

# 2023 Annual Tax Newsletter

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## Getting Started

### ***Welcome to tax season 2022!***

In order to file your 2022 taxes, we need a few forms signed. These forms will be provided in your Welcome Package (see below), your welcome package includes the:

- Signed Authorization Form: allows us to communicate with CRA on your behalf (this is not required for returning clients)
- Engagement Letter (Client agreement): lays out the terms of our agreement
- Foreign Income Checklist

### **Emailing Documents**

In order for us to receive documents securely, we will be using **E-Courier**, a Canadian company, **facilitates** secure document transmission.

Your paragraph text

[Download Your  
Welcome Package  
Here!](#)

Click here to send us documents!



## New For 2022/23 Tax Filing

### Ontario Provincial Tax Credits

#### Ontario Childcare Tax Credit

Calculated as a percentage of your child care expense deduction, provides provincial and federal income tax relief toward eligible child care expenses:

- This top-up is an additional 20% of the credit entitlement
- This credit is income tested and based on the age of your children

#### Ontario Seniors Care at Home Tax Credit

New in 2022 there is a refundable personal income tax credit to help seniors with eligible medical expenses, including expenses that support aging at home. The credit provides up to 25% of claimable medical expenses up to \$6,000, for a maximum credit of \$1,500. This amount is reduced by 5% of the family net income over \$35,000 and fully phased out by \$65,000. Examples of eligible expenses:

- Attendant care (certification required)
- Walking aids & wheelchair & qualified renovations
- Hospital beds
- Dental, vision, and hearing care

#### Ontario Job Training

There is a temporary, refundable personal income tax credit for up to \$2,000 per year in relief for 50% of a person's 2022 eligible expense, that helps workers get the training they need:

- For a career shift
- For re-training
- To sharpen their skills

### Federal Tax Credits

#### Basic Personal Amount

The basic personal amount for the tax year 2022 is now being based on net income (including split income). The maximum basic amount is increased to **\$14,398** for individuals with a net income of **\$155,625** or less. The new maximum is gradually reduced for those with income between **\$155,625** and **\$221,708**

#### Work Space from Home For Employees

Working from home using the simplified method to a maximum of \$500.00 per year or \$2/day.

## New For 2022/23 Tax Filing

### Federal Tax Credits

#### **Educator School Supply Tax Credit**

If eligible, you can claim up to \$1,000 of eligible teaching school supplies. Teaching supplies are consumable supplies and prescribed durable goods. The list of eligible supplies has been expanded to include supplies required for online teaching.

#### **Canada Worker benefit**

The Canada workers benefit (CWB) is a refundable tax credit to help individuals and families who are working and earning a low income. The CWB has two parts: a basic amount and a disability supplement.

#### **Canadian Training Credit (CTC)**

The CTC is a refundable tax credit that will cover up to half of eligible tuition and fees associated with training. The credit has a lifetime maximum of \$5,000. To qualify you must have an income of \$10,000.00 or more. Each year you accumulate \$250.00 of CTC.

### Buying a Home

#### **Doubling the First Home Buyers' Tax Credit (HBTC)**

New for the 2022 tax year, the HBTC will be doubled to \$10,000 (from \$5,000), providing up to \$1,500 as a non-refundable tax credit to first-time home buyers who purchase a qualifying home on or after January 1, 2022.

#### **First Home Savings Account (FHSA)**

The FHSA offers first-time home buyers the ability to save \$40,000 tax-free. This year you can contribute up to \$8,000 per year, to a lifetime maximum of \$40,000. It can be used in conjunction with your RRSP and TFSA. FHSA is tax deductible (like an RRSP) and withdrawals are tax-free if you buy a qualifying home.

### Renovating your Home

#### **Multigenerational Home Renovation Tax Credit**

The multigenerational home renovation tax credit provides up to \$7,500 to construct a secondary suite for a senior or an adult with a disability, starting in 2023. This credit allows families to claim a 15% tax credit up to \$50,000 in qualifying renovation costs for building the suite.

