

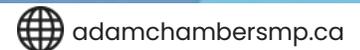


# TAX GUIDE

*SAVING YOU MORE*

## ADAM CHAMBERS

Member of Parliament for Simcoe North



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## A MESSAGE FROM YOUR MP

Dear Simcoe North Residents,

Did you know that inflation has helped government revenues climb to record heights with each passing year? While Canadians have been paying more for everything, the government has been collecting more tax revenue than it ever expected to receive. Over the last few years, federal government revenues have been higher than projected by between 6% and 10% each year.

What did the government do with these windfall revenues? They have increased spending of course! Spending by the federal

government is up over 25% each year versus pre-COVID levels. It is for this reason that I send out this annual tax guide. Hopefully, you find some additional ways for you to legally reduce your tax bill. You've worked hard for your money and you deserve to keep as much of it as possible (and away from the politicians in Ottawa).

Best wishes,



## SAVINGS FOR ALL CANADIANS

### Goods and Services Tax (GST) Credit

Four times a year, this tax-free payment helps individuals and families with modest incomes offset all or part of the GST they pay. If you have a spouse or common-law partner, only one of you can receive this credit. When you file your tax return, CRA will determine your eligibility and will advise those who are eligible to receive the credit.

### Medical Expense Deductions

This credit applies to a number of eligible expenses – from home care services, to laser eye surgery, to orthopedics and some service animals. The amount you can claim is the total of your expenses, minus \$2,635 for 2023, \$2,759 for 2024, or 3% of the claimant's income (whichever is less). There is no limit on the amount of eligible expenses a taxpayer can claim for himself or herself, a spouse or common-law partner, or a child under 18.

### Climate Action Incentive (renamed Canada Carbon Rebate)

Canadians who live in a province where the Liberal Carbon Tax applies—Alberta, Saskatchewan, Manitoba and Ontario—receive the Climate Action Incentive (renamed to the Canada Carbon Rebate) with their income tax return. The first person in the household who files their return will receive the payment for the household. The amount you receive depends on your province of residence and your personal living situation, and it may not cover all of the costs of the carbon tax. Qualifying residents will receive four equal quarterly payments and Simcoe North families receive a small supplement as residents of a rural community.

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## Canada Training Credit

The Canada Training Credit (CTC) is available for eligible tuition and other fees paid for courses taken in 2020 and subsequent tax years. Beginning with the 2019 tax year, an eligible individual can accumulate \$250 in each year toward their CTC limit, up to a maximum of \$5,000 in a lifetime, which can be accessed to help cover up to half of eligible tuition and fees associated with training. Note that it is only available for individuals between the ages of 26 and 65 who are Canadian residents, with income between \$10,000 and the top of the third tax bracket, and for eligible courses. Contact CRA to check eligibility.



# SAVINGS FOR FAMILIES

## Child Care Expense Deductions

You can claim payments you have made to someone who has looked after your child while you either earned an income from employment, operated a business alone or, as an active partner, attended school or conducted research.

Parents can claim up to \$8,000 per child who is under the age of seven, up to \$5,000 for each child aged 7 to 16 (and for infirm children over the age of 16), and \$11,000 for any children who are eligible for the Disability Tax Credit.

## Canada Caregiver Credit

You can claim \$2,499 on your 2023 tax return under the Canada Caregiver Credit if you support a spouse, a common-law partner or a dependent with a physical or mental impairment.

If you are eligible for the Canada caregiver amount for your spouse or common-law partner, or an eligible dependent 18 years of age or older, and their net income is less than \$26,782, you may be able to claim an additional amount up to a maximum of \$7,999.

## Disability Tax Benefit

This non-refundable tax credit, in some cases, may be claimed by a person with severe and prolonged impairment, or their caregiver. Where eligibility is approved, the federal amount in 2023 for an adult over 18 is \$9,428. For a child, the total amount is \$14,928.

## Child Disability Benefit

If your child is eligible for the disability tax credit, they may also be eligible for the Child Disability Benefit in recognition of the additional costs that can add up when caring for a child with a severe disability. It is an amount of up to \$3,173 per eligible child.

## Registered Disability Savings Plan

The previous Conservative government introduced the Registered Disability Savings Plan (RDSP) to ensure long-term financial security for Canadians and families who are dealing with severe disability. A grant from the Canada Disability Savings Grant may also be available, and for low and modest income individuals, the Canada Disability Savings Bond may apply.

