

TAX GUIDE

SAVINGS FOR YOU AND YOUR FAMILY



CLAIM ALL YOUR SAVINGS THIS TAX SEASON!

REMINDER: The Liberal government has burdened you with new taxes and taken away existing savings that helped you and your family. Use this guide to make sure you benefit from those that remain.

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A MESSAGE FROM COLIN OSHAWA'S MEMBER OF PARLIAMENT

Canada's Conservatives have always been a strong voice for taxpayers — in government and in Opposition. As a government, we built an impressive record of keeping taxes low — saving the average Canadian family over \$6,600 per year.

Lately, though, my Opposition colleagues and I have noticed an alarming trend: While Canadians tell us they're getting by each month, it's becoming more and more difficult for many to really get ahead.

The Prime Minister and his Liberal government have nearly blown our previous Conservative government's low-tax record. Liberal high tax and spend policies are threatening our prosperity. **In fact, more than 80% of Oshawa's middle-income families are paying \$800 more in taxes since the Liberals came to power in 2015.**

As income tax season approaches, it's so important that you and your spouse or family receive all the benefits for which you qualify. Please read through this *Tax Guide* carefully to help find your tax savings. Many of these savings were created by our previous Conservative government.

Remember: As your Member of Parliament, my door is always open to you. Feel free to get in touch with my office about any federal matter.

Please stay in touch with me online at colincarriemp.ca, by telephone at **905.440.4868**, in person at **57 Simcoe St S** (Lord Simcoe Place), or through any of social media channels **@ColinCarrieCPC**.

Most sincerely,



**Keep your receipts for tax purposes when
you see this symbol!**



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SAVINGS FOR ALL CANADIANS

The previous Conservative government succeeded in reducing the tax burden on Canadians to the lowest point in half a century. We did this by removing one million Canadians from tax rolls, increasing the amount of dollars Canadians could earn tax free, and cutting the personal income tax rate to 15%. Unfortunately, the Liberal government has made life more expensive for hard-working Canadians by hiking taxes.

Here is a list of some tax benefits that you may still claim:

Goods and Services Tax (GST) Credit

Four times a year, this tax-free payment helps individuals and families with modest incomes offset all or part of the GST that they pay.

If you have a spouse or common-law partner, just one of you can receive this credit. When you file your 2018 tax return, CRA will determine your eligibility and will advise those who are eligible to receive the credit.

Medical Expense Deductions

This credit applies to a number of eligible expenses – from home care services, to laser eye surgery, to orthopedics. The previous Conservative government expanded the deduction itself, as well as the list of expenses, to include costs associated with certain types of service animals (e.g. diabetes alert dogs). The amount you can claim is the total of your expenses, minus approximately \$2,300 (the amount will be announced by CRA very soon) or 3% of the claimant's income (whichever is less). There is no limit on the amount of eligible expenses a taxpayer can claim for himself or herself, a spouse or common-law partner, or a child under 18.

Cross-Border Savings

It is imperative to Canadian families and our economy that the border between Canada and our largest trading partner, the United States of America, remain as efficient as possible. That's why the previous Conservative government increased the personal tax exemption limits for Canadian travellers.

Residents returning to Canada after being out of the country for at least 24 hours are exempt from paying duties and taxes on up to \$200 of goods purchased abroad. The exemption limit for those returning after at least 48 hours is \$800. Plus, Canadians can also rent a vehicle in the United States and bring it over the border into Canada. Taxes will be eliminated on these vehicles for Canadians who have been outside Canada for at least 48 hours.

SAVINGS FOR OSHAWA FAMILIES

Conservatives have always worked hard to keep taxes low for families. We introduced tax credits for children's sports and arts activities, as well as tax credits for education expenses including textbooks: the very same tax credits that the Liberal government cancelled.

Here is a list of some tax benefits that you may still claim:

Child Care Expense Deductions

You can claim payments that you have made to someone who has looked after your child while you either earned an income from employment, operated a business alone or as an active partner, attended school or conducted research.