#### **Ontario Seniors' Home Safety Tax Credit**

This temporary, refundable credit can be claimed by senior homeowners or renters, or by family members living with a senior, in the 2021 and 2022 tax years. You can claim a maximum of \$10,000 in eligible renovation expenses, resulting in a credit of up to \$2,500.

## New For 2022/23 Tax Filing

### New for Businesses

#### Immediate Expensing of Eligible Capital Property

Effective Jan 1, 2022, individuals and partnerships can take advantage of immediate expensing of Capital Property. These new rules are to enhance CCA deductions that are already available for eligible assets under the existing accelerated investment incentive rules.

Eligible property includes any capital property subject to CRA rules except building, goodwill, telephone systems, pipes lines, etc.

### Changes to Auto Expense

#### CCA on Passenger Vehicle

The cost limit has been raised from \$34,000 to \$36,000, for 2023, allowing you to expense more of your business used vehicle.

#### Non - Taxable Auto Allowance - 2023 (rates have increased)

- \$0.68 / km driven for the first 5,000kms
- \$0.62 / km driven after the first 5,000kms

#### Leasing Expense

The max monthly deductible expense for leasing has increased to \$950.00 from \$900.00 for 2023. Allowing you to expense more of your business on used vehicles.

### Do you need a bookkeeper?

#### Benefits of Remote Bookkeeping

- Remote bookkeeping saves time As a business owner, you carry many responsibilities from day one. As time goes on, more tasks are added to your plate.
- Remote bookkeeping is affordable For many small and emerging businesses, hiring an on-site bookkeeper and paying for office space isn't feasible.
- Remote bookkeeping is flexible
- Remote bookkeeping helps business owners make informed decisions.

#### We Provide Bookkeeping

- T2 - Corporate Taxes
- Prepare HST/GST
- Payroll

## Medical Expenses



### Do you have health insurance?

- Produce and provide a **CLAIMS HISTORY & SUMMARIES** for each covered person (by category).
- Provide copies or request receipts from all service providers.
- Please provide **ALL** backup documents to support the claims made through insurance.

### Don't have health insurance?

Please provide every last receipt for services you wish to claim as medical expenses.

### Dental /Massage Therapy Expenses

The office staff always give you an invoice copy before you leave. Always keep those copies on file. You will need them if you have no insurance coverage, and even if you do (as a backup to your Claims History).

**We need to see the procedure and specifics for dental expenses.**



## Prescriptions

Ask your pharmacy to provide you with a **DETAILED** Summary of all prescriptions, by family member. That report **MUST** show the date, the DIN number of the prescription, the RX number, and the cost to you.

If you request the report the way we suggest it, you won't have to give us the small individual RX receipts.

If both you and your spouse have insurance plans, you must provide us with Claims History documents, and Explanation of Benefit documents from both providers. We then cross-reference all expenses, to determine the bottom line on out-of-pocket costs, after both companies have paid out.

**If you are unsure about which receipts to provide, please call us, 289-861-1174!**



GroupNet  
for plan members

Explanation of benefits (how we processed your claim)

\$990.90 to be deposited into your account

€ 272.10  
pbt

Continued from previous page

### RHYS - Child

#### Dental

Service date	Service description	Amount submitted	Eligible	Other insurance	Deductible	Payable at	Paid
July 4, 2019	Basic Filling(s) (23321) Tooth code: 46	\$168.00	\$168.00			90%	\$151.20
July 4, 2019	Basic Filling(s) (23512) Tooth code: 85	\$231.00	\$215.00			90%	\$193.50
<b>Notes:</b> We calculated your benefit using the fee guide specified in your plan.							
July 4, 2019	Basic Filling(s) (23512) Tooth code: 75	\$231.00	\$215.00			90%	\$193.50
<b>Notes:</b> We calculated your benefit using the fee guide specified in your plan.							

## Important Deadlines

### CRA & RRSP Contributions

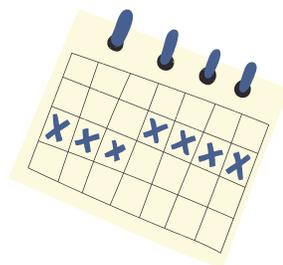
- **The CRA tax deadline:**  
May 1, 2023 (April 30th lands on a Sunday, new tax deadline lands on the next business day)
- **Sole proprietors and commission salespeople deadline:**  
June 15, 2023
- **RRSP Contributions:**  
March 1, 2023

Be sure to read your Notice of Assessment for your limit.

