



2023 Tax Newsletter

To our most amazing clients,

Happy New Year! We're excited to see what 2023 has in store for us. Tax season is officially here, and we look forward to working with you and providing a stellar experience.

Once again, there have been many changes, and only a few are mentioned here. Please be sure to reach out if there is anything we can do to assist you or to say hello.

We can be reached at 905-831-5335 or admin@schofieldcpa.ca

Sandy

Important Dates to Keep in Mind

March 1, 2023

- ❖ T4/T5 Filing Due Date
- ❖ Last day to contribute to your own or spousal RRSP for the 2022 tax year

March 15/June 15/September 15/December 15, 2023

- ❖ Personal Income Tax Instalments due for the 2023 taxes

March 31, 2023

- ❖ T3 Trust Return Due Date

May 1, 2023

- ❖ Personal income tax filing & payment due date for individuals who do not earn self-employment income

June 15, 2023

- ❖ Last day to file 2022 income tax returns for self-employed individuals (note the payment of tax owing is still due April 30th)

For assistance with additional tax due dates, such as for GST/HST and payroll remittances and instalments or for corporations with non-fiscal year ends please contact us and we'll be happy to help.

Expenses you may be able to deduct

- ✓ Employment Expenses
- ✓ Home office deduction due to Covid
- ✓ Carrying Charges & Deductible Interest
- ✓ Childcare Expenses
- ✓ Attendant Care & Nursing Home Expenses
- ✓ Home Accessibility Tax Credit
- ✓ Digital News Subscription Tax Credit
- ✓ Medical Expenses
- ✓ Moving Expenses
- ✓ Student Loan Interest
- ✓ Teacher & ECE School Supply Tax

Old Age Security (OAS) Clawback

OAS is clawed back at a rate of 15% of net income in excess of \$81,761 (2022) and \$86,912 (2023).

2022 Ontario Staycation Tax Credit

This tax credit is only available for leisure stays occurring in 2022. The accommodation expenses must have a detailed receipt provided by a supplier registered for HST. The receipt must include the location, date of stay, amount paid including HST and the name of the payor.

2022 Income Tax Packages

In an effort to continually improve your experience, we are evolving to provide more proactive tax advice to help you save more taxes and better optimize your situation. Based on feedback from many of our clients, we are improving our service offerings for the upcoming tax season. We will be offering three different tax packages to choose from. Please see the attached brochure for more info.

2023 Combined Federal & Ontario Marginal Tax Rates*

<u>Taxable Income</u>	<u>Ordinary Income</u>	<u>Capital Gains</u>	<u>Eligible Dividends</u>	<u>Non-Eligible Dividends</u>
Up to \$49,231	20.05%	10.03%	-6.86%	9.24%
\$49,232 - \$53,359	24.15%	12.08%	-1.20%	13.95%
\$53,359 - \$86,698	29.65%	14.83%	6.39%	20.28%
\$86,698 - \$98,463	31.48%	15.74%	8.92%	22.38%
\$98,463 - \$102,135	33.89%	16.95%	12.24%	25.16%
\$102,135 - \$106,717	37.91%	18.95%	17.79%	29.78%
\$106,717 - \$150,000	43.41%	21.70%	25.38%	36.10%
\$150,000 - \$165,430	44.97%	22.48%	27.53%	37.90%
\$165,430 - \$220,000	48.29%	24.14%	32.11%	41.72%
\$220,000 - \$235,675	49.85%	24.92%	34.26%	43.51%
Over \$235,675	53.53%	26.76%	39.34%	47.74%

**to be used as a guideline only, please contact us if you need more specific information.*

Income in the first tax bracket is taxed at the lowest rate, in the second tax bracket is taxed at the next higher rate, etc.

TFSA Dollar Limit for 2023

The TFSA dollar limit for 2023 has increased to \$6,500, bringing the cumulative total to \$88,000 for anyone born in 1991 or earlier.

Home Accessibility Tax Credit

The HATC is available to those 65 and older and to those who qualify for the disability tax credit.

This credit allows those individuals to claim a 15% non-refundable tax credit on up to \$20,000 in 2022 (\$10,000 in 2021) of expenses to perform qualifying renovations on their home. This renovation must allow the individual to gain access to, be mobile or function within the home, or reduce the risk of harm within or gaining access to the home. Such expenses may also be eligible for the medical expense tax credit providing a double tax benefit.

Multi-Generational Home Renovation Tax Credit

Beginning in 2023, qualifying renovations that creates a secondary dwelling to permit an eligible person (such as a senior or a person with a disability) to live with a relative. The credit is equal to 15% up to \$50,000.00

Type 1 Diabetics eligible for the disability tax credit

Those with Type 1 diabetes that meet all 4 life sustaining criteria are eligible for the disability tax credit.

