



# 2025 Personal Income Tax CHECKLIST

Name: \_\_\_\_\_ Tel: (HOME) \_\_\_\_\_

Tel: (BUS.) \_\_\_\_\_ Fax: \_\_\_\_\_ Tel: (CELL) \_\_\_\_\_

E-mail: \_\_\_\_\_

Please also provide the following information, if applicable:

- a) Your address and/or marital status, if it changed from last year.  
 \_\_\_\_\_
- b) Your spouse's and/or dependents' 2025 net income, if ECCAPC does not prepare their return.  
 \_\_\_\_\_
- c) Any new dependents for 2025 (i.e. children born or adopted in 2024).  
 \_\_\_\_\_
- d) If ECCAPC is preparing your tax return for the first time, your address, birth date, marital status and social insurance number (S.I.N) is needed. Please provide the names of your spouse/partner and/or dependents, their S.I.N.s, and their birth dates.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- e) Copies of tax returns from 2022-2024 (if not prepared by our office) and 2024 CRA notice of assessment or reassessments as well as prior year reassessments dated in 2025 or 2026.

Please ensure the following information is submitted to our office: CHECK IF INFORMATION IS ATTACHED

1. Income:	Type of Slip
<input type="checkbox"/> Universal Child Care Benefits .....	<b>RC62</b>
<input type="checkbox"/> Mutual Funds and Other Trusts .....	<b>T3</b>
<input type="checkbox"/> Employment income (salary, commissions) .....	<b>T4</b>
<input type="checkbox"/> CRB, CRSB, CRCB .....	<b>T4A</b>
<input type="checkbox"/> Pension Payments, Retiring Allowances, Annuities .....	<b>T4A</b>
<input type="checkbox"/> Scholarships or Research Grants.....	<b>T4A</b>
<input type="checkbox"/> Canada Pension, Old Age Security .....	<b>T4A(P), T4A (OAS)</b>
<input type="checkbox"/> Employment Insurance .....	<b>T4E</b>
<input type="checkbox"/> Statement of employee profit-sharing plan payments .....	<b>T4PS/T3D</b>
<input type="checkbox"/> Income from RRSP or RRIF .....	<b>T4RSP, T4RIF</b>



- 1. Income (continued):**..... **Type of Slip**
- Employment Insurance Benefits..... **T4E**
  - Interest and Dividends ..... **T5**
  - Pension reversal adjustment..... **T10**
  - Statement of resource expenses ..... **T101**
  - Statement of benefits (welfare and social assistance)..... **T5007**
  - Partnership income ..... **T5013**
  - US source income (wages, interest, dividends) ..... US slips
  - Alimony received..... List details
  - Foreign pensions ..... List details
  - Rental income..... See 5. below
  - Self-employment income/ (business, profession, commissions)..... **T5013**/see 6. below
  - Capital gains and losses, Buy, Sell..... **T5008**/Buy, sell slips
  - Purchase and sale of securities..... Broker statements/  
Summary

\* Please provide information concerning the cost of the securities sold when submitting this form.

- 2. Deductions:**..... **Type of Slip/Backup Documents**
- Child care expenses (Appendix H)..... \*Receipts (camp, after school programs, **SIN/T4** of caretaker)
  - Employment expenses (See 4 below) ..... **T2200** list of expenses
  - Interest paid on loans to earn investment income..... Statement from bank
  - Investment counsel fees (non-registered investments) ..... Broker letter
  - Legal fees (if paid for purpose of obtaining alimony/child support, wage loss) Copies of invoices
  - Registered Retirement Savings Plan contributions..... RRSP slip
  - Registered Pension Plan contributions..... **T4** or Official receipts
  - Pension income reversal..... **T10**
  - Union or profession dues..... **T4** or Official receipts
  - Tax Shelter information ..... **T5003/T5004**
  - Alimony payments ..... Name of recipient

- 3. Tax Credits:**..... **Type of Slip/Backup Documents**
- Disability tax credit/ caregiver credit (Appendix F)..... **T2201**
  - Adoption expenses ..... Receipts
  - Charitable donations..... Official receipts
  - Income taxes paid to foreign governments..... Details/Statement
  - Tuition fees (Canadian school)..... **T2202/2202A**



3. **Tax Credits (continued):** Type of Slip/Backup Documents
- Tuition fees (Foreign school)..... **TL11A**
  - Insurance Policy Loan Interest ..... **T2210** from insurer
  - Labour sponsored funds ..... **T5006/** OIEO Certificate
  - Interest paid on student loans ..... Receipts
  - Medical expenses (see Appendix C) ..... Receipts
  - Political party contributions..... Receipts
  - Property taxes/ rental payments for your home ..... Property tax bill/  
Receipt from landlord
  - Ontario seniors' public transit tax credit (see Appendix P) ..... Transit passes/receipts
  - First-time home buyers' credit (see Appendix G) ..... New home purchase  
agreement
  - Home accessibility tax credit (see Appendix I)..... Receipts
  - Income tax installments ..... Receipts from CRA
- \* If you have several prescription drug expenditures, please request a computer print-out of your annual drug expense from your pharmacist, rather than submitting the individual receipts. Year-to-date statements can also be obtained from your dentist, chiropractor, optician, massage therapist etc). If you are part of a health plan, please submit details of premiums paid and benefits paid by health provider. See Appendix C.
4. **Listing of employment expenses other than auto expenses (include Form T2200).**  
(See attached *General List of Deductible Business & Employment Expenses* Appendix A).
5. **Listing of rental income and expenses for rental properties.**  
Please include address of property and corresponding rental income. Please include copy of purchase and sale agreement and statement of adjustments if property sold or acquired during the year. (See attached *General List of Deductible Rental Expenses* Appendix B)
6. **Listing of professional/business income and expenses**  
(See attached *General List of Deductible Business & Employment Expenses* Appendix A).  
HST return or efile code if our office will be doing it.
7. **Automobile expenses of employee/self-employed individual:**  
Include information concerning the cost of the vehicle if purchased in the year (include invoice), the proceeds received on the disposal of the vehicle if sold in the year, and the cost of gas and oil consumed, repairs and maintenance, insurance, licenses, auto lease payments (include HST), and interest paid on an automobile loan, as applicable. Please also indicate the business and total kilometres driven during 2025. Please provide a separate list for each vehicle.
8. **Other items:**
- Notice of Assessment for 2024 or reassessments (if not already sent to us).
  - Particulars relating to tax shelters and required forms (include limited partnership investments).
  - Particulars if you participated in the RRSP Home Buyer's Plan or Lifelong Learning Plan.
  - Listing of investments on which accrued interest is required to be reported (eg., Canada Savings Bonds, long-term GICs held outside of your RRSP).

*Continued on next page*



### 8. Other items *(continued)*:

- Carrying charges and interest paid to earn income from investments.
- US and other foreign source income (submit slips), see foreign reporting requirements Appendix L.
- Details on disposition of capital property (stocks, mutual funds, real estate). Provide original cost, proceeds, expenses of disposition, and purchase date.
- The amount of support payments or alimony payments paid or received. If you are the payor include name and S.I.N. of recipient. See appendix M.
- Details regarding child care expenses (i.e. nursery, camp, after school activities etc.). If paid to an individual, provide name and S.I.N. of the individual.
- Details regarding eligible moving expenses if you moved during the year (see appendix E).
- Property taxes paid. Rent paid including name of landlord.
- Details of adoption expenses paid during the year.
- Amount of instalment payments made during the year (attach January 2026 CRA statement).
- Professional or union dues.
- Details of sale of principal residence. See Appendix J.
- Business investment losses. See Appendix K.
- Canada Pension Plan contribution election and pension income split. See Appendix O.
- Ontario Trillium Benefit and Senior Homeowners Property Tax Grant. See Appendix P.

### 9. Do you want a hard copy or PDF copy of your Tax Return?

- Hard Copy     PDF Copy

### 10. E-Filing *(please sign appropriate space)*

I would like Eigenmacht Crackower CPA Professional Corporation to electronically file my 2025 income tax return.

- Yes     No

Signature \_\_\_\_\_



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## Appendix A

# Business, Farming/Fishing & Employment Income and General List of Deductible Expenses

### Business Income

- Sole proprietor or partnership income on **T2125**.
- Separate form for each business.
- Subject to CPP (both employer and employee share) on self employed earnings.
- May choose to pay EI premiums on self employed earnings (Schedule 13).
- Must register for and collect HST once your sales exceed \$30,000 in a calendar quarter or any four preceding calendar quarters.
- Be careful on the threshold if a related party is already registered for HST.

### Farming/Fishing Income

- Income reported on **T2042**.
- Separate form for each business.
- Subject to CPP (both employer and employee share) as self employed earnings.
- May choose to pay EI premiums on self employed earnings.
- Income can be reported on a cash basis.
- Must determine whether income is from "Full time", "Part time", or "Hobby".
- Losses from part time activity are "restricted".
- Restriction is \$2,500 plus 50% of (your net farm loss minus \$2,500) (to a maximum of \$17,500).
- Losses from a Hobby are not deductible.
- If there are losses on a cash basis due to inventory purchases at year end, there may be a mandatory inventory adjustment.

## Appendix A – continued

# Business, Farming/Fishing & Employment Income and General List of Deductible Expenses

### Home Office

Calculated as percentage of office over total square area of home

- Mortgage interest/rent
- Realty taxes
- Insurance
- Maintenance
- Condo fees

### Automobile

- Gas/oil
- Repairs and maintenance
- Insurance
- Lease costs (\$1100 monthly lease limit)
- Interest on car loan (\$350 monthly interest deduction limit)
- Licence and registration fees
- CAA dues
- ETR (Highway 407) fees
- Car washes
- Parking at clients (100% deductible)
- Calculated as a percentage of business kms/total kms
- Electric vehicle charging fees

### Entertainment

- Meals, sporting events, theatre (50% deductible)

### Trade Shows/Travel

- Conventions, airline flights, hotels, taxis, business conferences, etc.

### Advertising

- Newspaper ads
- Promotion, advertising, etc.
- Gifts to clients

### Professional Fees

- Accounting and legal fees

### Insurance

- Business insurance
- Professional liability insurance

### Dues and Membership

- Professional affiliation dues
- Business trade and networking membership dues

### Salaries

- Salary to assistants including payroll levies

### Major Capital Cost Classes

Asset	CCA class	Subject to CCA rate	1/2 rate
Building	1	4%	Yes
Office equipment	8	20%	Yes
Leasehold improvement	13	Note 1	Yes
Franchise fees	14	Note 2	Yes
Computer software			
Bought Jan 28'09–Jan 31'11	52	100%	No
Bought after Jan 31'11	12	100%	Yes
Computer hardware			
Bought Jan 28'09–Jan 31'11	52	100%	No
Bought after Jan 31'11	50	55%	Yes
Automobile cost > \$38,000	10.1	30%	Yes
Automobile cost < \$38,000	10	30%	Yes

**Note 1:** Straight-line over term of lease (min. 5 years; max. 40)

**Note 2:** Straight-line over term of franchise

**Note 3:** Immediate expensing, see page 8

### Interest and Bank Charges

- Bank service charges
- Credit card fees
- Interest on loans used in business

### Office Expenses

- Postage
- Stationery
- Courier
- Registration costs
- Computer Paper
- Supplies
- Books & publications
- Continuing education courses/seminars

### Telephone

- Business telephone & fax line
- Internet fees
- Cellular phone

**Note:** Some of the expenses may not be permitted or restricted if taxpayer is earning income from employment.

## Appendix A – continued

# Business, Farming/Fishing & Employment Income and General List of Deductible Expenses

### Home Office Expenses

- Can only be claimed up to the amount of employment income received
- Home insurance and property taxes can only be claimed by commissioned employees
- Based on percentage of home used for work
- You are eligible to deduct home office expenses you paid if you meet **one** of the following conditions:
  - You worked more than 50% of the time from home for a period of at least four consecutive weeks;
  - or
  - The workspace is used exclusively to earn employment income and is used on a regular and continuous basis for in-person meetings with clients, customers, or other people in the course of your employment duties.

### T777 Statement of Employment Expenses

- Must obtain a signed form **T2200** Condition of Employment from your employer.
- General limitations on expenses such as of 50% of meals and entertainment and automobile restrictions.
- Must maintain documents to support all expenses.
- Home office expenses:
  - can only be claimed up to the amount of income received;
  - home insurance and property taxes can only be claimed for commissioned employees;
  - based on percentage of home used for office; and
  - must be principal place of business or employment or used on a regular basis to meet customers.

### T777 Statement of Employment Expenses – Automobile Costs

- Maintain automobile log.
- Must claim expenses net of any reimbursements.
- Per km travelling allowance that is reasonable is not taxable but must reduce expenses claimed.
- Allowances not based on per km, including non-vehicle items, are not reasonable and therefore are taxable.
- CCA can only be claimed on vehicles, airplanes or musical instruments.