The previous Conservative government increased the dollar limits that parents can claim up to \$8,000 per child who is under the age of seven, and up to \$5,000 for each child aged between 7 to 16 (and for infirm children over the age of 16), and \$10,000 to \$11,000 for any children who are eligible for the Disability Tax Credit.

Caregiver Amount & Family Caregiver Tax Credit

You can claim a maximum amount of \$6,986 under the Caregiver Amount if at any time in 2018 you (either alone or with another person) maintained a residence where you and the eligible dependent you supported lived (a spouse or common-law partner is not considered your dependent for this purpose).

The previous Conservative government created the Family Caregiver Tax Credit to allow individuals supporting infirm dependents to claim an enhanced amount under other dependency related credits. The Family Caregiver Tax Credit is a 15% credit on an amount of \$2,182.

Child Disability Benefit

To recognize the additional costs that can add up when it comes to caring for a child with a severe disability, families can continue to claim the Child Disability Benefit. It is an amount of up to \$2,771 per eligible child.

Registered Disability Savings Plan

The previous Conservative government introduced the Registered Disability Savings Plan (RDSP) to ensure long-term financial security for Canadians and families who are dealing with severe disability. Over the years, we have also made a number of enhancements. In particular, the Plan now ensures that long-term financial security is provided to children whose parents are no longer able to provide support.

Adoption Expense Tax Credit

This credit is a 15% non-refundable tax credit that allows adoptive parents to claim eligible adoption expenses relating to the completed adoption of a child under the age of 18. The previous Conservative government created this initiative and increased the maximum amount of eligible expenses up to \$15,000 per child, indexed to inflation.

SAVINGS FOR OSHAWA'S SENIORS

Conservatives have always worked hard to provide tax relief to seniors. We delivered a number of tax-saving initiatives to help seniors keep more of their hard-earned money in their pockets. Unfortunately, the Liberal government's tax increases have made life more expensive for seniors.

Here is a list of some tax benefits that you may still claim:

Home Accessibility Tax Credit

Seniors and persons with disabilities who are eligible for the Disability Tax Credit are considered qualified for this tax relief of 15 per cent on up to \$10,000 in eligible expenses, delivered by the previous Conservative government. To be eligible, expenses must be incurred in relation to a renovation allowing for better mobility and functionality, or reducing the risk of harm.

Doubling the Pension Income Amount

Years ago, a non-refundable pension income credit was introduced to apply to the first \$1,000 of eligible pension income. A lot has changed since then, which is why the previous Conservative government increased the maximum amount of eligible pension income that can be claimed to \$2,000. This results in even more savings that will make a real difference for pensioners.

Increasing the Age Amount

While in government, Conservatives increased the Age Amount by \$2,000 to help low and middle-income seniors keep more money to meet their needs. Based on these increases and adjustments for inflation, the Age Amount allows seniors to claim up to approximately \$7,250 on their 2018 tax return, depending on the individual's net income. (The exact amount will be published by CRA soon.)

Pension Income Splitting

The previous Conservative government introduced pension income splitting to help ease the tax burden and deliver fairness for Canadian pensioners.

Generally, each individual Canadian pays taxes on their full income earned. Pension income splitting allows any Canadian resident who receives qualifying pension income to allocate to their spouse (or common-law partner), with whom they reside, up to one-half of that income. By doing so, a pensioner and their family can dramatically reduce their tax load.

Increasing the Age Limit for Converting RRSPs to RRIFs

Registered Retirement Savings Plans (RRSPs) provide one of the best opportunities for Canadians to save for the future. Since RRSP contributions are not taxable below your RRSP deduction limit, they are an ideal way to plan for retirement. However, some Canadians have been restricted by the way RRSPs are structured. Even though they chose to work past 69 years of age, it was a requirement to convert their RRSP into a Registered Retirement Income Fund (RRIF) and begin making withdrawals.

The previous Conservative government increased the age limit for converting RRSPs to RRIFs from 69 to 71. Now, more Canadians have the freedom to choose when they convert their RRSPs.



SAVINGS FOR WORKING CANADIANS

Conservatives have always worked hard to keep taxes low for hard-working Canadians. We know that local business owners are the backbone of Canada's economy. That's why we successfully reduced red tape and made it more affordable for businesses to hire more workers. Unfortunately, the Liberal government can't control their spending habits and are forcing all Canadians to pay the bill.