- Therapy is required to support a vital function
- Therapy is needed at least 2 times a week
- Therapy is needed on average at least 14 hours per week
- Impairment is expected to last for a continuous period of 12 months starting in the tax year.

If you feel you may qualify, please let us know and we can assist you.

Basic Personal Amount (BPA)

The BPA is the amount of income an individual can earn without paying federal tax increases in 2023 to \$15,000 from \$14,938 in 2022.

How long should you keep your income tax records?

Keep your supporting documents for six years in case CRA asks you to provide them. The CRA may ask for documents other than official receipts, such as cancelled cheques or bank statements as proof of any deduction or credit that you claimed. You should also keep a copy of your return and the related notice of assessment and any notice of reassessment.

Our Services

The world of self-employment and business can be tricky. We can help. Visit our website www.schofieldcpa.ca

Year-round services include:

- ✓ Business and Personal Taxes
- ✓ Accounting and Bookkeeping
- ✓ Payroll preparation – including source deductions, WSIB, EHT, etc.
- ✓ Government remittances, including HST, Payroll, T4s, T5s, etc.
- ✓ QuickBooks Certified ProAdvisors (Online & Desktop)

For more information, just ask. We'll be happy to help.

Personal Tax Organizer	Personal Information	Receipts and Information Slips	Deductions and Credits
<p>This is a list of some of the most common forms and information required to complete a personal tax return and should help make sure you take advantage of all eligible credits.</p> <p>If you are unsure if an item should be included or is deductible; please call, we'll be happy to advise you.</p> <p>Please be kind to your accountant and get your info in early! April 30 always comes around faster than expected.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Birth dates & SIN #'s. - self, spouse, dependents <input type="checkbox"/> RRSP Limits (from 2021 Assessment Notice) <input type="checkbox"/> Home Buyers Plan Repayment Schedule <input type="checkbox"/> Direct Deposit Information <input type="checkbox"/> Foreign Property over \$100,000 in value (includes bank accounts, investments and real property) <input type="checkbox"/> Did you sell property/stock? <input type="checkbox"/> Did you move? <p>Business, Self-Employed, Comm. Sales</p> <ul style="list-style-type: none"> <input type="checkbox"/> Employment Expenses* <input type="checkbox"/> T2200 – Employment Expenses* <input type="checkbox"/> TL2 Meals and Lodging* <input type="checkbox"/> Home Expenses* <input type="checkbox"/> Office Expenses* <input type="checkbox"/> Automobile Expenses* <input type="checkbox"/> Rental Properties* <p>*Additional worksheets available</p>	<ul style="list-style-type: none"> <input type="checkbox"/> T4 Employment Income <input type="checkbox"/> T4A Other Income <input type="checkbox"/> T4E Employment Insurance <input type="checkbox"/> T4A (OAS) Old Age Security <input type="checkbox"/> T4AP Pension Income <input type="checkbox"/> T4RSP RRSP Withdrawals <input type="checkbox"/> T4RRIF RRIF Withdrawals <input type="checkbox"/> T5 Interest and Dividends <input type="checkbox"/> T3 Investments, Gains, etc. <input type="checkbox"/> T5007 WSIB Benefits <input type="checkbox"/> Social Assistance Benefits <input type="checkbox"/> Alimony/Child Support <input type="checkbox"/> Capital Gains/Losses 	<ul style="list-style-type: none"> <input type="checkbox"/> RRSP Contributions <input type="checkbox"/> Union & Professional Dues <input type="checkbox"/> Charitable Donations <input type="checkbox"/> Medical Expenses <input type="checkbox"/> Home Accessibility Credit <input type="checkbox"/> Caregiver Credit <input type="checkbox"/> Child Care <input type="checkbox"/> Property Taxes/Rent <input type="checkbox"/> Moving Expenses* <input type="checkbox"/> T2202 Tuition Receipts <input type="checkbox"/> Student Loan Interest <input type="checkbox"/> Political Contributions <input type="checkbox"/> Alimony/Child Support Paid <input type="checkbox"/> Carrying Charges & Interest Expense <input type="checkbox"/> Disability Credit <input type="checkbox"/> Legal Expenses <input type="checkbox"/> Instalments Paid <p>*Additional worksheets available</p>

Please note that the information provided here is for informational purposes only; no endorsements are made for any outside parties mentioned and although every effort is made to ensure its accuracy, we accept no liability for any errors or omissions. Also, as it's not possible to cover all situations and exceptions; individual circumstances should always be discussed with a qualified professional.



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