### GST 370 Employee and Partner GST/HST Rebate Application

- Employer must be a GST registrant.
- Employer cannot be a listed financial institution.
- Based on HST paid on employment expenses form **T777**.
- Rebate is reported on line 45700 in the current year.
- The next year when the rebate is received, you must record it on line 10400 of your return as income or reduce CCA pool on capitalize items.
- Cannot claim HST rebate on portion of expenses that are restricted i.e. meals, automobile etc.

### Labour Mobility Deduction for Tradespeople

- Tax deduction up to \$4,000 per year in eligible travel and temporary relocation expenses to eligible tradespersons and apprentices.
- Applies retroactively to eligible out-of-pocket long-distance travel receipts from January 1, 2022.
- Limited to 50% of Employment Income.
- Claimed on form **T777**.

### Automobile Restrictions

- A passenger vehicle is:
  - a **motor vehicle** designed primarily to carry people;
  - seats driver and no more than eight passengers.
- Most cars, station wagons, vans and some pick-up trucks are passenger vehicles. They are subject to the limits for CCA, interest, and leasing costs.
- CCA–Class 10.1 Passenger Vehicle – capital cost restricted to \$38,000 (2024 – \$37,000) plus HST. (Non passenger vehicles have no restriction and are included in class 10).
- Interest Expense on financed vehicle – \$350 per month (2024 – \$350).
- Limits are higher for electric vehicles.
- Limit on leasing costs will increase to \$1,100 per month from \$1,050 per month (for new leases entered into on or after January 1, 2025).

*Continued on next page*

## Appendix A – continued

# Business, Farming/Fishing & Employment Income and General List of Deductible Expenses

- Leased Vehicle – Deduction is the lesser of:
  - \$1,100/30 days + PST + HST from the start of the lease to the end of the year, – Less prior deductions claimed.
  - Lease payment x (\$38,000 + HST)  
Greater of (\$38,000 + HST) and 85% of MSRP

### GST 370 Employee and Partner GST/HST Rebate Application

- Employer must be a GST registrant
- Employer cannot be a listed financial institution
- Based on HST paid on form T777 – Statement of Employment Expenses
- Rebate is claimed on line 45700 in the current year
- The next year when the rebate is received, you must record it on line 10400 of your return as income or reduce CCA pool on capitalized items
- Cannot claim HST rebate on portion of expenses that are disallowed (i.e., meals, automobile, etc.)

### Immediate Expensing of Capital Assets

Allows full cost of up to \$1,500,000 in certain eligible property to be deducted immediately for assets acquired after December 31, 2024 and become available for use before 2034.

### Zero Emission Vehicle (ZEV)

A ZEV is a vehicle that either produces no tailpipe emission or has the potential to produce no emissions, for example, an electric vehicle. Some ZEVs include a conventional internal combustion engine but must also be able to operate without having to use it.

### Passenger Vehicle Expense Limitations

Deduction/Threshold	2026	2025	2024	2023	2022	2001 to 2021
Loan interest per month	\$ 350	\$ 350	\$ 350	\$ 300	\$ 300	\$ 300
Lease cost per month	1,100	1,100	1,050	950	900	800
Capital cost maximum non-ZEV	39,000	38,000	37,000	36,000	34,000	30,000
Capital cost eligible ZEVs	61,000	61,000	61,000	61,000	59,000	55,000

### CRA Automobile Allowance Rates

Year	Provinces		Territories	
	First 5,000 km	Over 5,000 km	First 5,000 km	Over 5,000 km
2026	\$ 0.73	\$ 0.67	\$ 0.77	\$ 0.71
2025	\$ 0.72	\$ 0.66	\$ 0.76	\$ 0.70
2024	\$ 0.70	\$ 0.64	\$ 0.74	\$ 0.68
2023	0.68	0.62	0.72	0.66
2022	0.61	0.55	0.65	0.59
2021	0.59	0.53	0.63	0.57
2020	0.59	0.53	0.63	0.57
2019	0.58	0.52	0.62	0.56
2018	0.55	0.49	0.59	0.53
2016-17	0.54	0.48	0.58	0.52
2015	0.55	0.49	0.59	0.53
2013-14	0.54	0.48	0.58	0.52
2012	0.53	0.47	0.57	0.51
2008-11	0.52	0.46	0.56	0.50
2006-07	0.50	0.44	0.54	0.48
2005	0.45	0.39	0.49	0.43
2003-04	0.42	0.36	0.46	0.40



# Appendix B

## Rental Income and Expenses

### Rental Income

- Report on Form **T776**.
- Separate form for each rental property.
- Not subject to CPP or EI.
- If commercial rent, you may be required to register for HST.
- Cannot claim CCA to create or increase the overall loss from rental properties.
- Beware of the Vacant Housing Tax and UHT.
- Ensure if it is short term rental, that the client is “compliant”.
- Rental lease summary.
- List of rental income by property unit and tenant.
- Last months rent .
- Rent receivable as at year end.

### Rental Expenses

- Property taxes
- Insurance
- Repairs and maintenance (painting, plumbing, electrical, waste removal, garbage etc)
- Utilities (hydro, natural gas, water, cable)
- Mortgage interest and financing fees
- Advertising (for tenants)
- Janitorial services
- Property management fees
- Accounting fees
- Legal expenses not connected with purchase of property
- Commissions (paid to obtain tenants)
- Bad debts
- Landscaping of grounds and snow removal
- Office supplies
- Alarm fees and security
- Bank services charges
- Automobile expenses (if more than one property is owned)
- Lease cancellation/inducement fees

- Condo fees
- Financing fees

### NOTES

Please advise of the following:

1. Rental income received during the year.
2. Copy of purchase or sale of property if sold during the year.
3. Whether you are an HST registrant.

### Changes to rules for eligible deductions from short-term rental income

There are new changes to the income tax rules which now deny income tax deductions related to non-compliant short-term rentals after 2023. If you rented out a residential property for short periods, these changes may affect you.

A short-term rental is a residential property that is rented or offered for rent for a period of less than 90 consecutive days.

A residential property is all or any part of a house, apartment, condominium unit, cottage, mobile home, trailer, houseboat or other property, located in Canada, which can be used for residential purposes under the applicable laws of the province or municipality where the property is located .

A non-compliant short-term rental, is a short-term rental that:

- is located in a province or municipality that does not permit short-term rentals to operate at that location; or
- does not comply with all applicable provincial or municipal registration, licensing and permit requirements for operating a short-term rental.
- When calculating a taxpayer’s income from a business or property, the Income Tax Act generally permits the taxpayer to deduct reasonable current expenses incurred in the ordinary course of earning that income.
- However, when calculating income earned from a short term rental for a tax year after 2023, the new income tax rules do not allow the deduction of a non-compliant amount.

For tax years after 2023, if a short-term rental is non-compliant for any portion of the tax year, the non-compliant amount for that year is determined by multiplying (A) by (B), and then dividing that total by (C).

*Continued on next page*

## Appendix B – continued

# Rental and Income Expenses

### A x B / C

- **(A)**: the total amount that would otherwise be deductible when calculating income for a residential property when it was used as a short-term rental in the tax year.
- **(B)**: the number of days in the tax year that the property was a non-compliant short-term rental.
- **(C)**: is the number of days in the tax year that the property was a short-term rental.
- If a short-term rental is compliant with all applicable provincial or municipal registration, licensing and permit requirements for operating a short-term rental by December 31, 2024, the short-term rental is deemed compliant for the entire 2024 tax year. This exception only applies to persons (including corporations) and partnerships for the 2024 tax year.

### Example:

- An individual owns a condominium unit in a city that requires all residential properties that are rented for a period of less than 30 consecutive days to be licensed by the city.
- The individual offered the unit for rent for periods of less than 30 consecutive days throughout the 2025 calendar year. The unit was rented for a total of 300 nights at a price of \$250 per night in 2025. However, the individual only obtained a short-term rental license for the property from the city on July 1, 2025, after having offered the unit for rent in the first 181 days of the year (January 1 to June 30, 2025). Consequently, the license was effective for the remaining 184 days of the year (July 1 to December 31, 2025). The individual incurred \$60,000 in expenses for the property in the 2025 tax year.

- To determine the amount that the individual can deduct from their short-term rental revenue, they apply the non-compliant amount formula as outlined below:
  - Formula: **A x B / C**
  - Short-term rental revenue: \$75,000 (300 nights x \$250/night)
  - Short-term rental expenses: \$60,000
  - **A**: Short-term rental expenses for 2025: \$60,000
  - **B**: Non-compliant days: 181
  - **C**: Days the property was available as a short-term rental in the year: 365
  - Non-compliant amount calculation:  
 $\$60,000 \times 181 / 365 = \$29,753$
  - So, the individual may only deduct \$30,247 (\$60,000 - \$29,753) in expenses from the \$75,000 of revenue, resulting in a profit of \$44,753 for income tax purposes. If the rental had been compliant throughout 2025, the individual would have been able to deduct \$60,000 in expenses for the property in the 2025 tax year, resulting in a profit of only \$15,000 (\$75,000 - \$60,000).

**Note:** If this situation had occurred in 2024, the transition relief exception would allow the individual to deduct the full amount of the short-term rental expenses of \$60,000, provided the short-term rental was compliant by December 31, 2024. If it was not compliant by that date, the formula used for the 2025 year would also apply for the 2024 year.



## Appendix C

# General List of Eligible Medical Expenses

### Professional Services

- Acupuncturist (if a qualified medical practitioner or, in Quebec only, a licensed acupuncturist)
- Chiropodist
- Chiropractor
- Christian Science practitioner
- Covid-19 tests
- Dental hygienist (if authorized to practise under provincial law)
- Dental mechanic (for the making or repairing of a complete upper or lower denture)
- Dentist
- Dermatologist
- Gynecologist
- Neurologist
- Naturopath
- Obstetrician
- Oculist
- Optician
- Optometrist
- Orthopedist
- Osteopath
- Pediatrician
- Physician
- Physiotherapist
- Plastic surgeon
- Podiatrist
- Practical nurse (medical services only)
- Psychiatrist
- Psychoanalyst
- Psychologist (if licensed by province to provide therapy or rehabilitation)
- Registered nurse
- Surgeon
- Speech therapist (pathological or audiological impediments only)
- Therapist

### Laboratory Examinations and Tests

- Blood tests
- Cardiographs
- Metabolism tests
- Spinal fluid tests
- Stool examination
- Urine analyses
- X-ray examinations

### Dental Services

- Dental x-rays
- Extracting teeth
- Filling teeth
- Gum treatment
- Oral surgery
- Straightening teeth

### Hospital Services

- Anesthetist
- Hospital bills
- Oxygen masks, tent
- Use of operating room
- Vaccines
- X-ray technician

### Prescriptions

If you have several prescription drug expenditures, please request a computer print-out of your annual drug expense from your pharmacist, rather than submitting the individual receipts. Year-to-date statements can also be obtained from your dentist, chiropractor, optician, massage therapist etc). If you are part of a health plan, please submit details of premiums paid and benefits paid by health provider.

For comprehensive list of qualifying medicines, apparatus, medical treatments etc, please contact our office.

Source: CCH "Preparing Your Income Tax Returns".

*Continued on next page*



## Appendix C – Continued

# General List of Eligible Medical Expenses

- Medical expenses can be claimed for you, your spouse or common-law partner, or you or your spouse or common-law partner's children under 18, and children over 18 that are dependent.
- Claim medical expenses for any 12-month period ending in the taxation year (24 months in year of death).
- Medical expenses must be greater than 3% of your net income or \$2,834 (2024 – \$2,759) Federal and Ontario, whichever is less.
- food;
- accommodation;
- nursing care;
- administration fees;
- maintenance fees; and
- social programming and activities fees.
- However, extra personal expenses (such as hairdresser fees) are not eligible.
- **T2201** required.

### Medical Travel Expenses

Medical Services not provided in an area

Distance	Federal
At least 40 km (one way)	<ul style="list-style-type: none"> <li>• Vehicle-use expenses</li> <li>• Expenses paid to a transport company (taxi, bus, etc.)</li> </ul>
At least 80 km (one way)	<ul style="list-style-type: none"> <li>• Vehicle-use expenses</li> <li>• Expenses paid to a transport company (taxi, bus, etc.)</li> <li>• Meal expenses</li> <li>• Lodging expenses</li> <li>• Parking Expenses</li> <li>• An accompanying person if certified by a doctor</li> </ul>
Travel expenses outside of Canada	<ul style="list-style-type: none"> <li>• Vehicle-use expenses</li> <li>• Expenses paid to a transport company (taxi, bus, etc.)</li> <li>• Meal expenses</li> <li>• Lodging expenses</li> <li>• Parking Expenses</li> </ul>

### Attendant Care When Claiming the DTC

- There are over-lapping rules when claiming the disability amount, attendant care costs and medical expenses.
- See the chart on the following page.

