

To all to whom these presents shall come, greeting. The 2024 tax season is upon us.

Below are some tax reminders for you to review when filing your 2024 tax return.
(Circle any changes that may apply and please let me know the changes. Thank you.)

-Did you change your **name, address, phone number, email, or bank information?**

-Did your **marital status** change? **YES** / **NO**

-Do you have a **physical disability?** **YES** / **NO**

-Did you **buy / sell** your house in 2024? **YES** / **NO**

-Did you make **tax instalments** for 2024? **YES** / **NO**

If yes, how much \$

-Do you care for an adult (**Caregiver Amount**)? **YES** / **NO**

-Did you have a **baby** in 2024? **YES** / **NO**

Tax Information Slips / Sources of Income

Deductions and Tax Credits

-**T4** Employment Income

-**T5, T3** Investment Income

-**T4E** Employment Insurance

-**T4A-OAS** Old Age Security

-**T4A(P)** Canada Pension Plan

-**T4A** Pension, **Red River Co-op**

-**T4RSP** Registered Retirement Savings Plan

-**T4RIF** Registered Retirement Income Fund

-**T5007** Workers Comp / Social Assistance

-**T4PS** Profit Sharing

-**T5013** Statement of Partnership Income

-**Foreign Pension** income received

-**Rental Income** from rental property

-**Business** Self-Employed income

-**Child support / Spousal support** received

-**Medical** (drugs, glasses, travel, Blue Cross premiums, renos for **Home Accessibility**)

-**Union dues** paid

-**Rent or Property taxes paid statement**

-**Investment** expense (interest)

-**Charitable** donations

-**T2202** Tuition and Enrollment Certificate

-**Disability Tax Credit T2201**

-**RRSP** receipts (purchased in 2024 and first 60 days of 2025)

-**T2200 Employment Expense** (must be signed by employer)

-**Child Care** expenses

-**Child support / Spousal support** paid

-**Moving expenses** (at least **40 kms** closer to your new job or school)

-year-end paystubs for **Company Health Premiums** paid in 2024 (medical expense)

-**Student Loan interest**

-**Child support / Spousal support** paid

WHAT'S NEW FOR THE 2024 TAX YEAR

Canada Revenue Agency has increased its unpaid tax penalty to 10%, plus 2% of this unpaid tax for each complete month that the return is late, up to a maximum of 20 months. The amount owed compounds daily.

Capital Gains

Under proposed changes, for all capital gains realized after June 24, 2024, 50% of the first \$250,000 of capital gains will be added to your income. Capital gains over and above the first \$250,000 will be added to your income at a higher rate of 66.67%.

Home Buyers' Plan (HBP) withdrawals

The HBP withdrawal limit has increased from \$35,000 to \$60,000 for withdrawals made after April 16, 2024. In addition, temporary repayment relief was introduced to defer the start of the 15-year repayment period by an additional three years for participants making a first withdrawal between January 1, 2022, and December 31, 2025. Accordingly, the 15-year repayment period will start in the fifth year following the year that the first withdrawal was made.

The borrowed funds must be in your RRSP for at least 90 days before taken out. Withdraw the money no later than 30 days after the closing date.

The Federal **Basic personal amount** has increased to \$15,705.

The Manitoba **Basic personal amount** has increased to \$15,780.

Manitoba tax credit programs

Even if you do not have to pay tax, you may be entitled to the **primary caregiver tax credit, personal tax credit, education property tax credit, renters tax credit, seniors school tax rebate, and school tax credit for homeowners.**

Claims for Manitoba credit amounts must be made within three years of the end of the tax year they relate to. Because it is 2025, we can only claim the above credits for the tax years 2024, 2023 and 2022.

The **Tax-Free First Home Savings Account (FHSA)** is a new registered account that gives prospective first-time home buyers the ability to save for the purchase of a home. Like an RRSP, contributions would be tax-deductible, and withdrawals to purchase a first home would be non-taxable like a TFSA.

Contributions that you make to your first home savings accounts (FHSAs) are generally deductible on your income tax and benefit return for the year of the contribution, or a future year, up to \$8000 a year.

