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TAX Talk 2017

(RRSP) Registered Retirement Saving Plan



.Your Maximum RRSP Limit for 2016 is \$25,370 or 18% of your last year earned Income, whichever is less. Anyone with RRSP contribution room can contribute to an RRSP, up to and including the year that the contributor turns 71 years of age.

- Consider Self-directed RRSP for greater Flexibility.
- Create potential pension income for your spouse by contributing to spousal RRSP
- Consider filing tax returns for children or other low- income earners to create contribution room that can be used in the future.

(TFSA) Tax Free Saving Account



Contributions to a TFSA are not deductible for income tax purposes. However, any amount contributed as well as any income generated in the account (for example, investment income and capital gains) is generally tax-free, even when it is withdrawn. You will accumulate TFSA contribution room for each year even if you do not file an income tax and benefit return or open a TFSA.

The annual TFSA dollar limit for the years 2009, 2010, 2011 and 2012 was \$5,000.

The annual TFSA dollar limit for the years 2013 and 2014 was \$5,500.

The annual TFSA dollar limit for the year 2015 was \$10,000.

The annual TFSA dollar limit for the year 2016 is \$5,500.

The TFSA annual room limit will be indexed to inflation and rounded to the nearest \$500.

Investment income earned by, and changes in the value of TFSA investments will not affect your TFSA contribution room for the current or future years.

Charitable Donations



The Maximum amount of donations you can claim a year is 75% of your net income. You can combine your receipts with your spouse's receipts and have only one person claim the entire charitable donations amount in order to maximize the amount subject to the higher tax credit rate.

With the introduction in 2016 of the new high tax bracket of 33% on taxable income over \$200,000, a third donation tax credit rate of 33% will be implemented. It will apply to charitable gifts over \$200 to the extent that you have been taxed at the new 33% rate.

If you don't have income that falls into the 33% tax bracket, the tax credit that will apply to your donations over \$200 will be 29%.

First time Donor's Credit

First time Donor's Super Credit to encourage new donors to give to charity. This credit will increase the value of the federal charitable donations tax credit by 25 percentage points.

- Donors will receive a 40% credit for donations of \$200
- A 54% credit for the portion of donations over \$200 but not exceeding \$1000.
- It will cost you only \$389 for \$1000 Donation Receipts
- This credit can be claimed once from the 2013-2017 taxation years

Political contributions

Only individuals can make these donations, and only to a maximum of \$1,525 in 2016.

- 75% of your contribution up to \$400,
- 50% of the next \$350, and
- 33-1/3% of the last \$525 (but see maximum).

The maximum credit is \$650.

Spread your contributions over two year to get the maximum benefit instead of making in one



Public Transit Tax Credit



Transit users can claim a non-refundable tax credit of 15% of the cost of their monthly or yearly public transit passes ($\$1557 \times 15\% = \233.55). This credit is for the cost of eligible travel on a local bus, streetcar, subway, train, bus or ferry. It can be claimed by you, your spouse or common-law partner for eligible transit costs incurred by you, your spouse or common-law partner and any dependent children under 19 years of age.

The following types of public transit passes are eligible for the tax credit.

1. Monthly (or longer) transit passes for unlimited travel within Canada on local buses, streetcars, subways, commuter trains or buses and local ferries.
2. Shorter duration passes
 - each pass must allow unlimited travel for at least 5 uninterrupted days
 - Buy enough passes for unlimited travel for a minimum of 20 days in any 28- day period
3. Electronic payment card if it is used to make at least 32 one-way trips during an uninterrupted period no longer than 31 days. The payment card must be issued by a public transit authority that tracks the usage and cost of the card and issues a receipt.

Teacher and Early Childhood Educator School Supply Tax Credit



Budget 2016 proposes to introduce a teacher and early childhood educator school supply tax credit for 2016 and subsequent taxation years. This measure will allow an employee who is an eligible educator to claim a 15% refundable tax credit based on an amount of up to \$1,000 of purchases of eligible teaching supplies by the employee in a taxation year.



TAXES



Children's Arts and Fitness Tax Credit



The children's fitness tax credit allows you to claim eligible fees paid in the year for registration or membership for your or your spouse's or common-law partner's child in a prescribed program of physical activity, up to a maximum of \$500 per child. The fees for programs like ballet, hockey and soccer are eligible for this credit.

The children's arts tax credit is a non-refundable tax credit that allows you to claim eligible fees paid in the year up to a maximum of \$250 for the cost of registration or membership of your or your spouse's or common-law partner's child in a prescribed program such as fine arts, music, performing arts, wilderness training, language training, studying a culture and tutoring.