### Nursing Home

- Provides full-time care, including 24-hour nursing care, to individuals who are unable to care for themselves.
- All regular fees are eligible as medical expenses, including those for the following:

### Salaries and Wages

- You can claim the fees for salaries and wages paid for part-time attendant care (if form **T2201** is completed).
- Also, you can claim the fees for salaries and wages paid for attendant care services or care or supervision in the following facilities:
  - self-contained domestic establishments (such as your private home);
  - retirement homes, homes for seniors, or other institutions; and
  - group homes in Canada.

### Full-time Care or Specialized Care

- Generally, you can claim the entire amount you paid for the following facilities:
  - nursing home (full-time care); and
  - schools, institutions, or other places (providing care or care and training).
- CRA considers the care to be full-time care when a person needs constant care and attendance.

### Other Eligible Medical Expenses

- Payments to:
  - Public or licensed private hospitals
  - Premiums paid to private health services plans
  - Premiums paid for provincial prescription drug plans
  - For artificial limbs, wheelchairs, crutches, hearing aids, prescription eyeglasses, dentures, pacemakers, prescription drugs and other prescription medical devices
  - Payments for certain reproductive technologies
    - \* Less any reimbursements \*

*Continued on next page*



## Appendix C – Continued

# General List of Eligible Medical Expenses

### Attendant Care When Claiming the Disability Tax Credit (DTC)

Type of Expense	Certification Required	Can you claim the disability amount?
Fees paid for full-time care in a <b>nursing home</b> .	Form <b>T2201</b> or a medical practitioner must certify in writing that you are, and in the foreseeable future will continue to be, dependent on others for your personal needs and care because of a lack of normal mental capacity.	You can claim the disability amount, if eligible, <b>or</b> these expenses, but not both.
<b>Salaries and wages</b> for attendant care given in Canada. This can include the part of the <b>nursing home</b> fees paid for full-time care that relate only to salaries and wages.	Form <b>T2201</b>	You can claim the disability amount <b>and</b> up to \$10,000 for these expenses (\$20,000 if the person died in the year).
<b>Salaries and wages</b> for one full-time attendant outside of a self-contained domestic establishment.	Form <b>T2201</b>	You can claim the disability amount <b>or</b> these expenses, but not both.
Full-time attendant at <b>home</b> .	Form <b>T2201</b> or a medical practitioner must certify in writing that you are, and will likely to be for a long continuous period of indefinite duration, dependent on others for your personal needs and care because of an impairment in physical or mental functions and need a full-time attendant.	You can claim the disability amount, if eligible, or these expenses, but not both.
Salaries and wages for care in a <b>group home</b> in Canada.	Form <b>T2201</b>	You can claim the disability amount <b>and</b> these expenses.
Care, or training and care, at a <b>school, institution, or other place</b> (such as a detoxification clinic).	Form <b>T2201</b> or an appropriately qualified person must certify in writing that because of a mental or physical impairment, you need the equipment, facilities, or staff specially provided by that place for persons with the same type of impairments.	You can claim the disability amount, if eligible, <b>and</b> these expenses.

**NOTE:** An appropriately qualified person includes a medical practitioner, the principal of the school or the head of the institution or other place.



## Appendix D

# GST/HST

If you have an unincorporated business, profession or receive commercial rental income, you may be subject to charge GST on your sales.

The GST is a tax that applies to the supply of most property and services in Canada.

Almost everyone has to pay the GST/HST on purchases of taxable supplies of property and services (other than zero-rated supplies). A limited number of sales or supplies are exempt from GST/HST.

Although the consumer pays the tax, businesses are generally responsible for collecting and remitting it to the government. Businesses that are required to have a GST/HST registration number are called registrants.

Registrants collect the GST/HST on most of their sales and pay the GST/HST on most purchases they make to operate their business. They can claim an input tax credit, to recover the GST/HST paid or payable on the purchases they use in their commercial activities.

### GST/HST Rates

Province	On or After October 1, 2016	July 1, 2016 to September 30, 2016	April 1, 2013 to June 30, 2016	July 1, 2010 to March 31, 2013	January 1, 2008 to June 30, 2010
Alberta	5%	5%	5%	5%	5%
British Columbia	5%	5%	5%	12%	5%
Manitoba	5%	5%	5%	5%	5%
New Brunswick	15%	15%	13%	13%	13%
Newfoundland and Labrador	15%	15%	13%	13%	13%
Northwest Territories	5%	5%	5%	5%	5%
Nova Scotia	15%	15%	15%	15%	13%
Nunavut	5%	5%	5%	5%	5%
Ontario	13%	13%	13%	13%	5%
Quebec	5%	5%	5%	5%	5%
Prince Edward Island	15%	14%	14%	5%	5%
Saskatchewan	5%	5%	5%	5%	5%
Yukon	5%	5%	5%	5%	5%

**Note:** Businesses either pay quarterly installments or pay annually. For 2025, the net tax that requires quarterly installments is \$3,000.

GST/HST registrants must meet certain responsibilities. Generally, they must file returns on a regular basis, collect the tax on taxable supplies they make in Canada, and remit any resulting net tax owing.

You have to register for GST/HST when you no longer qualify as a small supplier because your total worldwide taxable supplies of goods and services exceed the small supplier limit of \$30,000 in a single calendar quarter or in four consecutive calendar quarters.

In order for our office to complete your GST/HST return, please forward the GST return (due date June 16th, 2026 if you are an annual filer) that the CRA sent you. If you are a first time GST filer, we would need your BIN # and confirmation letter from the CRA of your status as a GST registrant and which will also advise us the effective date you registered.

If you are an employee claiming employment expenses, we will need to know the BIN # of your employer.

# Appendix E

## Moving Expenses

You can deduct eligible moving expenses if you move and establish a new home to be employed or carry on a business at a **new location**, or if you move to study courses as a student in full-time attendance at a university, college or other educational institution that offers courses at a post-secondary school level.

To qualify, your new home must be **at least 40 kilometres** (by the shortest usual public route) **closer** to the new place of work or educational institution.

### Eligible Moving Expenses

**Transportation and storage costs** (such as packing, hauling, moving, in-transit storage, and insurance) for household effects, including items such as boats and trailers.

**Travel expenses**, including vehicle expenses, meals, and accommodation, to move you and members of your household to your new residence. You can choose to claim vehicle and/or meal expenses using the detailed or simplified method.

**Temporary living expenses** for up to a **maximum of 15 days** for meals and temporary accommodation near the old and the new residence for you and members of your household. You can choose to claim meal expenses using the detailed or simplified method. If you choose the simplified method, although you do not have to submit detailed receipts for actual expenses, we may still ask you to provide some documentation to establish the duration of the temporary lodging.

**Cost of cancelling a lease** for your old residence, except any rental payment for the period during which you occupied the residence.

**Incidental costs** related to your move which includes the following:

- changing your address on legal documents;
- replacing driving licences and non-commercial vehicle permits (not including insurance); and
- utility hook-ups and disconnections.

**Cost to maintain your old residence (maximum of \$5,000)** when it was vacant after you moved, and during a period when reasonable efforts were made to sell the home. It includes the following:

- interest;
- property taxes;
- insurance premiums; and
- heat and utilities expenses.

### Note 1

The costs must have been incurred when your old residence was not ordinarily occupied by you or any other person who ordinarily resided with you at the old residence just before the move. You cannot deduct these costs during a period when the old residence was rented.

**Cost of selling your old residence**, including advertising, notary or legal fees, real estate commission, and mortgage penalty when the mortgage is paid off before maturity.

**Cost of purchasing your new residence** if you or your spouse or common-law partner sold your old residence as a result of your move.

### Note 2

It includes legal or notary fees that you paid for the purchase of your new residence, as well as any taxes paid (other than GST/HST or property taxes) for the transfer or registration of title to the new residence.

## Methods of Calculation

### Detailed Method

#### Meal expenses

If you choose to use the detailed method to calculate your meal expenses, you must keep all your receipts and claim the actual amount that you spent.

#### Vehicle expenses

If you choose to use the detailed method to calculate your vehicle expenses, you must keep all receipts and records for the vehicle expenses. Claim the actual amount that you spent in respect of your moving expenses during the tax year.

### Simplified Method

#### Meal expenses

If you choose to use the simplified method, to calculate your meal expenses, you may claim a flat rate per person. Although you do not need to keep detailed receipts for actual expenses, we may still ask you to provide some documentation to support your claim.

#### Vehicle expenses

If you choose to use the simplified method to calculate the amount to claim for vehicle expenses, multiply the number of kilometres by the cents/km rate for the province or territory in which the travel began. We may still ask you to provide some documentation to support your claim. You must keep track of the number of kilometres driven during the tax year for the trips related to your moving expenses.

**Keep all your receipts and documents supporting your claim.**

## Appendix F

# Canada Disability Benefit & Caregiver Tax Credit and Canada Dental Benefit

### Disability Tax Credit

Must have prolonged impairment and be markedly restricted in any of the basic activities of daily living.

### Who is Eligible

You may be eligible for the DTC if a medical practitioner certifies that you have a severe and prolonged impairment in one of the categories, significant limitations in two or more categories, or receive therapy to support a vital function.

### Select a category to view criteria

Find out if your situation may qualify for the DTC as a marked restriction or a life-sustaining therapy.

### What marked restriction means

- You are unable to do the activity, or it takes 3 times longer than someone of similar age without the impairment, even with the use of appropriate therapy, medication, and devices.
- This restriction is present all or almost all of the time (generally at least 90%).
- The restriction has lasted or is expected to last for a continuous period of at least 12 months.

### Choose one category

- Walking
- Mental functions
- Dressing
- Feeding
- Eliminating (bowel or bladder functions)
- Hearing
- Speaking
- Life-sustaining therapy

### Launch of the Canada Disability Benefit

- Applications for the Canada Disability Benefit (CDB) opened in June 2025
- This new federal benefit is for working-age Canadians (aged 18 to 64) with disabilities, who will receive up to \$2,400 per year (maximum \$200 per month), based on their adjusted family net income. The benefit amount will rise with inflation.

- To qualify, you must be a Canadian resident who is certified to receive the Disability Tax Credit (DTC), and you must have filed your previous year's tax return.
- Receiving the CDB won't affect your eligibility for other federal benefits.
- The federal government has stated it plans on tabling legislation to make the CDB tax-exempt.

### Canada Caregiver Credit

Individual must maintain a residence in which family member resides who is:

- over the age of 18 and dependent by reason of mental or physical infirmity; or
- the individual's parent or grandparent who is over age 65.

May claim instead of claim for equivalent-to-spouse or dependant personal credit.

### Canada Dental Benefit

The Government of Canada has announced some details of the new Canadian Dental Care Plan (CDCP) which is designed to help ease financial barriers to accessing oral health care.

### Eligibility

To qualify for the CDCP, the following criteria must be met:

- have filed their tax return in the previous year
- an adjusted family net income of less than \$90,000
- no access to dental care
- be a Canadian resident for tax purposes

### Application Process and Rollout

The program will be rolled out in a phased approach over the coming months, starting with seniors. Beginning in

December 2023, letters were mailed to potentially eligible seniors informing them they may qualify for the plan and inviting them to apply. This letter will include a personalized application code and instructions on how to apply over the phone.

### Coverage

Services that could be covered under the CDCP include the following, with some services only became available in fall 2024:

*Continued on next page*

## Appendix F – Continued

# Disability Benefit & Caregiver Tax Credit and Canada Dental Benefit

- Preventive services, including scaling (cleaning), polishing, sealants, and fluoride
- Diagnostic services, including examinations and x-rays
- Restorative services, including fillings
- Endodontic services, including root canal treatments
- Prosthodontic services, including complete and partial removable dentures
- Periodontal services, including deep scaling
- Oral surgery services, including extractions

### Tips to Prepare for Application

- File your taxes to ensure you are eligible for the program.
- Make sure your mailing address is up to date with both the Canada Revenue Agency and Service Canada.
- Do not expect reimbursement for any dental work you receive before your application has been approved for people 85 and over.

Group	Applications Open
Seniors aged 87 and above	Started December 2023
Seniors aged 77 to 86	Started January 2024
Seniors aged 72 to 76	Started February 2024
Seniors aged 70 to 71	Started March 2024
Seniors aged 65 to 69	Started May 2024
Persons with a valid Disability Tax Credit certificate	Started June 2024
Children under 18 years old	Started June 2024
All remaining eligible Canadian residents	Starting 2025

### For More Information

**Canadian Dental Care Program Website** – <https://www.canada.ca/en/services/benefits/dental/dental-care-plan.html>  
**News Release** – <https://www.canada.ca/en/health-canada/news/2023/12/making-dental-care-more-affordable-in-canada.html>

## Appendix G

# First-Time Home Buyers and Tax-Free Savings Account

A non-refundable credit based on \$10,000 for first-time buyers.

- Effectively, a savings of \$1,500 (15% of \$10,000).

