



TAX GUIDE

SAVING YOU MORE

Read this guide before completing
your 2023 tax return!



CHRIS WARKENTIN

MP | GRANDE PRAIRIE—MACKENZIE



A Message from Your Member of Parliament

After eight years of Justin Trudeau everything feels broken: debt is up, taxes are up, driving up the cost of everything and leaving Canadians with less money in their pockets.

Millions of Canadians are feeling the pinch of inflation in their daily lives. Families and seniors are falling behind, while the Trudeau government and its NDP allies do nothing to give them a much-needed break.

It's simple, we can't afford more of the tax-and-spend agenda of the Liberals that is fueling the cost-of-living crisis.

Conservatives will always be the voice of Canadians struggling with the cost-of-living crisis. We will continue to vote against any new tax increases to keep more money in your pocket. We have a real plan to make life better for Canadians. We will axe the tax, build the homes, fix the budget and stop the crime.

Conservatives are committed to supporting Canadians, especially as income tax season approaches. With family budgets stretched thin and many Canadians facing financial challenges, it is crucial that you access all the benefits you qualify for. Take a look at this Tax Guide to find possible tax savings, including initiatives introduced by the previous Conservative government.

Please feel free to contact my office with any questions you may have.

Sincerely,

Chris Warkentin, MP
Grande Prairie-Mackenzie

Contact the Canada Revenue Agency at 1-800-267-6999 or visit www.canada.ca/en/revenue-agency for more information. All models depicted in this publication were chosen for illustrative purposes only.



Savings for All Canadians

Goods and Services Tax (GST) Credit	4
Medical Expense Deductions	4
Carbon Tax	4
Canada Training Credit	4



Savings for Families

Child Care Expense Deductions	5
Canada Caregiver Credit	5
The Disability Tax Credit	5
Child Disability Benefit	5
Registered Disability Savings Plan	7
Adoption Expense Tax Credit	7
Multigenerational Home Renovation Tax Credit	7
Tax-Free First Home Savings Account	7
Increase to the First-Time Home Buyers' Tax Credit	7



Savings for Seniors

Home Accessibility Tax Credit	8
Doubling the Pension Income Amount	8
Increasing the Age Amount	8
Pension Income-Splitting	8
Increasing the Age Limit for Converting RRSPs to RRIFs	10



Savings for Working Canadians

Canada Workers Benefit	10
Canada Employment Amount	10
Apprenticeship Job Creation Tax Credit	11
Lower Taxes for Local Business Owners, Farmers and Fishermen	11
Eligible Educator School Supply Tax Credit	11
Firefighters' and Search and Rescue Volunteers' Tax Credit	11
Tradespersons' Tools Deduction	11
Meal Expenses of Long-Haul Truck Drivers	11
Lowering of the Small Business Tax Rate	13
Labour Mobility Expense Deduction	13



Higher Taxes for All Canadians

Carbon Tax	13
CPP Tax Hike	14
Beer, Wine and Spirit Excise Tax	14
Employee Discounts Failed Attempt	14
Hiring Credit for Small Business Scrapped	14
EI Premium Rate Hike	14
Revised Alternative Minimum Tax	14
Income-Splitting for Family Businesses Rolled Back	14
Passive Income Tax Failed Attempt	15

ADDITIONAL COMPLIANCE OBLIGATIONS

New Reporting Requirements for Some Trusts	15
Higher Interest Rates for Late Taxes	15



Notes	15
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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.

Here is a list of some tax benefits you can 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 they pay.

If you have a spouse or common-law partner, only one of you can receive this credit. When you file your 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, 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 \$2,635 for 2023, \$2,759 for 2024, 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.

Carbon Tax

When the Liberals introduced their carbon tax, they promised Canadians that they would get more back from their carbon tax rebate than what they paid in the carbon tax. The independent Parliamentary Budget Officer confirmed what Canadians already know. You pay more in the carbon tax than you get back in the rebate. The rebate is paid in equal quarterly payments in January, April, July, and October. Conservatives will axe the carbon tax so you keep more of your hard-earned money.

Canada Training Credit

The Canada Training Credit (CTC) is available for eligible tuition and other fees paid for courses taken in 2020 and subsequent tax years. Beginning with the 2019 tax year, an eligible individual can accumulate \$250 in each year toward their CTC limit, up to a maximum of \$5,000 in a lifetime, which can be accessed to help cover up to half of eligible tuition and fees associated with training. Note that it is only available for individuals between the ages of 26 and 65 who are Canadian residents, with income between \$10,000 and the top of the third tax bracket, and for eligible courses. Contact CRA to check eligibility.

SAVINGS FOR FAMILIES



Conservatives have always worked hard to keep taxes low for families. We introduced tax credits for children's sports and arts activities, and tax credits for education expenses including textbooks. Unfortunately, these credits were cancelled by the Liberal government.

Here is a list of some tax benefits you can claim:

Child Care Expense Deductions

You can claim payments 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, up to \$5,000 for each child aged 7 to 16 (and for infirm children over the age of 16), and \$11,000 for any children who are eligible for the Disability Tax Credit.

Canada Caregiver Credit

You can claim \$2,499 on your 2023 tax return under the Canada Caregiver Credit if you support a spouse, a common-law partner or a dependent with a physical or mental impairment.

If you are eligible for the Canada caregiver amount for your spouse or common-law partner, or an eligible dependant 18 years of age or older, and their net income is less than \$26,782, you may be able to claim an additional amount up to a maximum of \$7,999.

