

# Personal Tax Tips, and Tricks

February 2016



Member of The AC Group of Independent Accounting Firms

# Topics

- What's new?
- Dealing with my accountant
- Medical expenses
- Home office
- Automobiles
- Common credits
- Tax Planning Tips
- Question & Answers

# What's new?

- Child fitness credit
  - Refundable credit
- Universal Child Care Benefit (UCCB)
  - Increased amount is taxable
- Child care expenses
  - Maximum increased by \$1,000
- Foreign Income Verification Statement
  - Focus of CRA

# Dealing with my accountant

- Provide organized material
  - Prescription printout
- Tax estimate
  - RRSP contributions
- Answer questions and ask questions
  - Don't miss out on credits
- Failure to report penalties

# Medical Expenses

- What is eligible?
  - Certified practitioners in Nova Scotia
  - Travel and meal expenses
  - What documentation do I need?
- Disability tax credit
  - T2201
  - \$7,899 credit

# Home Office

- Specific requirements:
  - Principal place of business
  - T2200 Declaration of Conditions of Employment
  - Place to meet clients/conduct work
  - Expense is limited to income
  - Designated room
  - Usually based on square footage

# Home Office

- Types of Expenses
  - Rent or mortgage interest
  - Property taxes
  - Property Insurance
  - Utilities
  - Maintenance and repairs

# Home Office

- **Tax Tips:**
  - Carry forward unused amounts
  - Avoid CCA on your home
  - Office space
    - Distinct separate room
    - Accessible by clients



# Automobiles

- Three Categories
  - Automobile
  - Motor vehicle; or
  - Passenger vehicle

# Automobile

- Types of expenses:
  - Fuel
  - Oil
  - Repairs & maintenance
  - Interest
  - Leasing costs
  - Insurance
  - Registration & licensing
  - CCA

# Automobile

- 100% deductible?
  - Business vs. Personal
  - Purchase vs Lease
  - Log Book
    - Beginning & ending odometer readings
    - Dates
    - Destination
    - Purpose
    - Km's driven

# Automobile

- Restrictions for Passenger Vehicles:
  - Maximum lease payment \$800 /month
  - Maximum interest payment \$300 /month
  - Class 10.1 restriction - \$30,000 + HST
  - Travel to & from workplace

# HST on Passenger Vehicles

- Passenger Vehicles - Individuals & Partnerships:
  - >90% Commercial - Full ITC in year of purchase
  - < 10% Commercial - No ITC
  - >10% – < 90% - Annual ITC =  $13/113 \times$  CCA claim
- Passenger Vehicles – Corporations
  - < 50% - No ITC & No tax on resale
  - > 50% - Full ITC
- No ITC in excess of Class 10.1 limitation
  - \$30,000
  - \$800/month for leased vehicles

# Common Credits

- First time home buyer credit
- Education deduction and transfer
- Search and Rescue/Volunteer Fire Fighter
- Donations
- Children
- Interest on student loans

# Tax Planning

- Income splitting tips:
  - Have income taxed at lower rates
- Plan ahead:
  - How much do you need to live?
- Retirement:
  - Avoid OAS clawback

# Important Dates

- Individuals
  - February 28/29
    - T4's and summaries
  - April 30
    - T1 income tax returns filed
    - Payment of taxes
  - June 15
    - Income tax returns for self employed



# Any Questions?

Thank you for your time