An individual is a first-time buyer if neither the individual or the spouse owned and lived in another home in the calendar year of the purchase or in the four preceding years.

- Must occupy the property purchased as a principal residence.
- If two people are eligible for the credit, the total cannot exceed the maximum that one person could claim.

Credit is also be available in respect of homes bought for a person who is eligible for the disability tax credit if the house is more accessible or in an environment better suited to the personal needs and care of the individual.

### Tax-Free Home Savings Account

- For first time home buyers.
- Life time limit of \$40,000 in contributions.
- Contributions are a deduction from income.

- Contributions of up to \$8,000 annually.
- Unused annual contribution can be contributed in the following year. (Maximum of \$40,000 to carry forward.)
- Withdrawals are not taxable when buying a first home.
- Not permitted to make both an FHSA withdrawal and an HBP withdrawal in respect of the same qualifying home purchase.

### First Home Savings Account (FHSA)

- Individuals who opened an account and contributed funds during the year will receive a **T4FHSA** Slip.
- Slip includes both contributions and withdrawals (both qualifying and taxable amounts).
- Lifetime limit of \$40,000 and unused contributions is tracked on Schedule 15 of the return.

### Comparing FHSA to RRSP and TFSA

The FHSA is a registered plan that combines some of the features of an RRSP and a TFSA to help save towards your first home!

	FHSA	RRSP	TFSA
<b>How does it help me buy a house?</b>	Invest your eligible contributions and use them for purchasing a qualifying home.	Withdraw from your RRSP and use the amount towards your qualifying home purchase under the Home Buyers' Plan. You can borrow up to \$35,000 from your existing RRSP, but the borrowed funds must be paid back within 15 years.	Invest your eligible contributions and use them for a home purchase (or anything else you want). Amounts withdrawn from a TFSA create additional TFSA contribution room beginning in the year following withdrawal.
<b>What are the contribution rules?</b>	\$8,000 is the annual contribution limit. Carry-forward rules apply. \$40,000 lifetime contribution limit during the Maximum Participation Period.	The lesser of 18% of your previous year's income and the current fixed contribution limit \$32,490 for 2025. You can carry forward any unused contribution room from previous years. No lifetime contribution limit.	\$7,000 is the annual contribution limit for 2025. You can carry forward unused contribution room from the year you turned 18 and was a Canadian resident for tax purposes. No lifetime contribution limit.



## Appendix G – Continued

# First-Time Home Buyers and Tax-Free Savings Account

### Comparing FHSA to RRSP and TFSA – Continued

	FHSA	RRSP	TFSA
<b>Will I get a tax deduction on eligible contributions?</b>	Eligible contributions are tax-deductible (except on transfers into your FHSA from your RRSP, although these transfers do use up FHSA contribution room).	Eligible contributions are tax-deductible (except on transfers into your RRSP from your FHSA).	No. Contributions are not tax-deductible.
<b>Key Advantages</b>	Funds in the account grow tax-free, which could mean more money for a qualifying home purchase. You may also be able to transfer funds tax-free from your FHSA to an RRSP or RRIF in your name.	Funds can be used towards the purchase of a qualifying home under the HBP. Investments can grow within the plan tax-deferred.	Funds in the account grow tax-free and you can use the value of the account for anything you like, including towards the purchase of a home.
<b>Limitations</b>	An FHSA can only be held until December 31st of the year in which the earliest of the following occurs: the 15th anniversary of opening your first FHSA, the year you turn 71 or the year following your first qualifying withdrawal. Non-qualifying withdrawals (not made to purchase a qualifying home) are taxable income.	Under the HBP, any RRSP withdrawal used to buy or build a qualifying home must be returned to your RRSP within 15 years and repayment begins in the second year after the year when you first withdrew funds. If you fail to repay the required amount within the required time frame, that amount will be considered as taxable income in that year.	Contributions made to a TFSA are not tax-deductible.



## Appendix H

# Child Care Expenses and Related Tax Credits for Children's Program

### Child Care Expenses

Taxpayers are allowed to deduct childcare expenses as indicated in the under-noted table:

Age of child as of December 31	"Non-Disabled" Child	Disabled Child
Under 7	\$8,000	\$11,000
7-16	\$5,000	\$11,000
Over 16	None	\$11,000

The maximum deductible would be the least amounts of the figures listed above, (ii) the amount of child care expenses paid and (iii) 2/3 of taxpayer's earned income (lower income spouse in most cases).

The childcare expenses must be incurred to allow you to engage in employment, a business or attend post-secondary education or engaged in grant research.

You can claim payments for child care expenses made to:

- caregivers providing child care services;
- day nursery schools and daycare centres;
- educational institutions, for the part of the fees that relate to child care services;
- day camps and day sports schools where the primary goal of the camp is to care for children (an institution offering a sports study program is not a sports school); or
- boarding schools, overnight sports schools, or camps where lodging is involved.

### Boarding School or Overnight Camps

Age of child as of December 31	"Non-Disabled" Child	Disabled Child
Under 7	\$200/week	\$275/week
7-16	\$125/week	\$275/week

## Appendix I

# Home Accessibility Credit and Multi-Generational Tax Credit

- The Home Accessibility Tax Credit is a non-refundable federal income tax credit designed to help seniors and persons with disabilities, as well as their supporting family members, with the cost of making their homes safer and more accessible. The credit is intended to recognize the financial impact of renovations that improve the safety, accessibility, and functionality of a dwelling, supporting independent living for these individuals.
  - Qualifying Individual – 65 years and older or disabled.
  - Credit can be claimed by the Qualifying Individual or an Eligible Individual.
  - Eligible Individual is person who claimed the spouse/common-law partner amount, eligible dependent amount or Canada caregiver amount for the Qualifying Individual.
  - 15% of qualifying expenditures-maximum of \$20,000 to an eligible dwelling.
  - Eligible Dwelling:
    - principal residence of Qualifying or Eligible Individual;
    - housing unit located in Canada;
    - Qualifying or Eligible Individual must own housing unit;
    - if Qualifying Individual owns the dwelling they must ordinarily live in the dwelling;
    - if the Eligible Individual owns the unit, both must ordinarily live in the dwelling.
  - Qualifying Renovation must be:
    - of an enduring nature.
    - undertaken for one of the following reasons:
      - improve the Qualifying Individual's mobility within the dwelling;
      - improve the dwellings accessibility and functionality;
      - reduce risk of harm for him/her in living or accessing the dwelling.
  - Both home accessibility and medical tax credits can be claimed for the same expenditures. This will change for tax years starting in 2026.
- ### Multi Generational Renovation Tax Credit (Schedule 12)
- Refundable credit to assist families with the cost to build a secondary unit in their **eligible dwelling**.
  - Only to accommodate a **qualifying individual** to live with a **qualifying relation**.
  - Qualifying individual:
    - Seniors 65 years or older or adults 18 years eligible for the disability tax credit.
  - Qualifying relation:
    - Parent, grandparent, child, grandchild, brother, sister, aunt, uncle, niece or nephew of you or your spouse/common-law partner.
  - Eligible Dwelling:
    - Owned by the qualifying individual or qualifying relation; and
    - Both the qualifying individual and qualifying relation intend to reside 12 months after the renovation period.
  - Only **one** qualifying renovation can be claimed for a qualifying individual in their lifetime.
  - A qualified renovation must establish a secondary unit (private entrance, kitchen, bathroom and sleeping area).
  - The **renovation period taxation year** is the year which the renovations end, which is the year the credit can be claimed.
  - You can claim 15% of up to \$50,000 of your eligible renovation expenses, for a maximum \$7,500 refundable tax credit.
    - However cannot claim routine repairs and maintenance, financing costs, purchase of household appliances, nor expenses that have already been claimed under the Medical Expense Tax Credit/ Home Accessibility Tax Credit.
    - Must have agreements, invoices, and receipts to support claim.

## Appendix J

# Principal Residence Exemption, Ban on Foreign Investment in Canadian Housing and Underused Housing Tax

A principal residence includes any property owned that was ordinarily inhabited by either the taxpayer, his/her spouse, former spouse or child.

- Includes vacation properties even if outside of Canada.
- Generally land in excess of 1/2 hectare is excluded unless it is necessary for the use and enjoyment of the property.

Only one property can be designated as a principal residence for any year after 1982 by the family unit of taxpayer, spouse and any child under 18 who is neither married or in a common-law relationship.

The portion of the gain that is exempt is:

$$\text{Gain X } \frac{(1 + \# \text{ of years designated and resident in Canada})}{(\# \text{ of years owned; including year of purchase and sale})}$$

An adjustment is required where the capital gains election was made in 1994.

Technically, every person who sells a principal residence must file principal residence exemption form but the CRA states in Folio S1-F3-C2, paragraph 2.15 that the **T2091** (but not **T1255**) only needs to be filed if there is a gain after claiming the principal residence exemption of a 1994 capital gains election was made on the residence.

### New Rules Effective 2016

On October 3, 2016, *the Government announced* an administrative change to Canada Revenue Agency's reporting requirements for the sale of a *principal residence*.

When you sell your principal residence or when you are considered to have sold it, usually you do not have to report the sale on your income tax and benefit return and you do not have to pay tax on any gain from the sale. This is the case if you are eligible for the full income tax exemption (principal residence exemption) because the property was your principal residence for every year you owned it.

Starting with the 2016 tax year, individuals who sell their principal residence will be required to report basic information (date of acquisition, proceeds of disposition and description of the property) on Schedule 3, Capital Gains of the T1 Income Tax and Benefit Return. Reporting will be required for sales

that occur on or after January 1, 2016, to claim the full principal residence exemption.

The principal residence exemption is an income tax benefit that generally provides you an exemption from tax on the capital gain realized when you sell the property that is your principal residence. Generally, the exemption applies for each year the property is designated as your principal residence.

For the sale of a principal residence in 2016 or later tax years, CRA will only allow the principal residence exemption if you report the sale and designation of principal residence in your income tax return. If you forget to make a designation of principal residence in the year of the sale, it is very important to ask the CRA to amend your income tax and benefit return for that year. Under proposed changes, the CRA will be able to accept a late designation in certain circumstances, but a penalty may apply.

The penalty is the lesser of the following amounts:

1. \$8,000; or
2. \$100 for each complete month from the original due date to the date your request was made in a form satisfactory to the CRA.

For dispositions occurring during this communication period, including those that occur in the 2016 taxation year (generally for which the designation would be required to be made in tax filings due by late April 2017) the penalty for late-filing a principal residence designation will only be assessed in the most excessive cases.

If only a part of your home is used as your principal residence and you used the other part to earn or produce income, whether your entire home qualifies as a principal residence will depend on the circumstances.

It remains the CRA's practice to consider that the entire property retains its nature as a principal residence, where all of the following conditions are met:

- the income-producing use is secondary to the main use of the property as a residence;
- there is no structural change to the property; and
- no capital cost allowance (CCA) is claimed on the property.

*Continued on next page*

## Appendix J – Continued

# Principal Residence Exemption, Ban on Foreign Investment in Canadian Housing and Underused Housing Tax

If your situation does not meet all three of the conditions above, you may have to split the selling price and the adjusted cost base between the part you used for your principal residence and the part you used for other purposes (for example, rental or business). You can do this by using square metres or the number of rooms, as long as the split is reasonable. Instructions are provided in the guide **T4037, Capital Gains 2022**, on how to report the sale of your principal residence in this situation.

The new rules apply for deemed dispositions. A deemed disposition occurs when you are considered to have disposed of property, even though you did not actually sell it. For example, a deemed disposition will occur if there is a change in use of the property:

- You change all or part of your principal residence to a rental or business operation.
- You change your rental or business operation to a principal residence.

When you change the use of a property, you are generally considered to have sold the property at its fair market value and to have immediately reacquired the property for the same amount. You have to report the disposition (and designation) of your principal residence and/or the resulting capital gain or loss (in certain situations) in the year the change of use occurs.

If you sold your principal residence in 2016, we will need:

- Copy of sale agreement including lawyer's reporting letter, statement of adjustments, legal fees and real estate commissions;
- Original purchase agreement including lawyer's reporting letter, statement of adjustments, legal fees and land transfer taxes paid;
- Renovations made during the period of ownership.

Please also advise us if you owned any other principal residences during the period of ownership of the house or cottage that was sold in prior years if it was not reported.

### Ban on Foreign Investment in Canadian Housing

- As of January 1, 2025, non-Canadians will be prohibited from purchasing residential real estate in Canada for a period of two years.

- The prohibition will not apply to Canadian citizens, permanent residents of Canada, or companies incorporated in Canada that are not controlled by non-Canadians.
- People who have **knowingly** assisted in a contravention of the Act may be subject to monetary penalties.