Note: Contributions you make to your FHSAs during the first 60 days of the year cannot be deducted on your income tax and benefit return for the previous year, unlike contributions to an RRSP.

Transfers from your RRSPs to your FHSAs cannot be claimed as a deduction on your income tax and benefit return.

Multigenerational Home Renovation Tax Credit

This is a refundable credit that would provide recognition of eligible expenses for a qualifying renovation. A qualifying renovation would be one that creates a secondary dwelling unit to permit an eligible person (a senior or a person with a disability) to live with a qualifying relative.

You can claim up to \$50,000 in qualifying expenditures for each qualifying renovation that is completed. The tax credit is 15% of your costs, up to a maximum of \$7,500, for each claim you are eligible to make.

The \$500 **work-from-home expense** deduction has expired and cannot be claimed for the 2024 tax year.

The **Canadian Dental Care Plan** (CDCP) provides dental care coverage to Canadian residents who have an adjusted family net income below \$90,000, have file a tax return in the previous year, and who don't have access to dental insurance. For eligible Canadian residents, the CDCP will help cover the cost of various oral health care services. Applications are now open for: Seniors aged 65 and over, children under the age of 18, and adults with a valid federal Disability Tax Credit certificate for 2023 (yes, 2023).

Canada Revenue Agency general enquiries: 1-800-959-8281

Canada child tax benefit enquiries: 1-800-387-1193

GST / HST enquiries: 1-800-959-1953

Business enquiries: 1-800-959-5525

WHAT STAYED THE SAME

The **deadline** for filing your personal 2024 taxes is **April 30, 2025**.

If you are self-employed the **deadline extends** until **June 15, 2025**. If there is a balance owing it must be paid by April 30, 2025.

March 3 2025 is the **deadline** to contribute to **RRSPs** for the 2024 tax year.

The **Manitoba Fitness Amount** is available for 2024 **for children under 16 and for young adults aged 16 through 24**. Up to \$500 may be claimed per individual in 2024; \$1000 if disabled.

If you were a resident of Manitoba at the end of the year, you can claim up to \$500 for fees paid in 2024 on registration or membership for a prescribed program of physical activity for the following individuals: yourself, if you are under 25 years of age at the end of the year, your (or your spouse's or common law partner's) child under 18 years of age at the end of the year, your spouse or common law partner, if they were a young adult, (the young adult must have been between 18 and 24 years of age at the end of the year.)

The **Children's Arts and Cultural Tax Credit** is available in Manitoba **for children under 16 in 2024**. Up to \$500 may be claimed per individual in 2024; \$1000 if disabled. Eligible non-fitness activities include artistic, cultural, recreational, or developmental activities.

First-Time Home Buyers' Tax Credit (HBTC)

For the 2024 tax year, first-time home buyers who acquire a qualifying home can claim a non-refundable tax credit worth \$1,500 (\$10,000 X 15%).

To be eligible, in 2024, you (or your spouse) must have:

acquired a qualifying home,

did not live in another home inside or outside Canada that you (or your spouse or common-law partner) owned in the year of acquisition or in any of the four preceding years (first-time home buyer) unless you are a person with a disability).

Only one of the spouses or common-law partners may claim this amount.

Eligible Educator School Supply Tax Credit

Eligible educators that purchase eligible supplies may receive a refundable credit of up to \$250.

The **Tradespeople tools expense** has remained at \$1000 for 2024. You may be able to deduct the cost of eligible tools you bought in 2024 to earn employment income as a tradesperson.

Home Accessibility Tax Credit (HATC)

This is a \$20,000 non-refundable tax credit for home renovation or alteration expenses that allow a qualifying individual to gain access to, or to reduce the risk within the eligible dwelling.

To qualify, you must be either **disabled**, and or **65 and older**.

A qualifying renovation is a renovation or alteration that is of an enduring nature and is integral to the eligible dwelling (including the land that forms part of the eligible dwelling). The renovation must meet either of the following conditions:

It must allow the qualifying individual to gain access to, be mobile within and functional within, or it must reduce the risk of harm to the qualifying individual within the dwelling, and or in gaining access to the dwelling. Any item that you buy that will not become a permanent part of your dwelling is generally not eligible.