## Adoption Expense Tax Credit

This credit is a 15% non-refundable tax credit that allows adoptive parents to claim eligible adoption expenses relating to the completed adoption of a child under the age of 18. For the 2023 tax year, the maximum claim for each child is \$18,210.

## Multigenerational Home Renovation Tax Credit (MHRTC)

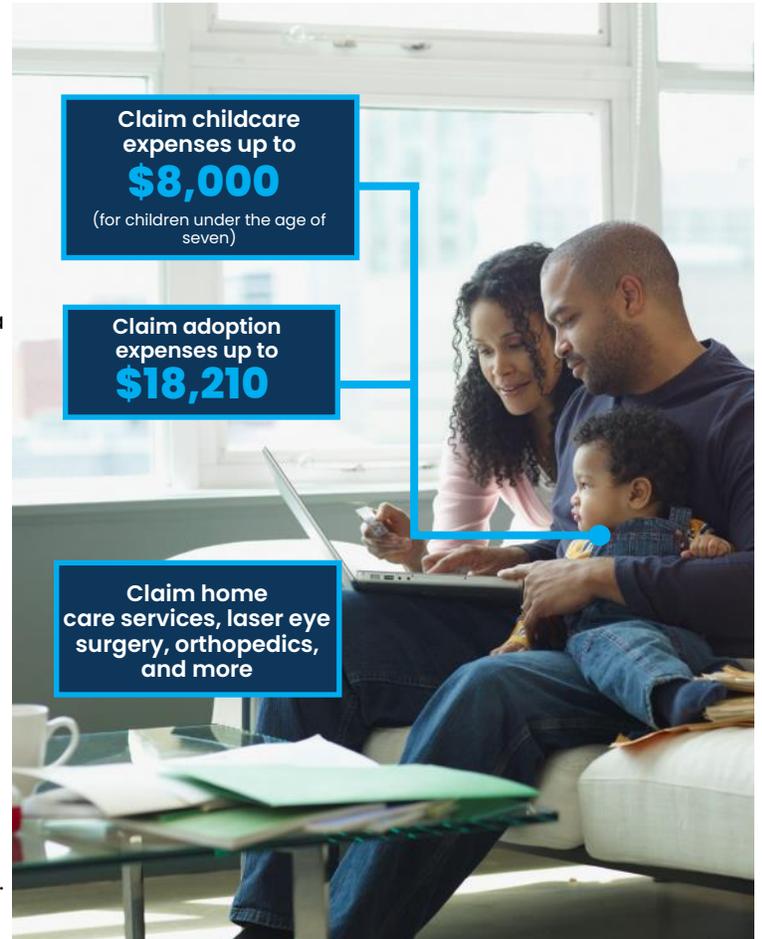
The MHRTC is a refundable credit available to assist with the cost of renovating an eligible dwelling to establish a secondary unit that enables a qualifying senior or adult to live with a qualifying relation. The MHRTC is calculated as 15% of eligible expenses for a qualifying renovation, to an upper limit of \$50,000. Only one qualifying renovation is permitted during the lifetime of a qualifying individual.

## Tax-Free First Home Savings Account

The Tax-Free First Home Savings Account (FHSA) offers prospective first-time home buyers the ability to save \$40,000 tax-free. Like registered retirement savings plans (RRSP), contributions to an FHSA would be tax deductible. Like tax-free savings accounts (TFSA), income and gains inside an FHSA as well as withdrawals would be tax-free. You are allowed to contribute a total of \$8,000 annually, up to a maximum account value of \$40,000 total.

## Increase to the First-Time Home Buyers' Tax Credit

There is currently a non-refundable tax credit available to first-time home buyers of \$10,000 for the purchase of a qualifying home in 2023 or later, which provides tax relief at 15% or \$1,500.



Claim childcare expenses up to

**\$8,000**

(for children under the age of seven)

Claim adoption expenses up to

**\$18,210**

Claim home care services, laser eye surgery, orthopedics, and more



### Home Accessibility Tax Credit

Seniors and persons with disabilities who are eligible for the Disability Tax Credit can qualify for tax relief of 15% on up to \$20,000 in eligible expenses. To be eligible, expenses must be incurred in relation to a renovation allowing for better mobility and functionality or reducing the risk of harm.