### Underused Housing Tax

- The Underused Housing Tax (UHT) took effect on January 1, 2022 and applies to certain owners of vacant or underused residential properties in Canada, generally non-resident, non-Canadians
- The UHT is imposed on an annual basis at a rate of 1 % on the value of the property
- The 2025 Federal Budget proposed to eliminate the UHT as of the 2025 calendar year. As a result, no UHT would be payable and no UHT returns would be required to be filed in respect of the 2025 and subsequent calendar years.

### Flipped Property Rules

- Effective January 1, 2023
- Applies to Property that is:
  - A Housing Unit or a Right to Acquire a Housing Unit (Residential real estate).
  - Capital Property (excludes property held as inventory).
  - Located in Canada.
- Applies to individuals, trusts, partnerships, and corporations.
- Not limited to principal residence – can impact residential rental properties.
- Applies if you realize a gain on a property that was held less than 365 days, unless you meet one of the exceptions.
- If you have a right to acquire a housing unit, the 365 day holding period resets once you buy the property.
- The profit from the flipped property is fully taxable as business income, and does not qualify for 50% capital gain treatment, or the principal residence exemption.
- Also potential HST implications.
- Losses from flipped property deemed to be nil.

*Continued on next page*



## Appendix J – Continued

# Principal Residence Exemption, Ban on Foreign Investment in Canadian Housing and Underused Housing Tax

### Exceptions

- The death of the Taxpayer or person related to the Taxpayer.
- A related person joining the Taxpayer's household, or the Taxpayer joining a related person's household (i.e. birth of child, adoption, care of an elderly parent).
- Breakdown of marriage or common-law relationship (must be living separate and apart from spouse/partner for at least 90 days prior to the disposition).
- Safety threat (i.e. domestic violence).
- Serious illness or disability.
- Involuntary termination of employment (for Taxpayer or Taxpayer's spouse).
- Eligible relocation (Taxpayer or Taxpayer's spouse must move for work or school).
- Insolvency of the Taxpayer.
- Property destroyed to natural or man-made disaster.

### Principal Residence Exemption

- Exemption for tax on the **capital gain** arising from the disposition of your principal residence.
- Allows for exemption for the years it was your principal residence.
- Deemed to be business income and fully included in income.
- Formula is:  
 **$\frac{1 + \text{number of years the property was your P.R.}}{\text{number of years you owned the property}}$**
- 1 + not available for non-residents.
- If the flipped property rules apply, there is no capital gain.
- Also allows for partial exemption where a portion of the principal residence was used for other purposes (rental, business etc.).
- Disposition must be reported on Schedule 3 and exemption is calculated on Form **T2091** (Ind) (or **T1255** in the year of death).

- After 1981, only one principal residence designation can be made by a family unit. (the taxpayer, spouse and unmarried children under 18).
- Change in use may create a deemed disposition.

### Principal Residence

- Must report the sale of a Principal Residence since 2016.
- 152(4)(b.3) extends the normal reassessment period for an additional 3 years where the disposition is not reported.
- 152(4.01)(c) limits the additional reassessment period to matters relating to the unreported disposition.
- Late PR designation can be made up to 10 years from the end of the taxation year of the disposition.
- Penalty of lesser of \$8,000 or \$100 per month.
- Subsection 45(2) election can be filed to avoid the deemed disposition which permits the property to be designated as the owner's principal residence for up to 4 years during which it is not ordinarily inhabited.
- Subsection 45(2) election is due in the year of the change in use.

### Principal Residence Exemption (PRE) – Long Term Care

- If the owner's stay in a nursing home can be regarded as temporary, they may still inhabit the property.
- If the owner will permanently reside in long-term care, the former residence will no longer be inhabited so it cannot be designated as a principal residence, meaning that a portion of any gains on eventual sale will not be sheltered by the PRE.
- If the property is converted to a rental property, a deemed disposition occurs. A subsection 45(2) election should be filed and is due in the year the use changes.
- If the property can be designated as the owner's principal residence for sufficient years, any gains can be rendered nontaxable.

## Appendix K

# Investment Income, Expenses and Losses

### Statement of Investment Income

- Summary of any investment income, interest and dividends received from all Canadian and Foreign sources.
- Deduction of carrying charges (interest expense, legal fees, accounting fees, etc.) attributable to the earning of investment income.
- Watch out for 50% expense AMT limitation for certain carrying charges and interest expenses. May not flow directly to T691 unless inputted in the correct area in the investment schedule.

### Interest Deductibility

To be deductible:

1. Interest must be paid or payable pursuant to a legal obligation to pay interest; and
2. Interest must be on funds borrowed for the purpose of gaining or earning income from a business or property, or, an amount payable for property acquired for the purpose of gaining or producing income.

Non-deductible interest:

1. Terms of interest not clearly established;
2. Not used to earn income from business or property; and
3. Funds used to acquire deferred plans such as an RRSP, RPP, TFSA.

### Investment Management Fees

- Fees to manage investments.
- Investment advice.
- Cannot deduct:
  - management or administration fees for your RRSP, RPP, TFSA;
  - fees for safety deposit boxes;
  - subscriptions for financial magazines, newspapers or other publications;
  - brokerage or commission fees (these are generally capital in nature; and
  - tax preparation fees unless related to self-employment.

### Business Investment Losses

Only for arm's length dispositions of shares and debt of small business corporations or where investment is written off.

- To claim the loss, the corporation must have been a small business corporation within the prior 12 months.

Reduced by prior capital gains exemptions claimed since 1985.

- This converts a portion of the business investment loss back to an ordinary capital loss.

Loss on debt must be claimed at the end of the year the debt becomes bad.

Loss on shares can be claimed if, at the end of the year, the corporation is:

- Bankrupt, or
- Insolvent and
  - the corporation and all corporations it controls have ceased business;
  - the fair market value of the share is nil; and
  - it is reasonable to assume that corporation will be dissolved and not commence to carry on business.

In both cases must elect under S.50(1) in the return by attaching a signed letter to the return or mailing the election for e-filed returns.



# Appendix L

## Foreign Reporting

File from **T1135** if **cost** of specified foreign property exceeds \$100,000 at any time in the year.

Foreign property includes:

- Shares of foreign corporations
- Funds on deposit outside of Canada, i.e., foreign bank accounts
- Shares of Canadian corporations held outside of Canada
- Indebtedness owed by foreign persons
- Interests in foreign trusts
- Foreign mutual funds
- Precious metals held outside of Canada
- Funds on deposit outside of Canada, i.e., foreign bank accounts.

Foreign property does **not** include:

- Personal use property, e.g., Florida condo (50% use of personal)
- Foreign property held by RRSP, RRIF, TFSA or Canadian mutual fund
- Shares in foreign affiliates (file Form **T1134**)

### Changes to the T1135

The **T1135** was expanded in 2013.

- The name of each foreign bank account or investment must be listed.
- The specific country for that investment.
- The maximum cost in the year and cost at the end of the year.
- The income or loss for each investment.
- The capital gain or loss on disposition of the investment.

Attached schedules must use an identical format to the **T1135**. Individuals can **efile** the **T1135** for the 2015 year.

### US Social Security

- Per the Canadian/U.S. tax treaty, an individual does not have to pay Canadian income tax on their entire US Social Security (line 11500) (note Canada has treaties with many other countries as well).
- May claim an exemption on 15% of this income (line 25600).

- If a resident of Canada since before January 1, 1996 and received the Social Security benefit since before January 1, 1996, may claim an exemption on 50 percent of this income (line 25600).
- Federal foreign tax credit may be disallowed on US Social Security since only taxable in country of residence under the Treaty.

### Foreign Income Considerations

- A K-1 slip received from a US LLC or "S" Corporation is NOT considered to be partnership income.
- A US LLC or S Corp are corporations, so distributions are reported in Canada as foreign dividends. The income or loss on the K-1 slip should not be reported.
- May also be required to file form **T1134** for ownership in an LLC or S Corp.
- Possible **T1135** or **T1134** filings.
- Possible FAPI if Controlled Foreign Affiliate.
- Foreign tax paid may be eligible for a credit on form **T2209** (Ontario **T2036**).
- If foreign tax withheld is higher than the "Treaty rate", it will not be eligible for credit.
- Certain foreign tax in excess of Canadian tax may be deducted on line 23200 as a deduction under Subsection 20(11) or 20(12).

### Foreign Income Considerations Example

<b>Foreign Dividend</b>	<b>\$ 1,000</b>
Tax Withheld at 25%	\$ 250
Minus Treaty Rate at 15%	<u>\$ (150)</u>
<b>Lost Tax – recover on foreign return</b>	<b>\$ 100</b>
Tax needed for foreign tax credit	\$ (60)
<b>20(11) Deduction</b>	<b><u>\$ 90</u></b>



## Appendix M

# Support Payments

Must be periodic amounts paid pursuant to a written separation agreement or an order of a competent tribunal.

- Amounts paid prior to agreement signed may be deductible (in the year or immediately preceding year) if agreement refers to S.56.1(3) and 60.1(3).

Child support is any amount not identified as being support for spouse or common-law partner.

- Not deductible for new or modified agreements after April 1997;
- Child support considered to be paid prior to spousal support.

Late payments of support are deductible/taxable in the year paid.

Support payments (receipts) reduce (increase) earned income for RRSP purposes.

Register new or amended agreements with spousal support – **T1158** (mail separately from return).

### US Tax Treatment of Support

- Beginning January 1, 2019, alimony payments are not deductible by the payor spouse, or taxable to the recipient spouse, if made under a divorce or separation agreement made after December 31, 2018.
- CDN recipient spouse / US payor.
- Results in increased taxes as the CDN recipient pays tax on support and the US payor does not receive a deduction for the support paid.
- Result is increased taxes.
- Relief under the US-Canada Tax Convention. Article XVIII, paragraph 6.
- Allows CDN residents to exclude US alimony from CDN income if agreement originated in the USA.
- Cannot be deducted from US income.



## Appendix N

# Child Tax Benefits Information

### Maximum Canada Child Benefit

If your adjusted family net income (AFNI) is under \$36,502, you get the maximum payment for each child. It will not be reduced.

For each child:

- under 6 years of age: \$7,997 per year (\$666.41 per month);
- 6 to 17 years of age: \$6,748 per year (\$562.33 per month).

Examples:

- For a child turning 6 years of age in March 2026, you will be paid at the 6 years of age rate for the month of March and, at the 6 to 17 years of age rate for the month of April 2026.
- For a child turning 18 in December 2025, the last payment will be in December 2025 at the 6 to 17 years of age rate.

Payments are based on your adjusted family net income (AFNI).

Any reduction to the maximum benefit depends on your adjusted family net income and on the number of children.

Benefits gradually start decreasing when the adjusted family net income is over \$37,487.

The reduction is calculated as follows:

Number of Qualified Dependants	Adjusted Income	
	\$37,487 – \$81,222	Over \$81,222
1 child	7.0%	\$3,061 + 3.2% of income over threshold
2 children	13.5%	\$5,904 + 5.7% of income over threshold
3 children	19.0%	\$8,310 + 8.0% of income over threshold
4 or more children	23.0%	\$10,059 + 9.5% of income over threshold

### Ontario Child Benefit

- This is a non-taxable amount paid to help low- and modest-income families provide for their children. It is combined with the CCB into a single monthly payment.
- You may be entitled to a benefit of up to \$143.91 per month for each child under 18 years of age. If your adjusted family net income is over \$26,364, you may get part of the benefit.
- This program is fully funded by the Province of Ontario. For more information, go to Ontario Child Benefit on the Ontario Ministry of Children, Community and Social Services website.



## Appendix O

# Canada Pension Plan, Pension Income Splitting and US Social Security

Individuals between age 65 and 70 must pay CPP on salary or self-employed earnings regardless of whether they are receiving a CPP pension.

Employees can elect not to pay CPP by filing Form **CPT30** with the CRA and giving a copy to the employer.

- CPP contributions stop the month after filing the election.

Self-employed individuals can elect not to pay CPP by electing on Schedule 8 of the tax return.

If there is both employment and self-employed earnings then the election is made on Form **CPT30**. Only select on Schedule 8 if you want to elect an earlier date for self-employed earnings.

### Pension Splitting

- Form **T1032** Joint Election to Split Pension Income must be filed jointly with spouse or common-law partner.
- Form must be attached to both spouses returns.
- May split up to 50% of *eligible* pension income with your spouse.
- Transferor deducts split pension amount on line 21000 and the transferee adds it to income on line 11600.
- Consider all effects before splitting including OAS and CRB clawbacks.

### Eligible Pension Income

#### If over age 65:

- Payments from a registered pension plan.
- Annuity payments from an RRSP.
- Payments from a RRIF.
- Payments from a foreign registered pension plan or US Social Security.
- Certain payments from a. Retirement Compensation Arrangement (RCA).

#### The following are not eligible for pension splitting:

- C.P.P.
- O.A.S.
- Death Benefits
- Q.P.P.
- U.S. Individual Retirement Account
- C.P.P. can be split but only through having payments actually split. T1 reporting must be consistent with slips.