Labour Mobility Deduction (LMD)

This deduction available to a **tradesperson** or **apprentice** will allow them to claim eligible temporary relocation expenses paid in 2024. Deductions are for transportation, meals and temporary lodging costs incurred for travelling significant distances to earn income at a temporary work location from temporary employment in construction.

The labour mobility deduction (LMD) allows tradespeople to claim transportation, meals, and temporary-lodging costs of up to \$4,000 annually. To qualify, you need to be an eligible tradesperson or apprentice working in the construction industry in Canada.

Medical Expense Tax Credit (METC) for Surrogacy and Other Expenses

Payments made for a medical service involving in-vitro fertilization (IVF), prescribed fertility drugs, ultrasounds, and monies paid to fertility clinics to obtain donor sperm or ova are eligible.

Canada Training Credit Limit is a refundable tax credit available for workers between the ages of 25 and less than 65 who paid **tuition fees** in 2024. (University or college students.)

If eligible, you earn \$250 towards your Canada training limit each year to a lifetime maximum of \$5,000. Since the program started in 2020, the maximum amount you could have for 2024 is \$1,250.

Canada Worker Benefit is a refundable tax credit available to low-income workers.

Cannabis as a medical expense is eligible for 2024, certain conditions apply.

Registered Disability Savings Plan is a savings plan intended to help **parents and others** save for the long-term financial security of a person who is eligible for the disability tax credit. Its sort of like an RESP. The Government can also contribute to this savings plan from 100% to 300% (to a max. of \$3500).

When you open an RDSP, you can apply for a Canada Disability Savings Grant and Bond. The Canada Disability Savings Grant is a matching grant that is paid up until December 31 of the year you turn 49. That means that, **if you contribute to your plan, the government will also put money into your plan, and the maximum yearly grant amount is \$ 3,500, with a limit of \$ 70,000 over your lifetime.**

The Canada Disability Savings Bond is money the government contributes to the RDSPs of low- and modest-income individuals. **You do not need to make any contributions to your plan to receive the bond. The maximum yearly bond amount is \$ 1,000 until you reach the limit of \$ 20,000.**

You may receive more in a year if you were approved for the Disability Tax Credit (DTC) for any or all the past 10 years. This amount is called a carry-forward. Feel free to contact **Dylan Spence** at **Astoria Wealth Management** at **204-384-1496** for more information.

If you looked after a dependant (including your spouse) in 2024 you may be eligible for the **Canada Caregiver Credit**. This would be a spouse or common-law partner, a dependant, parent, grandparent, brother, sister, uncle, aunt, niece, or nephew with a **physical or mental disability**. This credit is a non-refundable federal credit.

Fertility Treatment Tax Credit is a refundable tax credit available for fertility treatment fees paid in 2024. This credit is 40% of fees paid (40% of \$ 40,000) up to a maximum \$ 16,000.

There is also the **provincial Caregiver Amount** available for 2024 if, at any time, you kept a dwelling where you and one or more of your dependants lived. This credit is non-refundable.

The **Primary Caregiver Tax Credit** is a refundable **provincial** credit of \$ 1400 available to all caregivers who provide care for a minimum of 90 days in 2024. The due date for the registration form is the same due date for filing your personal income tax return. No retroactive claims allowed prior to registration.

The **Seniors' School Tax Rebate** provides savings for eligible Manitobans aged 65 or older who own their own home or are responsible for the payment of school tax on their principal residence. The maximum Rebate limit for the 2024 tax year is \$ 235.

Examples of eligible medical expenses:

- Bathroom aids (prescription required)
- Dental services
- Diapers or disposable briefs
- Gluten-free products (some conditions apply)
- Moving expenses (ask for details)
- Blue Cross, Sun Life premiums
- Renovation or construction expenses to your home for medical purposes
- Travel expenses greater than 40 km one-way
- **Home accessibility expenses to a maximum of \$ 20,000 to allow or improve access to homes.**

Please note the information contained in this newsletter is subject to change. Payless Income Tax Inc. is not responsible for any errors or omissions in this newsletter. It is for information purposes only to help in the filing of your 2024 taxes. If there are found to be any discrepancies or disputes, Revenue Canada Taxation will be the final authority.

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