Here is a list of some tax benefits that you may still claim:

The Working Income Tax Benefit (WITB) — renamed the *Canada Workers Benefit*

This benefit is a refundable tax credit delivered by the previous Conservative government that supplements the earnings of low-income workers to ensure they aren't penalized for getting a job. For those low-income working Canadians with a disability who face even larger barriers to workforce participation, the WITB provides an additional disability supplement. For 2019, the WITB was renamed the Canada Workers Benefit, but the benefits are similar.

Canada Employment Amount

The Canada Employment Amount provides most employees of the public and private sector (excluding the self-employed) with help to offset the cost of work-related expenses such as home computers, uniforms and supplies. If you qualify for this amount, you can claim up to approximately \$1,180 on your 2018 tax return. (The exact amount will be published by CRA soon.)

Apprenticeship Job Creation Tax Credit

Employers who employ an eligible apprentice in a skilled trade in the first two years of an apprenticeship contract (registered with the federal, provincial, or territorial government) can be eligible to receive a non-refundable tax credit equivalent to 10% of the salaries and wages paid to the apprentice. Introduced by the previous Conservative government, this can translate into tax savings for an employer of up to \$2,000 per eligible apprentice. Visit online for more information at red-seal.ca.

Lower Taxes for Local Business Owners, Farmers and Fishers

When ownership of a family farm, local business, or fishing enterprise passes from one generation to the next, the properties – or shares – are subject to a Capital Gains Tax. Previously, the first \$500,000 of the value was tax-free.

The previous Conservative government increased this exemption to \$800,000. And for the 2018 tax year, as it is indexed for inflation, the exemption has increased again to approximately \$850,000. We went on to increase the limit to \$1 million for owners of farm and fishing businesses. (The exact amount will be published by CRA shortly)

Eligible Educator School Supply Tax Credit

Eligible educators can claim a 15% refundable tax credit on up to \$1,000 of supply purchases per year. Some examples include flashcards, arts supplies, writing materials, books for the classroom and more.



Volunteer Firefighters' Tax Credit

This is a 15% non-refundable tax credit based on an amount of \$3,000 for volunteer firefighters who perform at least 200 hours of service per year. Delivered by the previous Conservative government, the option to claim the exempt amount of up to \$1,000 for honoraria will remain in lieu of the credit, if desired.

Search and Rescue Volunteer Tax Credit

This is a 15% non-refundable tax credit based on an amount of \$3,000 to acknowledge the valuable contributions of ground, air and marine search and rescue volunteers, who perform at least 200 hours of service per year. Delivered by the previous Conservative government, the option to claim the exempt amount of up to \$1,000 for honoraria will remain in lieu of the credit, if desired.

Tradespersons' Tools Deduction

This tax deduction on tools, delivered by the previous Conservative government, helps those tradespeople who often must pay for their work expenses up front out of their own pockets.

Meal Expenses for Long-Haul Truck Drivers

The Canadian tax system generally limits business-related meal, entertainment, and other expenses to be deductible only up to 50%. The previous Conservative government raised the deductible portion of meal expenses for long-haul truck drivers to 80%.

Lowering of the Small Business Tax Rate

In 2015, the previous Conservative government introduced a tax measure to lower the small business tax rate from 10.5% to 9% by 2019. Despite campaigning to also lower the rate during the last election, the Liberals ultimately went back on their promise and tried to cancel the reduction after forming government.

Thanks to pressure from Canada's Conservatives and outrage from Canada's small business community, they eventually backed down. A reduced small business tax rate of 9% is now in effect for 2019.

SAVINGS FOR HOME BUYERS

Conservatives have always worked hard to keep taxes low for home buyers. As a government, we delivered tax credits that allowed families to save on home renovations, and initiatives that allowed Canadians to save for a down payment – providing help with one of the costliest aspects of buying a home. Unfortunately, the Liberal government has introduced new tax hikes and changed mortgage rules, which have made buying a home for the first time more challenging.