### Eligible Pension Income

#### If under age 65:

- Payments from a registered pension plan.
- Payments from a foreign registered pension plan or US Social Security.
- Annuity payments from an RRSP if due to the death of a spouse.
- Payments from a RRIF if due to the death of a spouse.

#### The following are not eligible for pension splitting:

- C.P.P.
- O.A.S.
- Death Benefits.
- Q.P.P.
- U.S. Individual Retirement Account.
- C.P.P. can be split but only through having payments actually split. T1 reporting must be consistent with slips.

### US Social Security

- Per the Canadian/U.S. tax treaty, an individual does not have to pay Canadian income tax on their entire US Social Security (line 11500) (note: Canada has treaties with many other countries as well).
- May claim an exemption on 15% of this income (line 25600).
- If a resident of Canada since before January 1, 1996 and received the Social Security benefit since before January 1, 1996, may claim an exemption of 50 percent of this income (line 25600).
- Federal foreign tax credit may be disallowed on US Social Security since only taxable in country of residence under the Treaty.

## Appendix P

# Ontario Trillium Benefits and Seniors' Tax Credits

Combines the following three credits and is paid monthly.

- Application is made on the tax return but payments are made monthly outside of the tax system.
- Must be resident of Ontario at the beginning of the month to qualify.

### 1. Ontario Sales Tax Credit

- Must be 19 years old to receive this.
- Apply if the individual was 19 before June 1, 2025.
- CRA determines entitlement based on GST/HST credit.

### 2. Ontario Energy and Property Tax Credit

- Must be 18 years old before June 1, 2025.
- Must be a resident of Ontario on December 31, 2025.
- Based on rent or property tax paid.
  - Rent paid to a long-term care home that does not pay municipal taxes will qualify for the Energy credit component. (If no breakdown received, the guide says to use 75% of amount paid.)

### 3. Northern Ontario Energy Credit

- Only for residents of northern Ontario.

Apply for last two components on Form **ON-BEN**.

### 4. Ontario Senior Homeowner's Property Tax Grant

- Up to a \$500 grant for property tax.
- Must be age 64 and own a residence on December 31, 2025.
- Based on 2024 property tax paid for 2024 grant.
- Apply for on Form **ON-BEN**.
- Paid approximately eight to ten weeks after *Notice of Assessment* received.

### 5. Ontario Seniors' Public Transit Tax Credit

- Be 65 years old or older on the last day of the previous tax year that you're claiming the credit.
- Live in Ontario by the end of that year.

For example, to qualify for the credit when you file your personal Income Tax and Benefit Return in 2026, you must be:

- 65 years or older on December 31<sup>st</sup>, 2025.
- A resident of Ontario on December 31<sup>st</sup>, 2025.

If you moved outside of Ontario before December 31, 2025, you wouldn't qualify for the tax credit.

You can claim up to \$3,000 in eligible public transit expenses and receive up to \$450 each year.

### 6. Seniors' Home Safety Tax Credit

The Seniors' Home Safety Tax Credit is a temporary, refundable personal income tax credit that can help you make your home safer and more accessible, helping you stay in your home longer.

The credit is available for the 2025 and 2026 tax years and is worth 25% of up to \$10,000 in eligible expenses per year for a senior's principal residence in Ontario.

Expenses must be paid or payable in 2025 and 2026. The maximum credit is \$2,500 per year.

#### Eligibility

##### *Who is Eligible*

You are eligible to claim the credit if you:

- are 65 or older by the end of the year, or
- live with a senior relative, or
- will live with a senior relative within 24 months after the end of the year.

##### *What is an Eligible Expense*

Renovation expenses are eligible if they improve safety and accessibility or help a senior be more functional or mobile at home, for example:

- Grab bars and related reinforcements around the toilet, tub and shower wheelchair ramps, stair/wheelchair lifts and elevators.
- Certain renovations to permit first floor occupancy or a secondary suite for a senior.
- Handrails in corridors.
- Walk-in bathtubs.
- Wheel-in showers.
- Comfort height toilets.
- Widening passage doors.
- Lowering existing counters/cupboards.
- Installing adjustable counters/cupboards.

*Continued on next page*



## Appendix P – *continued*

# Ontario Trillium Benefits and Seniors' Tax Credits

### *What is an Eligible Expense – continued*

- Light switches and electrical outlets placed in accessible locations.
- Door locks that are easy to operate.
- Lever handles on doors and taps, instead of knobs.
- Pull-out shelves under counters to enable work from a seated position.
- Non-slip flooring.
- A hand-held shower on an adjustable rod or high-low mounting brackets.
- Additional light fixtures throughout the home and exterior entrances.
- Swing clear hinges on doors to widen doorways.
- Creation of knee space under the basin to enable use from a seated position (and insulation of any hot-water pipes).
- Relocation of tap to front or side for easier access.
- Hands-free taps.
- Motion-activated lighting.
- Touch-and-release drawers and cupboards.
- Automatic garage door openers.

Expenses must be paid or payable in 2024 and 2025.

### *What is Not an Eligible Expense*

Examples of expenses that are not eligible for the credit include:

- Routine repairs, maintenance or service (for example, plumbing or electrical repairs).
- Esthetic improvements (for example, painting and landscaping).
- Appliances, furniture or devices (for example, lift chairs and medical alert devices).
- Services (for example, housekeeping, attendant care, or home security).

## Appendix Q

# Eligible Education School Supplies Tax Credits

### Eligible Educator School Supply Tax Credit

Eligible educator school supply tax credit

If you were an eligible educator, you can claim up to \$1,000 of eligible supplies expenses.

#### *Eligible Educator*

You are considered an eligible educator if, at any time during the 2025 tax year, both of the following conditions are met:

- You were employed in Canada as a teacher or an early childhood educator at an elementary or secondary school, or a regulated child care facility.
- You held a teaching certificate, licence, permit or diploma, or a certificate or diploma in early childhood education, which was valid and recognized in the province or territory in which you were employed.

#### *Eligible Supplies Expenses*

An eligible supplies expense is the amount that you paid in 2025 for teaching supplies that meet all of the following conditions:

- You bought the teaching supplies for teaching or facilitating students' learning.
- The teaching supplies were directly consumed or used in the performance of the duties of the eligible educator's employment.
- You were not entitled to a reimbursement, allowance or any other form of assistance for the expense (unless the amount is included in the calculation of your income from any tax year and is not deductible in the calculation of your taxable income).
- The eligible teaching supplies expense was not deducted from any person's income for any year or included in calculating a deduction from any person's tax payable for any year.

Teaching supplies are consumable supplies and prescribed durable goods. Durable goods are:

- books, games and puzzles
- containers (such as plastic boxes or banker boxes)
- educational support software
- calculators (including graphing calculators)
- external data storage devices
- web cams, microphones and headphones
- multimedia projectors
- wireless pointer devices
- electronic educational toys
- digital timers
- speakers
- video streaming devices
- printers
- laptop, desktop and tablet computers, provided that none of these items are made available to the eligible educator by their employer for use outside of the classroom.

Notes: Disposable masks that are not supplied by your school are considered consumable supplies if students are required to wear them in your classroom and all of the conditions above have been met.



## Appendix R

# RRSP and TFSA Contribution Limits

### RRSP

- 2025 RRSP limit – 18% of earned income to a maximum of \$32,490 (\$33,810 for 2026) minus any pension adjustments.
- Income required to contribute the maximum in 2025 – \$180,500 (2026 \$187,833).
- Maximum is indexed annually.
- Contributions made in the first 60 days of the year can be deducted in the previous taxation year.
- Unused contributions can be carried forward indefinitely.
- 1% per month penalty on over contributions greater than \$2,000.
- RRSP withdrawals are subject to tax withholdings.
- No tax withheld if form T3012A is completed.
- There may be special contributions in excess of the above limits:
  - lump sum transfers on death of a spouse;
  - retiring allowances; and
  - rollover from a Registered Pension Plan.
- Transfer from a Foreign Pension Plan.

### RRSP Unused Contribution

- May be able to withdraw unused contributions.
- Must be withdrawn from same plan.
- Form **T746**.

### RRSP Over Contributions

- May over contribute by \$2,000.
- Cannot deduct the \$2,000 over contribution.
- Penalty tax of 1% per month of the amount greater than \$2,000 that you have over contributed.
- Use Form **T1-OVP** to calculate penalty tax. This form is due no later than 90 days after the year end in which you have excess contributions.

### RRSP, Transfers and HBP

- Home Buyers Plan (HBP) – Withdraw up to \$60,000 (\$120,000 if both partners are eligible first time buyers) from your RRSP toward the purchase of a home.
- No withholding tax on withdrawal.
- Cannot use HBP if you have owned a home in the last 4 years. Must consider if spouse or common-law spouse has owned a property.
- Exceptions for a disabled person or their relative if the purpose is to enable to disable person to live in an accessible home.
- Must be repaid to your RRSP over 15 years, starting in the second year following the withdrawal.
- However, temporary repayment relief is available to defer the start of the 15-year repayment period. For participants making a first withdrawal between January 1, 2022, and December 31, 2025, the repayment period would start the fifth year following the first withdrawal.

### RRSP Contribution Limits

The indexed amount will not be less than the contribution limit for the preceding year.

Year	RRSP Contribution Limit	Earned Income Required in Prior Year
2016	25,370	140,944
2017	26,010	144,500
2018	26,230	145,722
2019	26,500	147,222
2020	27,230	151,278
2021	27,830	154,611
2022	29,210	162,278
2023	30,780	171,000
2024	31,560	175,333
2025	32,490	180,500
2026	33,810	187,833

Indexed Amounts for 2027 will be announced in the fall of 2026.

The indexed amount will not be less than the contribution limit for the preceding year.

*Continued on next page*



## Appendix R – *continued*

# RRSP and TFSA Contribution Limits

### TFSA Contribution Limits

Year	TFSA Contribution Limit
2009	5,000
2010	5,000
2011	5,000
2012	5,000
2013	5,500
2014	5,500
2015	10,000
2016	5,500
2017	5,500
2018	5,500
2019	6,000
2020	6,000
2021	6,000
2022	6,000
2023	6,500
2024	7,000
2025	7,000
2026	7,000
<b>Cumulative</b>	<b>109,000</b>

The 2026 TFSA annual contribution limit is \$7,000, which takes effect on January 1, 2026. This brings the total cumulative limit to \$109,000 for individuals who have been eligible since the program began in 2009. The limit applies to anyone 18 or older with a valid SIN.

### Key Details for 2026

- Annual Limit: \$7,000.
- Cumulative Limit (2009-2026): \$109,000.
- Withdrawals: Amounts withdrawn in 2026 can be re-contributed in 2026, in addition to the new \$7,000 limit.
- Overcontribution Penalty: Overcontributing can result in a penalty tax of 1% per month on the excess amount.
- Verification: It is recommended to check your CRA My Account, though it may not reflect 2025 transactions until April 2026.



## Appendix S

# Donations and Gifts

- Must be made to a registered charity.
- Credit calculated as:
  - 15% of donations up to \$200 (5.05% Ontario);
  - 33% of the lesser of (1) donations over \$200, and (2) taxable income over \$253,414; and
  - 29% of donations over \$200 not qualifying for the 33% tax rate (11.06% Ontario for all remaining donations).
- May contribute up to 75% of your net income, unused donations can be carried forward 5 years (10 years for ecological gifts after February 10, 2014).
- Up to 100% of a taxpayer's net income can be claimed as donations in the year of death and the year preceding death.
- Foreign donations are restricted to 75% of foreign net income (depending on applicable tax treaty).
- Gift of Certain Capital Property – Zero inclusion rate on capital gain, donation equal to FMV.



## Appendix T

# 2025 Personal Tax Rates

### Federal Rates

From	To	Rate	Tax at the Upper Range
-	57,375	14.5%	8,319
57,376	114,750	20.5%	20,081
114,751	177,882	26.0%	36,495
177,883	253,414	29.0%	58,399
Over 253,414		33.0%	Over \$58,399

### Ontario Personal Tax Rates

From	To	Rate	Tax at the Upper Range
-	52,886	5.05%	2,671
52,887	105,775	9.15%	7,510
105,776	150,000	11.16%	12,445
150,001	220,000	12.16%	20,957
Over 220,000+		13.16%	Over 20,957

### Ontario Surtax

On Ontario tax over	\$5,710	20%
Plus on Ontario Tax over	\$7,307	36%
Combined on Ontario tax over	\$7,307	56%

Federal bracket have increased due to indexing.