### Doubling the Pension Income Amount

The maximum amount of eligible pension income that can be claimed is \$2,000. This results in even more savings that will make a real difference for pensioners.

### Increasing the Age Amount

In 2023 the Age Amount allows seniors to claim up to \$8,396 on their 2023 tax return, depending on the individual's net income.

### Pension Income-Splitting

Generally, each individual Canadian pays taxes on their full income earned. Pension income-splitting allows any Canadian resident who receives qualifying pension income to allocate to their spouse (or common-law partner), with whom they reside, up to one-half of that income. By doing so, a pensioner and their family can dramatically reduce their tax load.



### Canada Workers Benefit

This benefit is a refundable tax credit that supplements the earnings of low-income workers to ensure they aren't penalized for getting a job. For 2023-24 this Benefit will provide up to \$1,518 in total for eligible single workers, and up to \$2,616 for an eligible family.

Low-income working Canadians with a disability who face even larger barriers to workforce participation may qualify for an additional supplement.

### Canada Employment Amount

This benefit provides most employees (excluding the self-employed) with help to offset the cost of work-related expenses such as home computers, uniforms and supplies. If you qualify for this amount, you can claim up to \$1,368 on your 2023 tax return.

### Apprenticeship Job Creation Tax Credit

Businesses who employ an eligible apprentice in a skilled trade in the first two years of an apprenticeship contract (registered with the federal, provincial, or territorial government) may be eligible to receive a non-refundable tax credit equivalent to 10% of the salaries and wages paid to the apprentice. This could translate into tax savings for an employer of up to \$2,000 per eligible apprentice.

### Lower Taxes for Local Business Owners, Farmers and Fishermen

When an owner of a family farm, local business, or fishing enterprise passes from one generation to the next, the properties – or shares – are subject to a Capital Gains Tax.

The previous Conservative government increased this exemption to \$800,000 and indexed it to inflation (the lifetime capital gains exemption limit is \$971,190 for the 2023 tax year). For those selling farm and fishing businesses, the exemption is to \$1 million.

Conservative Bill C-208, passed 2021, has made it easier for family-owned businesses and farms to be passed down to children or grandchildren.

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### Rate my performance as your Member of Parliament:

- RIGHT TRACK
- WRONG TRACK
- UNSURE

### How can we serve you better?

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### Tradespersons' Tools Deduction

Provides a deduction of up to \$1,000, the employment tax deduction for eligible new tools. This deduction helps those tradespeople who pay for their tools as a condition of employment up front, out of their own pockets.

### Firefighters' and Search and Rescue Volunteers' Tax Credit

This is a 15% non-refundable tax credit based on an amount of \$3,000 for volunteer firefighters who perform at least 200 hours of service per year. The option to claim the tax-exempt amount of up to \$1,000 for an honoraria will remain in lieu of the credit, if desired.

### Eligible Educator School Supply Tax Credit

Eligible educators can claim a 25% refundable tax credit on up to \$1,000 of eligible supplies purchased in a taxation year. Some examples include flashcards, art supplies, writing materials, books for the classroom and more.

### Meal Expenses of Long-Haul Truck Drivers

Long-haul truck drivers can deduct up to 80% of the cost of meals. The Canadian tax system generally limits business-related meal expenses to 50% deductible.

### Lowering of the Small Business Tax Rate

The previous Conservative government introduced a tax measure to lower the small business tax rate for Canadian-controlled private corporations to 9%, and the rate remains at this 9% today.

### Labour Mobility Expense Deduction

The labour mobility deduction provides a deduction of up to \$4,000 per year for eligible transportation, meals and temporary lodging costs at temporary work locations to eligible tradespersons and apprentices engaged in certain construction activities.



Employers can save up to **\$2,000 per eligible apprentice**

**Claim tools and meal expenses**



**Supporting**  
volunteer firefighters, and search and rescue personnel

## ADDITIONAL COMPLIANCE OBLIGATIONS

### New Reporting Requirements for Some Trusts

New reporting requirements have been introduced for certain kinds of trusts, including what are known as "bare trusts". Affected trusts will be required to file an annual T3 Trust income tax and information return (T3 Return), including a Schedule 15, Beneficial Ownership Information of a Trust, if applicable, with the CRA for tax years ending after December 30, 2023.

### Higher Interest Rates for Late Taxes

The interest rate charged on overdue taxes, the Canada Pension Plan contributions, and employment insurance premiums will be 10%.

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