Child Care Expenses

Parents can claim \$8000 per child under the age of Seven and \$5000 for each child aged seven through 16 and \$11000 for the children who are eligible for the Disability Tax Credit. Child care expenses include, baby-sitting, day nursery services, day camps, boarding schools and camps

In most cases, child care expenses for an eligible child must be claimed by the parent with the lower net income for tax purposes. If the parents are separated and share custody, sometimes each parent may claim a portion of the child care costs.

Tuition Fee Amount & Scholarship and Bursary Exemption

If you are enrolled in full-time studies you can claim an education amount equal to \$400.00 per whole or part month that you are enrolled in a qualifying educational program. If you are a part-time student you may be eligible to claim the part-time amount equal to \$120.00 for each whole or part month in the year.





Medical Expenses



Because of the threshold of 3% of net income, you should combine all of your family's medical expenses on one return. It is normally better for the lower-income spouse to make the claim. When claiming medical expenses you can pick any 12-month period ending in the year.

The list of eligible medical expenses is extensive and includes:

- payments to medical practitioners, dentists or nurses, or to public or licensed private hospitals in respect of medical or dental services;
- additional costs related to the purchase of non-gluten food products;
- expenses paid for training courses for a tax payer or a related person in respect of the care of a person with a mental or physical impairment, who lives with or is a dependant of the taxpayer;
- cost of purchased or leased products, equipment or devices that provide relief, assistance or treatment for any illness;
- premiums paid to private health insurance plans;
- expenses incurred after 2013 for specially trained service animals that assist individuals with severe diabetes;
- remuneration for tutoring persons with learning disabilities, or other mental impairments, if the need for such services is certified by a medical practitioner; and reasonable supplemental expenses for the construction or renovation of a residence to enable a person with a serious, prolonged handicap to have access to this residence, to move about therein and to carry out activities of daily living.

(HATC)

Home Accessibility Tax Credit



Beginning with the 2016 tax year, there is a new non-refundable tax credit on up to \$10,000 of eligible expenditures (for a maximum credit of \$1,500) to renovate a home to make it more accessible, or to improve mobility within the home, for seniors 65 and over who are entitled to claim the Disability Tax Credit.

Pension Income splitting

Income splitting is a strategy whereby couples move income from a spouse in a higher tax bracket to a spouse that is in a lower tax bracket

Individuals who are 65 years of age or older can allocate for tax purposes up to a maximum of 50% of the annual income received from a lifetime annuity, registered pension plan, RRSP annuity, registered retirement income fund (RRIF) or deferred profit sharing plan annuity to a spouse. Although the actual income is still received by the individual, the splitting for tax purposes is done via the tax return. The receiving spouse is not required to be 65 years of age or older to receive an allocation, and the amount allocated can be changed each year for the benefit of the couple.

The following amounts received by the pensioner are not eligible for pension income splitting:

- old age security payments;
- Canada Pension Plan
- any foreign source pension income that is tax-free in Canada
- income from a United States individual retirement account

Principal Residence

Starting with the 2016 taxation year, if you sell your principal residence, you will be required to report certain information on your income tax return for the sale to be tax-free.



First Time Home Buyers Tax Credit



The First-time Home Buyers Tax Credit was introduced as part of Canada's Economic Action Plan to assist Canadians in purchasing their first home. It is designed to help recover closing costs such as legal expenses, inspections, and land transfer taxes.

The Home Buyers Tax Credit, at current taxation rates, works out to a rebate of \$750 for all first-time buyers. After you buy your first home, the credit must be claimed within the year of purchase and it is non-refundable. In addition, the home you purchase must be a qualified home. If you are purchasing a home with a spouse, partner or friend, the combined claim cannot exceed \$750.

Home Buyer Plan

(maximum RRSP Withdrawal \$25000 For First Time Home Buyers)

For many first-time home buyers or builders, saving for a down payment can be the most challenging part. To help individuals saving for their first big purchase, they can withdraw from their RRSP up to \$25000 per partner.

Benefits To Self Employed

Trade-persons Deduction For Tools



The Income Tax Act allows trade-persons to deduct the first \$500 in excess of \$1,000 of eligible tools (including sales taxes). An eligible tool includes a tool:

- Acquired after May 2, 2006 for use in connection with employment as a trades person;
- not been used for any purpose before it is acquired by the taxpayer;
- indicated as required in for T2200, and
- not an electronic communication device or electronic data processing equipment.

Thus the cost that exceeds \$1,000 of blow dryers or other tools required may be deducted to a maximum of \$500.