### 2025 Combined Personal Tax Rate

From	To	Tax at the Upper Range on Regular Income*	Marginal Rate			
			Regular Income	Capital Gain	Eligible Dividend	Non-Eligible
-	52,886	7,357	19.55%	9.78%	(7.55%)	8.66%
52,887	57,375	8,418	23.65%	11.83%	(1.89%)	13.38%
57,376	93,132	19,020	29.65%	14.83%	6.39%	20.28%
93,133	105,775	23,000	31.48%	15.74%	8.92%	22.38%
105,776	109,727	24,339	33.89%	16.95%	12.24%	25.16%
109,728	114,750	26,217	37.91%	18.96%	17.79%	29.78%
114,751	150,000	41,518	43.41%	21.70%	25.38%	36.10%
150,001	177,882	54,056	44.97%	22.48%	27.53%	37.90%
177,883	220,000	74,523	48.28%	24.14%	32.10%	41.71%
220,001	253,414	91,282	49.84%	24.92%	34.25%	43.50%
253,414+		88,978+	53.53%	26.76%	39.34%	47.74%

**Note:** After deduction of federal basic personal credit of \$16,129 (reduced to \$14,538 for income above \$253,414) and Ontario basic personal credit of \$12,747. Ignores Ontario Health Premium. No change in maximum tax rates from 2024.



## Appendix U

### Non-Refundable Tax Credits for 2025

<b>Non-Refundable Tax Credit</b>	<b>Federal</b>	<b>Ontario</b>
Basic personal amount ( <b>net income greater than \$253,414</b> )	14,538	12,747
Basic personal amount ( <b>net income less than \$177,882</b> )	16,129	12,747
Spouse / equivalent-to-spouse ( <b>net income greater than \$253,414</b> )	14,538	10,823
– eliminated when spousal/dependent income exceeds	14,538	11,905
Spouse / equivalent-to-spouse ( <b>net income less than \$177,882</b> )	16,129	10,823
– eliminated when spousal/dependent income exceeds	16,129	11,905
Canada Caregiver Credit – infirm dependents (spouse if spouse amount is claimed eligible dependent, if eligible dependent amount is claimed, child <18y)	2,687	–
Canada Caregiver Credit – infirm dependents (i.e. parents/grandparents, siblings, aunts/uncles, nieces/nephews, adult children)	8,601	6,008
– eliminated when the infirm dependent's income exceeds	28,798	26,562
Age amount (65+ years of age)	9,028	6,223
– eliminated when income exceeds	105,709	87,817
Eligible Adoption expenses – maximum per child	19,580	15,551
Pension credit – maximum	2,000	1,762
Employment amount	1,471	–
Disability amount	10,138	10,298
Disability – supplement if <18	5,914	6,007
Disability – reduced when total childcare and attendant care expenses claimed for this taxpayer by anyone exceed	3,464	3,518
Disability – eliminated when above expenses exceed	9,378	9,525
Medical expense tax credit	2,834	2,885
Medical expense tax credit – 3% of net income ceiling	94,433	96,167
<b>OAS clawback threshold (repay 15% of the excess over this amount)</b>	<b>93,454</b>	–
Tuition transfer – maximum	5,000	–
<b>Capital gains exemption</b>	<b>1,250,000</b>	–

*Continued on next page*

## Appendix U – *continued*

# Non-Refundable Tax Credits for 2025

### Schedule 1: Non-Refundable Tax Credits

- Tax credits are non-refundable if the taxpayer has no income tax payable before the credit, they cannot be claimed.
- Certain tax credits if not used, such as tuition tax credit and the charitable donations tax credit can be carried forward.
- Taxpayers receive a federal tax credit for 15% of the total of all non-refundable tax credits that apply to them (Ontario credit is 5.05%).
- Federal amount of the non-refundable tax credits differs from the provincial amounts.

### Other Non-Refundable Tax Credits

- CPP, QPP, EI
- Tuition amount (Federal credit only).
- Tuition amount transferred from a child (max. \$5,000).
- Interest paid on student loans.
- Home accessibility credit (\$20,000 Federal).
- Amounts transferred from your spouse or common-law partner.
- Home Buyers credit.

### Schedule 5: Amounts for Spouse or Common-Law Partner and Dependents

- If your spouse or common-law partner does not need all of his or her tax credit to reduce their taxes to nil, then certain tax credits can be transferred to the other spouse:
  - Canada caregiver amount for infirm child under 18 at the end of the year;
  - Age credit;
  - Disability credit.

### Schedule 6: Canada Workers Benefit

- The Canada Workers Benefit (CWB) is a refundable tax credit intended to supplement the earnings of low-income workers.
- 2 CWB credits available:
  - Basic CWB;
  - CWB Disability Supplement.
- If you are entitled to receive CWB, you will get up to 50% of your CWB in advanced payments, referred to as the **Advanced Canada Workers Benefit (ACWB)**.

- To be eligible to receive CWB, you must meet all of the following conditions:
  - A resident of Canada throughout the year,
  - Earned working income (employment income, self employment income, tax-exempt working income) and your net income is below the threshold set for your province or territory of residence,
  - 19 years or older at the end of the year.

### Schedule 6: Basic CWB

- The Basic CWB can be claimed by individuals **with or without** an eligible dependent or spouse.
- Basic CWB of 27% for every dollar earned of family net income over \$3,000.
- For families (with eligible dependent or spouse) –
  - Begins to be phased out starting with net income greater than \$29,833 and is eliminated at net income of \$49,393. Maximum benefit \$2,813;
  - Only one spouse can claim the basic CWB.
- Single individual (without eligible dependent or spouse) –
  - Begins to be phased out starting with net income greater than \$26,149 and is eliminated at net income of \$37,744, Maximum benefit \$1,633.

### Schedule 6: CWB Disability Supplement

- If you are eligible for the Disability Tax Credit (DTC), there is an additional supplement added to the credit.
- This is further increased if **both you and your spouse** are eligible for the DTC.
- Supplement of 27% for every dollar earned of net income over \$1,150. Maximum supplementary benefit for **both families and single individuals** of \$843.
- The disability supplement is completely phased out at the following thresholds:
  - You claim DTC and **do not** have an eligible spouse/dependent – \$43,360;
  - You claim DTC and have an eligible spouse/dependent – \$55,009;
  - You and your spouse claim DTC – \$60,629.

## Appendix U – *continued*

### Non-Refundable Tax Credits for 2025

#### Schedule 6: Advanced Canada Workers Benefit (ACWB)

- Must be filled out if you or your spouse received an RC210 slip (Step 4 on Schedule 6).
- This slip means the CWB was paid in advance to you during the taxation year.
- The lesser of the RC210 slip and the amount calculated on Schedule 6 is entered on line 41500 of your return.
- Must complete Step 4 on this form regardless of whether you are claiming the basic CWB or CWB disability supplement if you received an RC210 slip.

#### Schedule 11: Canada Training Credit

- The Canada Training Credit (CTC) is a refundable tax credit available to help Canadians with the cost of eligible training fees.
- In order to claim the CTC, you must meet all 6 of the following conditions:
  - File an income tax and benefit return for the year;
  - Your **Canada Training Credit Limit (CTCL)** is more than zero (amount can be found on your last notice of assessment);
  - You were a resident of Canada throughout the year;
  - Tuition or other fees were paid to an eligible educational institution for courses that you took in the year;
  - The tuition and fees are otherwise eligible for the existing tuition tax credit;
  - You were at least 26 years old and less than 66 years old at the end of the year.
- Amount you can claim for the CTC is the lesser of the following:
  - Your CTCL for the year; or
  - 50% of the eligible tuition and other fees paid to an eligible educational institution (or fees paid to certain bodies for an occupational, trade or professional exam taken in the year).
- Each year, the CRA will review the criteria and increase your CTCL by \$250 if you have filed an income tax return and qualify, up to a maximum of \$5,000 in a lifetime.

## Appendix W

### CEBA Loan Repayment Extension

- The CEBA loan program provided interest-free, partially forgivable loans of up to \$60,000.
- The repayment deadline for CEBA loans in order to qualify for partial loan forgiveness of up to 33% was extended from December 31st, 2023 to January 18th, 2024.
- If the CEBA loan holder made a refinancing application with their CEBA loan institution by January 18th, 2024, the repayment deadline to qualify for partial loan forgiveness was further extended until March 28th, 2024.
- As of January 19th, 2024, all CEBA loans (including those who refinanced) will convert to a 3 year term loan, subject to interest at 5% per year, due December 31st, 2026 (extended from December 31st, 2025). Required to make monthly payments to cover interest, but principal not due until December 31, 2026.

# Appendix X

## General Information on Income Tax Return Filing

### You must file an income tax return if:

- You have taxes payable;
- You or your spouse are entitled to Canada Child Benefit;
- You applied and received the Canada Workers Benefit;
- You disposed of capital property or had a capital gain in the year;
- You have to repay some or all OAS benefits;
- You have to repay some or all EI benefits;
- You have not repaid all of your RRSP Home Buyers Plan or Lifelong Learning Plan;
- You have self employment net income greater than \$3,500 and owe CPP;
- You ceased to be a Canadian resident;
- You have received a demand to file;
- You have elected to split pension income;
- You elect to pay EI on self-employed earnings (Schedule 13); and
- To recover an overpayment of income taxes withheld.

### You may want to file an income tax return if:

- You are entitled to a refund of tax withheld;
- You want to claim refundable tax credits (CCB, GST/HST credit, WITB, Property Tax Credit etc.);
- You were a student who had excess tuition, and education amounts;
- You have earned income that will increase your RRSP contribution room;
- You are receiving GIS;
- You have investment tax credits;
- You have a capital or non-capital loss in the year.

### Section 216 Tax Return:

- Filed by a non-resident earning rental income in Canada.
- Allows the rental income to be taxed on the net rental income at the graduated tax rates rather than withholding on the gross rental income.
- If an NR6 was filed, the 216 return MUST be filed no later than June 30th.
- If no NR6 is filed, you have 2 years to file.
- If not filed by the above due dates, the gross income is subject to 25% withholding.

### Payments and Due Dates

- Filing due date is normally April 30 of the following year, however, if you are self-employed, the due date is June 15th of the following year.

- All taxes are due by April 30 of the following year.
- All elections and foreign reporting forms (if applicable) are also due on the filing due date.
- Instalments must be paid in the following year if taxes owing are greater than \$3,000 in the current year and either of the two prior years.
- Instalments are due March 15, June 15, September 15, and December 15 (except **T1134**).

### Due Dates

- **T1135** – Due with the return. Filed separately.
- **T1134**
- 10 months after year end (except T1134)

### Electronic Filing

- Returns may be filed by mail or electronically.
- Tax Preparers are subject to **Mandatory** Electronic Filing.
- There are penalties to Tax Preparers for paper filing E-file eligible returns.
- Certain returns are not eligible for E-filing.
- Elections must be filed in paper form.
- **T1135** and **T1134** forms are E-filed separately.
- Certain other forms must be filed in paper form.

### Electronic Filing Exclusions

- Taxpayer is a deemed resident
- Taxpayer's SIN begins with a "0".
- Taxpayer is coded bankrupt.
- Taxpayer is an emigrant or a non-resident.
- Taxpayer's address is outside of Canada.
- Taxpayer dies prior to the current year.

### Penalties

- Penalty for late filed returns is 5% of the balance due plus 1% per month for a maximum of 12 months (17% in total).
- Second occurrence of late filed return doubles the penalty to 10% of taxes due plus 2% per month to a maximum of 20 months (50% in total).
- Penalty for repeated failure to report income is the lesser of 10% of the unreported amount or half the amount of a gross negligence penalty. (Also a 10% provincial penalty).
- Gross Negligence – 50% of the tax avoided or benefit improperly claimed.
- Interest is charged on the balance due at the prescribed rate, plus 4%, 3% after June 30.
- For 2025, the prescribed quarterly rates were 8%, 8%, 7% and 7% respectively.