Here is a list of some tax benefits that you may still claim:

First-Time Home Buyers' Tax Credit

The credit, delivered by the previous Conservative government, allows first-time home buyers to claim an amount of \$5,000 on qualifying homes purchased. It's also available to those who are not first-time home buyers but who are eligible for the Disability Tax Credit (DTC) when they purchase a more accessible or functional home.

Home Buyers' Plan

Under the Home Buyers' Plan, the previous Conservative government raised the amount Canadians can withdraw from their Registered Retirement Savings Plans (RRSP) for a down payment on their first home. We increased the maximum withdrawal amount to \$25,000.

AND THIS YEAR...

CANADIANS ARE PAYING

**MORE
TAX**



“92% of middle-class families face tax hikes of over \$2,200 beginning in 2019: Fraser Institute”

- The Toronto Sun, January 11, 2018

CANADIAN SENIORS

Carbon Tax

Seniors will be forced to pay the full price of the Liberal Carbon Tax when it kicks in this year. It starts at \$20 a tonne, going up to \$50 a tonne in 2022. By then, it could cost seniors up to \$1,000. But that's just the beginning. Internal government documents show that the carbon tax will have to go much higher. In fact, \$300 per tonne is needed to meet the government's targets. This could push the costs up to \$2,820 to \$5,834 per household.

All the while, the average heavy emitter will get 90% of their pollution for free. It's not an environmental policy. It's a scheme to make seniors pay more tax. The Prime Minister may think an extra \$100 a month on a grocery or gas bill is no big deal, but for seniors on a fixed income, it matters.



Tax-Free Savings Accounts

The Liberal government clawed the maximum contribution amount back down to \$5,500.

ROLLED BACK

Disability Tax Credit

The Liberal government has made it more difficult for Canadians to prove their eligibility for this tax credit.

CANADIAN FAMILIES

Carbon Tax

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Children's Fitness Tax Credit and Children's Arts Tax Credit

SCRAPPED

The Liberal government took away the tax credit you used to be able to claim for your children's sports and arts programs.



Family Tax Cut [Income Splitting]

SCRAPPED

The Liberal government scrapped this initiative which would have provided \$2,000 in tax relief for couples with children under the age of 18.

Beer, Wine and Spirits Excise Tax

The Liberal government implemented an escalator tax of 1.5% on beer, wine and spirits. That tax is expected to rise to 2.2% on April 1, 2019.

Health and Dental Benefits Tax

The Liberal government proposed to tax your employee paid health and dental benefits. However, they backed down thanks to pressure from Canada's Conservatives. But there is nothing stopping them from trying again.

Education Tax Credit and Textbook Tax Credit

SCRAPPED

The Liberal government axed help for students by scrapping these tax credits.

Tax-Free Savings Accounts

ROLLED BACK

The Liberal government clawed the maximum contribution amount back down to \$5,500.

CPP Tax Hike

The Liberal government's plan is to raise the rate 0.5% every year until it reaches 11.9% in 2023. As a result, 92.2% of all Canadian families, on average, will pay \$2,218 more after the CPP payroll tax changes are implemented.

Public Transit Tax Credit

CUT

The Liberal government cut this tax credit that helped commuters save 15% on the costs of public transit.



WORKING CANADIANS



Public Transit Tax Credit **CUT**

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Hiring Credit for Small Business **SCRAPPED**

The Liberal government scrapped this tax-saving initiative which delivered up to \$1,000 in reimbursement on EI premiums.

EI Premium Rate Hike

The Liberal government announced the new increase to \$1.66, meaning workers and businesses will pay more.

Income Splitting for Business

The Liberal government has made the rules more complicated for business owners that employ family members.

Health and Dental Benefits Tax

The Liberal government proposed to tax your employee paid health and dental benefits. However, they backed down thanks to pressure from Canada's Conservatives. But there is nothing stopping them from trying again.

Employee Discounts

The Liberal government proposed to tax your employee discounts. However, they backed down thanks to pressure from Canada's Conservatives. But there is nothing stopping them from trying again.

Passive Income Tax

The Liberal government has promised a tax on passive "investment" income of up to 73%.





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QUESTIONS?

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