



# TAX GUIDE

***SAVING YOU MORE***

Read this guide before completing  
your 2023 tax return!



**KEVIN WAUGH**

MP | SASKATOON—GRASSWOOD



## A Message from Your Member of Parliament

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Dear Neighbour,

We have all felt the pinch of rising prices this year - everywhere from the grocery store to the mortgage market. With tax season upon us, many are looking for some relief. This guide should help in identifying those benefits and deductions that you may be eligible for in order to maximize your refund.

A handwritten signature in white ink that reads "Kevin Waugh". The signature is fluid and cursive.

Kevin Waugh, MP  
Saskatoon-Grasswood

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Kevin Waugh MP, and his office do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.

Contact the Canada Revenue Agency at 1-800-267-6999 or visit [www.canada.ca/en/revenue-agency](http://www.canada.ca/en/revenue-agency) for more information. All models depicted in this publication were chosen for illustrative purposes only.



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## SAVINGS FOR ALL CANADIANS

**Here is a list of some tax benefits that all Canadians can claim:**

### **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. Also included are costs associated with certain types of service animals (e.g. diabetes alert dogs). 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.

### **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



**Here is a list of some tax benefits families can claim:**

### **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, 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.



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

## SAVINGS FOR FAMILIES (cont'd)



### Registered Disability Savings Plan

The Registered Disability Savings Plan (RDSP) is in place 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

Many older adults would like to stay in their own home and live as independently as possible. For some families, a home may be renovated to create a “granny suite,” or an area within the home of adult children where an elderly parent can live. This is one type of situation where the proposed Multigenerational Home Renovation Tax Credit (MHRTC) could help.

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 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. A TFFHSA can be open for 15 years or until the end of the year you turn 71, whichever comes first.

### 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.



## SAVINGS FOR SENIORS

**Here is a list of some tax benefits that seniors can claim:**

### **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.

### **Increasing the Age Amount**

Based on increases and adjustments for inflation, 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**

It is possible to split pension income to lower the tax burden and create a more fair system for seniors.

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.





**Pension  
income-splitting**

helps ease the  
tax burden

Keep more of your hard-  
earned money with the  
**Increased Age Amount**

Save on  
renovations,  
allowing for better  
mobility, with the  
**Home  
Accessibility  
Tax Credit**



## SAVINGS FOR SENIORS (cont'd)

### Increasing the Age Limit for Converting RRSPs to RRIFs

Registered Retirement Savings Plans (RRSPs) provide one of the best opportunities for Canadians to save for the future. Since RRSP contributions below your RRSP deduction limit are not taxable, they are an ideal way to plan for retirement. However, some Canadians have been restricted by the way RRSPs are structured. Even though they chose to work past 69 years of age, it was a requirement to convert their RRSP into a Registered Retirement Income Fund (RRIF) and were forced to begin making taxable withdrawals.

The age limit for converting RRSPs to RRIFs is 71.



## SAVINGS FOR WORKING CANADIANS

**Here is a list of some tax benefits that you can claim as a working Canadian:**

### 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

The Canada Employment Amount 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 the business from one generation to the next, the properties – or shares – are subject to a Capital Gains Tax.

The lifetime capital gains exemption limit is \$971,190 for the 2023 tax year. Additionally, we previously increased the limit specifically for farm and fishing businesses to \$1 million.

### **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.

### **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.

### **Tradespersons' Tools Deduction**

Tradespeople may make a deduction of up to \$1,000 for the purpose of purchasing 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.



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

**Claim tools and meal expenses**



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



## SAVINGS FOR WORKING CANADIANS (cont'd)



### Meal Expenses of Long-Haul Truck Drivers

The deductible portion of meal expenses for long-haul truck drivers is 80%, and it remains at this level. The Canadian tax system generally limits business-related meal expenses to 50% deductible.

### 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.

## 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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# NOTES



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