## Appendix Y

# Capital Gains (or Losses)

### Schedule 3: Summary of Dispositions – Capital Gains (or Losses)

- 50% of a capital gain is included in income as a taxable capital gain.
- Generally, capital losses can only be applied against capital gains and can be carried back three years and carried forward indefinitely.
- In the year of death (and 1 prior year), capital losses can be applied against other income. This is reduced by prior claims of the lifetime capital gains exemption.
- You must report the sale of your principal residence and you must complete Form **T2091** (IND).
- In the year of death, you are deemed to have disposed of your principal residence and must report it on Form **T1255**.
- A gain on the donation of publicly listed securities to a registered charity results in a 0% inclusion rate for the capital gain. This must be reported on form **T1170**.
- Life time capital gains exemption (“LCGE”) on qualified small business shares is \$1,250,000 (2025). Complete form **T657**.
- LCGE on qualified farm and fishing property is \$1,250,000. Also reported on form **T657**.
- Valuation Day-ACB of assets owned on December 31, 1971.
- Confirm if a 1994 Capital Gains Election was filed.
- LCGE was to increase to \$1,250,000 after June 24, 2024.
- For the gain on sale of shares to be considered Qualified Small Business Shares (QSBC) and eligible for the Capital Gains Exemption, they must meet three tests:
  - Ownership Test;
  - 50% Test;
  - 90% Test.
- Other factors effecting the claim are:
  - CNIL balance;
  - Prior ABIL claims.
- Change in use of a property may cause a deemed disposition at fair market value. (Consider filing a subsection 45(2) or 45(3) election).
- 45(2) is for a change from Principal residence to rental property. The election deems the change in use not to occur. Must be filed in the year the use changes.
- 45(3) is for a change from rental property to Principal residence. Election is filed in the year of sale.
- Superficial losses are not deductible.
- A superficial loss may result when, the property which is sold at a loss, is reacquired within 30 days of the disposal.
- Transfer of capital property to an RRSP or TFSA will be considered a disposal. Any gain will be subject to tax. A loss will be treated as a superficial loss.
- Personal Use Property (“PUP”) is property owned primarily for personal use and enjoyment such as a cottage, boat or car.
- Listed Personal Property (“LPP”) is personal use property consisting of one of the following:
  - Print, etching, drawing, painting, sculpture or similar work of art;
  - Jewellery;
  - Rare folio, rare manuscript or rare book;
  - A stamp; or
  - A coin.
- The ACB and Proceeds of PUP and LPP are always deemed to be \$1,000 therefore there will be no taxable gain unless the proceeds are greater than \$1,000.
- Capital losses from the disposal of PUP are not deductible against any other gains (including other PUP gains).
- Capital gains reserve can be claimed when the proceeds from the disposition of a capital item are not all received in the same year, for example, a vendor take back mortgage. (for calculation of reserve see paragraph 40(1)(a)(iii) of the Act).
- Capital losses from the disposal of LPP can only be deducted from capital gains arising from the disposal of other LPP.
- Reserve is available only if proceeds are not due.
- Reserve is calculated on form **T2017**.

## Appendix Y – *continued*

# Capital Gains (or Losses)

- Reserve is 5 years on all property or 10 years on QSBC shares.
- Cannot claim CGE on increase due to reserve.
- Consider whether to bring a reserve into income to preserve the 50% inclusion rate.

### QSBC Shares

#### Ownership Test

- Throughout the 24 months prior to the sale, the shares were not owned by anyone other than the taxpayer or someone related.
- Be careful on shares issued from Treasury.

#### 50% Test

- Throughout the 24 months prior to the sale, 50% of the FMV of assets were used in an active business carried on in Canada.

#### 90% Test

- On the date of the sale, 90% of the FMV of assets were used in an active business carried on in Canada.

### Allowable Business Investment Loss

- Loss on disposal of a share or a debt owed to you by a small business corporation:
  - To a person with whom you deal at arm's length, or
  - Because the corporation has become formally bankrupt or insolvent; or
  - The debt is uncollectible.
- 50% / 66.67% of the loss is deductible from all other sources of income in the year.
- ABIL may be carried forward 10 years.
- After 10 years, ABIL becomes a capital loss.
- CRA generally questions all ABIL claims.

### Issues

- Was loan advanced to earn income?
- Was debt uncollectible (50(1) election)?
- Was it a small business corporation in the past 12 months?

# Appendix Z

## Crypto-Asset Reporting

### Overview

- With the increase in cryptocurrencies (e.g., Bitcoin, Ethereum) and other digital assets in recent years, there has been a greater emphasis from CRA to ensure that the transactions are being properly reported on T1 returns.
- The CRA treats crypto-asset transactions as taxable events, and the way these transactions are reported depends on whether they are considered capital transactions or business income.

### What is a Crypto-Asset

- Crypto-assets are digital assets that exist on a cryptographically secured distributed ledger. The most common examples are cryptocurrencies, but the term also includes tokens and non-fungible tokens (NFTs).

### When Must Crypto-Asset Transactions be Reported?

- You must report crypto-asset transactions on your T1 return whenever you have a “disposition” of a crypto-asset. A disposition occurs when you:
  - Sell crypto-assets for fiat currency (e.g., Canadian dollars);
  - Trade/exchange one crypto-asset for another;
  - Use crypto-assets to purchase goods or services;
  - Transfer ownership of crypto-assets (including gifts);
  - Redeem or convert crypto-assets in a way that changes your ownership or rights.

### How Are Crypto-Asset Transactions Taxed?

- **Capital Gains or Losses:** If your crypto-asset activities are considered investment (i.e., not part of a business), gains or losses from dispositions are treated as capital gains or losses.
- **Business Income or Loss:** If your activities are considered a business (e.g., frequent trading, mining, or operating a crypto-asset business), 100% of the income is taxable as business income, and losses may be deductible against other income.

### Where to Report on the T1 Return?

- **Capital Gains or Losses:** Use T1 Schedule 3, section “Crypto-assets” to report capital gains or losses from crypto-asset transactions..
- **Business Income or Loss:** If your crypto-asset activities are a business, report the income and expenses on form T2125 (Statement of Business or Professional Activities).

### Record Keeping Requirements

- You should keep detailed records of all crypto-asset transactions, including:
  - Date and time of each transaction;
  - Number and type of units involved;
  - Value in Canadian dollars at the time of each transaction;
  - Description of the transaction and the other party (even if only a wallet address);
  - Wallet addresses used;
  - Beginning and ending balances for each crypto-asset for each year
- These records are essential for supporting the amounts reported on your tax return and for audit purposes

## Appendix AA

# Alternative Minimum Tax (AMT)

### Form T691 -Alternative Minimum Tax (AMT)

- **Alternative Minimum Tax (AMT)** is a parallel tax calculation designed to ensure that high-income individuals and certain trusts pay at least a minimum amount of tax, even if they are able to significantly reduce their regular tax liability through the use of various deductions, exemptions and credits.
- AMT is designed to prevent situations where high-income taxpayers could pay little or no tax by taking advantage of preferential tax items such as the lifetime capital gains exemption or deductions related to tax shelters. Since 2024, large charitable donations have been targeted.
- Taxpayers will owe AMT if the tax calculated under the AMT is greater than the tax calculated under the regular income tax rules. There is a federal AMT and provincial AMT.
- Applies to individuals and trusts NOT to corporations.
- Does not apply to partnerships but applies to partners of partnerships (i.e. partnerships don't help).
- AMT can be carried forward seven years:
  - It cannot be carried back;
  - Can only be applied on the difference between the basic federal tax and the minimum amount in future years.
- AMT does not apply in the following situations:
  - Year of Death;
  - Year of Personal Bankruptcy;
  - Graduated Rate Estate.
- In 2024, there were significant AMT changes that helped lower-income taxpayers but detrimental to higher income taxpayers:
  - AMT exemption was increased from \$40,000 to first dollar amount referred to in the fourth income tax bracket (\$177,882 for 2025);
  - AMT rate was increased from 15% to 20.5%;
  - Inclusion rates for the calculation of Adjusted Taxable Income changed:
    - 100% of capital gains (previously 80%),
    - 30% of capital gains on donations of publicly listed securities (previously 0%),
    - 100% of employee stock option benefits (previously 80%),
    - 50% deduction for various expenses such as employment, moving, childcare, interest and carrying charges, loss carryovers, etc. (previously 100%).

### Calculation Considerations

AMT is calculated as follows (no change to this formula):

$$A \times (B - C) - D$$

- Is the appropriate percentage – Now 20.5%.
- Individual's adjusted taxable income (as determined by AMT adjustments)
- Basic AMT exemption – 2025 – \$177,882 (will change annually to the first dollar amount referred to in the fourth income tax bracket. This will change with the annual indexation of brackets).
- Individual's total non-refundable tax credits (excluding donations) x 50%; plus 80% of the donation credit.

The exemption is available to individuals and qualified disability trusts.

There is NO exemption for any other trust.

### Provincial Component – Ontario

- Provincial AMT is a percentage of Federal.
- There is no separate calculation for Ontario.
- Ontario rate is 24.63% of Federal tax rate (20.5%) = 5.05%.
  - Ontario Surtax (56%) is ON TOP of the Provincial AMT calculated above.
  - Therefore, real AMT rate provincially is 5.05% plus 56% of 5.05% = 7.88%.
  - Combined AMT in Ontario is 20.5 + 7.88 = 28.38%.
  - AMT calculation is based on the total Ontario income tax including surtax.
  - This is a significant exposure.
  - Surtax on AMT is often not considered.

# Appendix AB

## Social Benefits Repayments

### Clawback of Old Age Security

For the 2025 tax year, Canadians with a net income exceeding \$93,454 (for the July 2025 to June 2026 period) must repay a portion of their Old Age Security.

(OAS) pension through a 15% recovery tax (clawback). The full benefit is typically lost at incomes over ~\$152,062\* (age 65-74). Repayments are calculated on line 42200 and deducted on line 23500 of the tax return.

### Key 2025 Social Benefits Repayment Details:

- **OAS Recovery Threshold:** The 2025 clawback begins when your net income exceeds \$93,454, with full repayment required at incomes around \$152,062\* (age 65–74) or \$157,923 (age 75+).
- **Calculation:** If your income is above the threshold, 15% of the excess amount is repayable.
- **Recovery Period:** The 2025 income, reported on the 2026 tax return, triggers the recovery tax for payments made from July 2026 to June 2027.
- **Other Repayments:** You may also need to repay portions of Employment Insurance (EI) benefits or Net Federal Supplements.
- **Repayment Method:** If you owe a recovery tax, it is deducted from future OAS payments. If you have already paid back excess benefits directly, you can claim a deduction on line 23200.

### How to Handle Repayments:

- **Form T1213(OAS):** If your income was high in 2025 but will be significantly lower in 2026, you can submit this form to the CRA to reduce the recovery tax deducted at source.
- **Line 23500:** Use the Federal Worksheet to calculate your repayment and enter it here.
- **Line 42200:** Report the final social benefits repayment amount here.

### Clawback of Employment Insurance

For the 2025 - \$82,125; 2026 - \$86,125 tax year, individuals with a net income exceeding \$86,125 may be required to repay a portion of their Employment Insurance (EI) benefits. The repayment applies to regular benefits, including fishing benefits, if the net income exceeds this threshold, with a 30% rate applied to the excess amount.

- **Threshold Amount:** \$86,125 net income (for the 2025 tax year).
- **Repayment Rate:** 30% of the lesser of:
  - The total regular EI benefits received in 2025; OR
  - The amount by which the 2025 net income exceeds \$86,125.
- **Exemptions:** Special benefits (maternity, sickness, parental, or compassionate care) are generally not subject to this clawback.
- **Repayment Mechanism:** The repayment is calculated on your T4E slip and reported on your 2025 income tax return.

**Note:** The 2025 threshold for EI clawback is \$86,125, which is distinct from the 2025 Old Age Security (OAS) recovery tax threshold.

\* \$152,062 <https://www.canada.ca/en/services/benefits/publicpensions/old-age-security/recovery-tax.html>



## Appendix AC

### Leaving Canada (Emigrants)

Emigrating from Canada requires notifying the Canada Revenue Agency (CRA) of your departure date, determining residency status, and filing a final tax return. Key issues include a “deemed disposition” (departure tax) on worldwide assets, potential Part XIII tax on Canadian-source income, and the need to file Form T1161 for specific property.

#### Key Canadian Emigrant Tax Issues:

- **Deemed Disposition (Departure Tax):** Upon leaving, you are considered to have sold most types of property at fair market value (FMV) and reacquired them immediately, triggering potential capital gains tax on accrued gains, even if the assets were not actually sold.
- **Exemptions:** Principal residences, RRSPs, RRIFs, TFSAs, RESPs, and Canadian business/real property are generally exempt from this deemed disposition.
- **Reporting Requirements:** You must file a final tax return for the part of the year you were a resident. If the total value of your property exceeds \$25,000, you must file Form T1161.
- **Non-Resident Tax:** After leaving, you generally only pay Canadian tax on income from Canadian sources (e.g., rental income, certain dividends), often subject to Part XIII withholding tax.
- **Residency Ties:** You must cut significant residential ties (home, spouse, personal property) to be considered a non-resident; failing to do so may result in being taxed on worldwide income as a “factual resident”.
- **Consequences of Non-Compliance:** Incorrectly filing or failing to notify the CRA can lead to severe penalties, interest, and reassessments of prior tax years.

#### Actions for Emigrants:

1. **Determine Residency:** Use Form NR73 to get an opinion on your status.
2. **Notify Institutions:** Inform banks and payers of your non-resident status to ensure correct tax withholding.
3. **Plan for Liquidity:** Prepare for the departure tax liability, which may require liquidating assets or arranging for security with the CRA.
4. **Consider Tax Treaty:** Review tax treaties between Canada and your new country of residence to avoid double taxation.

## Appendix AD

### Personal Support Workers Tax Credit

If you are a personal support worker (PSW), you may be aware that the 2025 federal budget announced a new PSW tax credit. For 2026 to 2030, the new temporary PSW tax credit will provide an eligible PSW working for an eligible health care establishment with a refundable tax credit of 5% of eligible earnings, up to a maximum of \$1,100. Note that this credit is not available for the 2025 taxation year.