Volunteer Firefighter Tax Credit



You can claim \$3,000 for the volunteer firefighters' amount (VFA) or the search and rescue volunteers' amount (SRVA), but not both, if you meet the following conditions:

- you were a volunteer firefighter or a search and rescue volunteer during the year; and
- You should have completed at least 200 hours of eligible volunteer firefighting services or eligible search and rescue volunteer services in the year.

Apprenticeship Job Creation Tax Credit

Employers who employ an eligible apprentice in a skilled trade in the first two years of an apprenticeship contract can be eligible for this credit.

The Apprenticeship Job Creation Tax Credit (AJCTC) is a non-refundable tax credit equal to 10% of the eligible salaries and wages payable to eligible apprentices in respect of employment after May 1, 2006. The maximum credit an employer can claim is \$2,000 per year for each eligible apprentice. If your business hires an eligible apprentice, you qualify to claim the credit.

Small Business Job Credit



The Small Business Job Credit is a two-year measure that will help small businesses by lowering their Employment Insurance (EI) premiums from the current legislated rate of \$1.88 to \$1.60 per \$100 of insurable earnings in 2015 and 2016. Any firm that pays employer EI premiums equal to or less than \$15,000 in those years will be eligible for the credit.

The Canada Revenue Agency will automatically calculate the credit and no paperwork for you. ;The credit will not be carried forward. You will receive a refund by direct deposit (if you've signed up for it) or mailed cheque less any outstanding amounts on your account.

Meal Expenses Of Long Haul Truck Drivers



Meal and beverage expenses of long-haul truck drivers are deductible at a higher rate than the 50% . During eligible travel periods in 2016, meal and beverage expenses are deductible at 80%.



Protect you and your business

Life insurance is truly a miracle for it delivers cash when you need it most.

Reasons why you need Life insurance:

- To protect your family and loved ones.
- To pay off debts and other expenses
 - Take care of business
 - Funeral expenses
 - Leave an inheritance
- Add more financial security
- Supplement retirement
 - Peace of mind
 - Key-man Insurance



**LIFE INSURANCE
MORTGAGE INSURANCE
LINE OF CREDIT INSURANCE
FUNERAL EXPENSE**

Do you have Mortgage Insurance or Line of Credit Insurance with a BANK?

COMPARE & SAVE UP TO 50% ... LOWEST RATES GUARANTEED!

10 YEAR TERM <small>(Renewable and Convertible)</small>	Male		MONTHLY PREMIUMS			Female		
	Age	\$100K	\$250K	\$500K	Age	\$100K	\$250K	\$500K
	35	11	12	18	35	9	11	15
45	14	23	33	45	12	16	23	
50	18	32	52	50	15	23	36	
55	25	51	88	55	21	36	61	
60	41	86	159	60	28	59	110	

WHOLE LIFE 20 PAY <small>Pay for 20 years only and you are guaranteed covered for life with cash values)</small>	Male		MONTHLY PREMIUMS			Female		
	Age	\$50K	\$100K	\$250K	Age	\$50K	\$100K	\$250K
	35	58	98	208	35	49	82	171
45	87	15	335	45	72	132	268	
50	104	179	432	50	89	159	340	
55	426	221	539	55	108	187	432	
60	141	262	643	60	125	231	559	

Final Expense/ Funeral Expense Plan	MONTHLY PREMIUMS				Female			
	Age	\$15K	\$25K	\$50K	Age	\$15K	\$25K	\$50K
	55	32	50	88	55	27	42	74
	60	40	63	117	60	33	50	91
	65	53	85	162	65	42	64	121
	70	70	110	212	70	56	85	164
75	103	156	306	75	79	128	246	

CRITICAL ILLNESS INSURANCE (25 illnesses covered)

Term 10 <small>Pays you a lump sum benefit, after you have been diagnosed with any one of the illnesses such as Heart attack, Cancer, Stroke ...</small>	Male		MONTHLY PREMIUMS			Female		
	Age	\$25K	\$50K	\$100K	Age	\$25K	\$50K	\$100K
	40	118	30	46	40	18	32	48
	45	23	41	64	45	23	40	64
	50	33	60	97	50	29	52	86
	55	51	98	160	55	41	78	134
60	76	147	251	60	57	113	184	

Above rates are based on a preferred plus non-smoker status.

Also Available! Life insurance without medical examination !!!

We also offer: Term 15, 20, 25, 30, 40 & Term 100 ,
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Travel Insurance , Super Visa Insurance , RRSP & RESP.

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