### Our Deadlines

Deadline to provide all business expense documents for the 2022 business expense spreadsheet:

- **For Quarterly HST/GST Filers**  
January 15, 2023
- **For Annual HST/GST Reporting**  
March 1, 2023
- **For All Clients (all documents)**  
April 8, 2023



## Document Requests?

Each year, we receive dozens of requests for Notice of Assessment documents, and pdf's of T1 tax returns. The NOA is available on My Account, and copies of your T1 are in your pocket folder.

### Document Charges

- Document requests - **\$10.00**
- Scans for CRA (opt-in) - **\$10.00**

We scan all slips and send them to CRA on your behalf. Opt-In is now automatic for all clients to reduce the administrative burden.

**If you wish to opt-out, please let us know.**



**Remember!**

### Collect all of your paper documents:

- T-slips
- Rental income and expenses
- Medica/Donations/Tuition expenses
- With statements, receipts, explanation of benefits etc.
- Final municipal tax bill for 2022



### Investing

Be aware that T3, T5 and T5008 may arrive after April 1st. If you have everything else but are waiting for these, just put a note on your folder and we will check the portal, regularly. Please provide us with your year-end statements from financial institutions and mutual fund companies. They may contain important information such as fees you may have paid for services or management of your accounts. Non-registered accounts may also show transactions that resulted in capital gains or losses, which we must report on your tax return!

### TFSA

Indexed for inflation the 2023 annual contribution limit is \$6,500. To find your TFSA contribution limit, use the worksheet link below. At any time in the year, if you contribute more than your available TFSA contribution room, you will have to pay a tax equal to 1% of the highest excess amount in the month, for each month, that the excess amount remains in your account. CRA worksheet: [TFSA contribution room](#)



### Underused Housing Tax

Underused Housing Tax is an annual 1% tax on the ownership of vacant or underused housing in Canada. The tax usually applies to non-resident, non-Canadian owners. In some situations, it also applies to:

- Canadian owners that own residential property as a partner of a partnership
- A corporation that is incorporated outside of Canada
- Canadian corporation without share capital
- Canadian corporation whose shares are not listed on a Canadian stock exchange, designated for Canadian income.

**This new tax has complex rules, reporting requirements, and severe penalties. Please contact us for more information**

## MyCRA - Update!

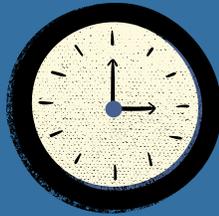
### NEW CLIENT ONLY

New process to confirm authorized representatives (Annette Douglass Tax Preparation Inc.) using 'My Account,' or 'My Business Account:'

- 1) **Make sure you have either 'My Account,' or 'My Business Account:'**
  - Registration may take several days
- 2) **Enable email notifications**
- 3) **Your representative will need to sign in to represent a client to submit a new authorization request**
- 4) **You will be notified by email that someone has requested access to your account**
- 5) **You must confirm or deny the authorization request within 10 business days**

You can find detailed information about representation authorization [here](#).

# OFFICE HOURS



Starting February 1, 2023 until May  
13, 2023

**MONDAY - FRIDAY**  
**10:00 AM - 5:00 PM EST**

200 - 4145 North-Service Road, Burlington, ON L7L 6A3  
(289) 861-1174

We would like to ensure the health and safety of our staff and clients.

Current options:

- 1) Use e-courier
- 2) Contact-less drop-off
- 3) Mailing in your documents
- 4) Virtual or over-the-phone
- 6) Arrange for contact-less pick up\*

\*may be a charge depending on the distance

**We will accommodate a limited number of in-person meetings.**

**Masks are required, social distancing where possible, and hand sanitizing upon entrance. Most importantly, please do not enter the office if you are symptomatic.**

*Thank you!*

*Theresa Beauregard  
Annette Douglas Tax / Beauregard Accounting/Merten Financial*