignments:

The *Residential Tenancies Act, 2006* does not explicitly require a head tenant to provide a receipt to a subtenant. A *sublet* occurs when the original tenant temporarily moves out, rents the unit to another person, and later returns before the tenancy ends. This differs from an *assignment*, in which the original tenant permanently transfers the tenancy to another person. In the case of an assignment, the new tenant is entitled to a receipt.

Claiming rent when a landlord does not report income:

A CRA webpage on the Ontario Energy and Property Tax Credit provides the following guidance:

Question: *What amounts cannot be included as rent or property tax paid?*

Answer (excerpt): *payments to relatives or friends who are not reporting the payments as rental income on their returns*

The CRA's wording only restricts claims where payments are made to **relatives or friends** who are not reporting the rent. It does **not** say that rent paid to an *arm's-length* landlord is disqualified if that landlord neglects to report the income.

Neither the *Ontario Taxation Act, 2007* nor the *Income Tax Act* (or their regulations) contain any provision that prevents a tenant from declaring rent only because the landlord has not reported it as income.

That said, in practice, if a landlord is not reporting rental income, they are also unlikely to issue rent receipts. Without receipts, it may be very difficult for a tenant to provide the CRA with sufficient alternative proof of rent paid.

Long-term care homes and university/college residences:

For a privately owned LTC Home (ie it pays property tax):

If the home issued a receipt that breaks down the accommodation fee to include a rent portion, then only that portion can be declared as rent. If the receipt does not break out rent, then 75% of the accommodation fee can be declared as rent.

For a publicly owned or non-profit LTC home (it doesn't pay property tax):

The entire accommodation fee can be declared, but not as rent. Instead, UFile has a separate category under declarations for public and non-profit long-term care homes, and the software will enter the amount in box 61230 of the ON-BEN form. The client will receive a credit for the energy component of the OEPTC, but not for the property tax component.

For a student residence:

Rent is not declared. The OEPTC benefit will be \$25 regardless of the amount paid for residence.

Meaning of "rent" under the *Ontario Taxation Act, 2007*?

For purposes of the OEPTC, eligibility is based on *occupancy cost*, which includes a percentage of "rent." The term *rent* is not defined in the Act, nor does it adopt the definition set out in the *Ontario Residential Tenancies Act, 2006*.³ Its meaning is instead determined by the usual rules of statutory interpretation: words are read in their full context, in their ordinary sense, and in harmony with the scheme and purpose of the legislation.

The Act does, however, narrow the scope of the term. Rent does *not* include any amount:⁴ "*that may reasonably be considered to have been paid on account of meals or board.*" For this purpose, *board* generally refers to costs such as meals, housekeeping, and laundry.

Declaring *last month's rent*:

If a tenant pays last month's rent at the start of a tenancy, and the tenancy continues beyond that tax year, the payment should not be included as rent for that year.

The payment is considered a *deposit*, held in trust by the landlord and not applied until the final month of the tenancy.⁵ This treatment is reinforced by the landlord's obligation to pay the tenant interest on the deposit. Landlords generally do not record the amount as rental income until it is applied to the rent owing for the last month.

Renting in buildings exempt from municipal tax, and TCHC buildings:

The OEPTC is calculated using an individual's "occupancy cost". Section 98(5)4 of The *Ontario Taxation Act, 2007* provides that occupancy cost cannot include amounts paid for a principal

³ The Ontario court decision in [EAT-67878-17 \(Re\)](#), 2018 confirms that "rent" as defined in the *Residential Tenancies Act* is not the same as "rent" as referred to in the *Ontario Taxation Act*.

⁴ Section 98(5)3

⁵ Ontario Residential Tenancies Act, s.106

residence that is exempt from municipal tax.⁶ Municipal tax is defined as a municipal tax *in Ontario*.⁷

Therefore rent can be declared only if paid for accommodation in a building subject to Ontario municipal tax.⁸

Most buildings managed by the Toronto Community Housing Corporation (TCHC) are not taxed. But there are exceptions. The letters issued by TCHC to tenants contain standard wording suggesting that rent cannot be declared. These letters should not be relied upon because there are a few TCHC buildings subject to tax, and rent can be declared for tenants in those buildings. It is important to check the client's address against the [TCHC's list of properties](#). The list identifies if a building is exempt or not from municipal tax.

Renting outside of Ontario - not eligible:

What if a person rented somewhere outside of Ontario, but was a resident of Ontario on December 31st of the tax year? The OEPTC is calculated using an individual's "occupancy cost". Occupancy cost includes a portion of rent paid for a "designated principal residence", which is defined in s.103.2 of the *Ontario Taxation Act, 2007* as a principal residence in Ontario.

Two or more persons sharing rent:

If two or more people share accommodation, each person may claim their own share of rent paid for the year.

Proof of rent when not paying the landlord directly:

If a person contributes rent through another tenant (e.g., roommates, sublet), the best evidence is:

1. A copy of the rent receipt issued by the landlord to the main tenant, and
2. A signed letter from that tenant confirming the contribution. For example:

I, Alice Greer, am the tenant to whom a rent receipt was issued for 2024 for 123 First Street, Toronto (copy attached). I received a contribution of \$2,000 toward this rent from Steve Allen, who shared occupancy with me.

Rooming houses (shared kitchen/bathroom):

Rent paid for a room in a rooming house qualifies, and the occupant is considered a tenant under the *Residential Tenancies Act, 2006*. However, amounts for "board" (meals, cleaning, laundry) cannot be included in rent for OEPTC purposes.

Renting a room and sharing facilities with the landlord:

⁶ Section 98(5)4.

⁷ Section 98(1).

⁸ This is reflected in Questions 9 and 10 at [CRA website - OEPTC](#)

This arrangement is not considered a landlord–tenant relationship under the *Residential Tenancies Act, 2006*. Nonetheless, the rent portion (excluding meals, cleaning, or laundry) may still be claimed for OEPTC.

Utility charges:

Charges such as water, electricity, or parking do not qualify as rent unless specifically included in the rental agreement as part of the rent.

Child paying rent to parent at less than fair market value:

CRA guide [T4036](#) deals with rental income, expenses, and losses. While it does not specifically address Trillium benefits, it includes the following statement that may reflect CRA’s approach:

Renting below fair market value

You can deduct your expenses only if you incur them to earn an income. In certain cases, you may ask your son or daughter, or anyone else living with you, to pay a small amount for the upkeep of your house or to cover the cost of groceries. You do not report this amount in your income, and you cannot claim rental expenses. This is a cost-sharing arrangement, so you cannot claim a rental loss.

If you lose money because you rent a property to a person you know for less money than you would to a person you do not know, you cannot claim a rental loss. When your rental expenses are consistently more than your rental income, you may not be allowed to claim a rental loss because your rental operation is not considered to be a source of income. You can claim a rental loss if you are renting the property to a relative for the same rate as you would charge other tenants and you expect to make a profit.

The first paragraph, involving “small amounts” for the “upkeep of the house” or to “cover the cost of groceries”, describes a cost-sharing arrangement, not a rental arrangement. In the context of the Trillium benefit, the CRA may adopt this reasoning and not consider the payments to be ‘rent’.

If the amounts are more than a small amount and not a cost-sharing agreement, then the payments could be ‘rent’, even if below fair market value, but at the least, the parent must be reporting the payments as rental income on their return.

References:

- [Ontario Taxation Act, 2007, Part IV.1 Ontario Trillium Benefit, s.103.9](#)
- [OEPTC Questions and Answers](#)
- [TCHC List of Properties and Tax Status](#)