



## Preparing Your 2023 Personal Tax Return

### The basics:

Communication is key. Please bring or send us all of your relevant information to prepare your tax returns including:

- Tax slips
- Donation receipts
- Medical receipts
- Rental income and expenses
- Business or farm income and expenses

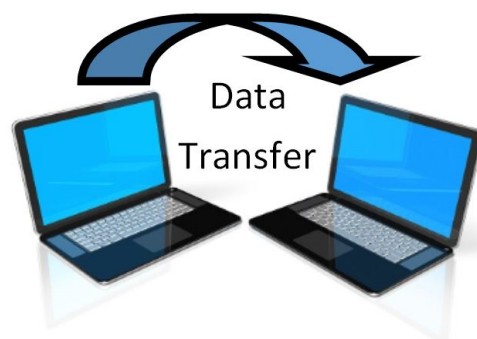
Canada Revenue Agency's policies include **PROGRESSIVE** penalties for missed slips. If you receive slips late please be sure to send them to us to avoid penalties. We can start working on your tax return before all slips have been received, it is not necessary to wait for late slips.



**Medical receipts** are often available from your health provider in a printed annual summary format (pharmacy, chiropractor, etc.). If you contact them they can provide a list of deductible medical expenses rather than having to accumulate all your small receipts.

Please bring any donation receipts so that we can review

**Contact us for data transfer options. We can help with safer, efficient transfers of your information**





## Important tax changes

Please mark (X) if applicable to you:

### New for 2023

- ☐ The FHSA (First Home Savings Account) is a registered savings plan to help individuals save for their first home. Deposits are tax deductible and qualifying withdrawals are tax free.
- ☐ Electronic remittances above \$10,000. Payments to the receiver general of more than \$10,000 must be made electronically as of Jan 1, 2024. Payers may face penalties for not remitting electronically.
- ☐ Canada Worker Benefit changed in 2023. If you've received the benefit you can expect a RC210 tax slip to report as income on your 2023 tax returns.
- ☐ Deduction for tools of a tradesperson or apprentice mechanic has increased from \$500 to \$1,000
- ☐ MHRTC (Multigenerational home renovation tax credit) is new in 2023 and allows up to a \$50,000 claim for renovation costs to create a secondary unit within your house for a family member.
- ☐ Property flipping Starting Jan 1, 2023 any gain on a house sold that you owned for less than 365 consecutive days could be deemed to be business income versus a capital gain.

### New for 2022

- ☐ Did you repay Covid support payments in 2022? If you repaid CERB please let us know. In some cases the T4A for reporting is not reflecting repayments. We also have the option of reporting the repayment in multiple periods so the opportunity to apply best strategies for tax savings is available.
- ☐ Bill C-19 received royal assent on June 23<sup>rd</sup>, 2022 allowing immediate expensing of certain capital properties acquired for business/farms (See 2021 below for more details)

**Home accessibility tax credit** – The annual expense limit would be doubled to \$20,000 such that the maximum non-refundable tax credit would be \$3,000, proposed to be effective for 2022 and subsequent taxation years. (included in Bill C25 19)

☐ **Home buyers' tax credit** – The amount would be doubled such that tax relief of \$1,500 could be accessed by eligible home buyers, proposed to be effective for acquisitions of a qualifying home on or after January 1, 2022. (included in August 9, 2022 draft legislation)

☐ **Tax-free first home savings account** – A new registered account would allow for tax33 deductible contributions of up to \$8,000 annually and up to \$40,000 in total; withdrawals from the plan (including income earned in the plan) to purchase a first home would not be taxable. (included in August 9, 2022 draft legislation)

☐ **Multigenerational home renovation tax credit** – A new tax credit would provide relief on up to \$50,000 of eligible expenses to construct a secondary suite for a senior or person with a disability to live with a relative. (included in August 9, 2022 draft legislation)

### **New for 2022 (Continued)**

[ ] **Residential property flipping rule** – A new rule would be introduced to deem that all gains arising from the disposition of a residential property (including rental property) that was owned for less than 12 months would be business income, other than any disposition for which an exception would apply. (included in August 9, 2022 draft legislation)

[ ] **Labour mobility deduction for tradespeople** – A new deduction of up to \$4,000/year to recognize certain travel and relocation expenses of workers in the construction industry would be available. (included in Bill C-19)

[ ] **Medical expense tax credit for surrogacy and other expenses** – Access to the medical expense tax credit would be broadened to allow for claims related to surrogacy arrangements and sperm, ova or embryo donations. (included in August 9, 2022 draft legislation)

[ ] **Children's special allowance, Canada child benefit and Canada workers benefit** – Several amendments would be made to ensure that these amounts are appropriately directed in situations involving Indigenous governing bodies, retroactive to 2020. (included in Bill C-19)

[ ] **Reporting requirements for RRSPs and RRIFs** – The fair market value of property held in each RRSP and RRIF at the end of each year would be reported to CRA by plan issuers commencing for the 2023 taxation year. This information would assist CRA in its risk-assessment activities regarding qualified investments. (included in August 9, 2022 draft legislation)

[ ] **Incentives for zero-emission vehicles** – The program that has offered purchase incentives of up to \$5,000 for eligible vehicles since 2019 would be extended until March 2025, and eligibility would be broadened to include more vehicle models, including more vans, trucks and SUVs. On April 22, 2022, Transport Canada provided details on the broadened eligibility to be effective April 25, 2022. Larger zero-emission vehicles (e.g. SUVs, minivans and pick-up trucks) are now eligible, provided that they have a base model Manufacturer's Suggested Retail Price under \$60,000. Higher-priced versions of these vehicles, up to a maximum of \$70,000, are also eligible. Transport Canada's list of eligible vehicles has now been updated to reflect this change.

### **New for 2021**

[ ] Employment expenses for those working from home due to covid continued for 2021

[ ] The 2021 federal budget announced the "immediate expensing" of certain eligible capital properties acquired after April 19, 2021, however this has yet to be legislated. There would be a \$1.5M threshold per taxation year and the general items that would not be eligible are those to be deemed "long-lived" assets such as buildings, goodwill, telephone, transmission and distribution systems and pipelines. Note that this is only "proposed" but may be implemented prior to filing deadlines pending it receiving royal assent. **Update** \*\*Bill C-19 received royal assent on **June 23<sup>rd</sup>, 2022**.

If you have any questions don't hesitate to contact our office. We would rather spend the time answering your questions than to see you miss a potential deduction!



# WE'RE HERE TO HELP



CHARTERED PROFESSIONAL ACCOUNTANTS

Office Hours  
8:30am to 4:30pm daily.

If you are unable to make it to the office during business hours please call to make arrangements for after hours or a video conference call

4817 48 Street, Red Deer, Alberta T4N 1S6  
Tele: (403) 341-4702 Fax: (403)342-6654