Disability Tax Benefit

This non-refundable tax credit, in some cases, may be claimed by a person with severe and prolonged impairment, or their caregiver. Where eligibility is approved, the federal amount in 2023 for an adult over 18 is \$9,428. For a child, the total amount is \$14,928.

Child Disability Benefit

If your child is eligible for the disability tax credit, they may also be eligible for the Child Disability Benefit in recognition of the additional costs that can add up when caring for a child with a severe disability. It is an amount of up to \$3,173 per eligible child.



Claim childcare
expenses up to

\$8,000

(for children under
the age of seven)

Claim adoption
expenses up to

\$18,210

Claim home
care services,
laser eye
surgery,
orthopedics,
and more

SAVINGS FOR FAMILIES (cont'd)



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. A grant from the Canada Disability Savings Grant may also be available, and for low and modest income individuals, the Canada Disability Savings Bond may apply.

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. For the 2023 tax year, the maximum claim for each child is \$18,210.

Multigenerational Home Renovation Tax Credit

Many older adults would like to stay in their own home and live as independently as possible. For some families, a home may be renovated to create a “granny suite,” or an area within the home of adult children where an elderly parent can live. This is one type of situation where the proposed Multigenerational Home Renovation Tax Credit (MHRTC) could help.

The MHRTC is a refundable credit available to assist with the cost of renovating an eligible dwelling to establish a secondary unit that enables a qualifying senior or adult to live with a qualifying relation. The MHRTC is calculated as 15% of eligible expenses for a qualifying renovation, to an upper limit of \$50,000. Only one qualifying renovation is permitted during the lifetime of a qualifying individual.

Tax-Free First Home Savings Account

The Tax-Free First Home Savings Account offers prospective first-time home buyers the ability to save \$40,000 tax-free. Like registered retirement savings plans (RRSP), contributions to an FHSA would be tax deductible. Like tax-free savings accounts (TFSA), income and gains inside an FHSA as well as withdrawals would be tax-free. You are allowed to contribute a total of \$8,000 annually, up to a maximum account value of \$40,000 total.

Increase to the First-Time Home Buyers' Tax Credit

There is currently a non-refundable tax credit available to first-time home buyers of \$10,000 for the purchase of a qualifying home in 2023 or later, which provides tax relief at 15% or \$1,500.



SAVINGS FOR SENIORS

Conservatives have always worked hard to provide tax relief to seniors. We delivered tax-saving initiatives to help seniors keep more of their hard-earned money.

Here is a list of some tax benefits you can claim:

Home Accessibility Tax Credit

While in Government, Conservatives introduced the Home Accessibility Tax Credit. Seniors and persons with disabilities who are eligible for the Disability Tax Credit can qualify for tax relief of 15% on up to \$20,000 in eligible expenses. 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

The previous Conservative government doubled the maximum amount of eligible pension income that can be claimed from \$1,000 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 also increased the Age Amount by \$2,000 to help low and middle-income seniors. Based on these increases and adjustments for inflation, in 2023 the Age Amount allows seniors to claim up to \$8,396 on their 2023 tax return, depending on the individual's net income.

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.



**Pension
income-splitting**

helps ease the
tax burden

Keep more of your hard-
earned money with the
Increased Age Amount

Save on
renovations,
allowing for better
mobility, with the
**Home
Accessibility
Tax Credit**



SAVINGS FOR SENIORS (cont'd)

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 below your RRSP deduction limit are not taxable, 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 were forced to begin making taxable 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

Conservative MPs 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.

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

Canada Workers Benefit

This benefit, introduced by the previous Conservative government in 2007, is a refundable tax credit that supplements the earnings of low-income workers to ensure they aren't penalized for getting a job. The Liberal government has since renamed and expanded the benefit. For 2023-24 this Benefit will provide up to \$1,518 in total for eligible single workers, and up to \$2,616 for an eligible family.

Low-income working Canadians with a disability who face even larger barriers to workforce participation may qualify for an additional supplement.

Canada Employment Amount

The Canada Employment Amount provides most employees (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 \$1,368 on your 2023 tax return.

Apprenticeship Job Creation Tax Credit

Businesses 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) may 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 could translate into tax savings for an employer of up to \$2,000 per eligible apprentice.

Lower Taxes for Local Business Owners, Farmers and Fishermen

When an owner 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.

The previous Conservative government increased this exemption from \$500,000 to \$800,000 and indexed it to inflation (the lifetime capital gains exemption limit is \$971,190 for the 2023 tax year). Additionally, Conservatives previously increased the limit specifically for farm and fishing businesses to \$1 million. Conservative Bill C-208, passed in the last Parliament, has made it easier for family-owned businesses and farms to be passed down to children or grandchildren.

Eligible Educator School Supply Tax Credit

Eligible educators can claim a 25% refundable tax credit on up to \$1,000 of eligible supplies purchased in a taxation year. Some examples include flashcards, art supplies, writing materials, books for the classroom and more.

Firefighters' and Search and Rescue Volunteers' 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 tax-exempt amount of up to \$1,000 for an honoraria will remain in lieu of the credit, if desired.

Tradespersons' Tools Deduction

Providing a deduction of up to \$1,000, the employment tax deduction for eligible new tools was first introduced by the previous Conservative government. This deduction helps those tradespeople who pay for their tools as a condition of employment up front, out of their own pockets.

Meal Expenses of Long-Haul Truck Drivers

The previous Conservative government raised the deductible portion of meal expenses for long-haul truck drivers to 80%, and it remains at this level. The Canadian tax system generally limits business-related meal expenses to 50% deductible.



Employers can save up to **\$2,000 per eligible apprentice**

Claim tools and meal expenses



Supporting
volunteer
firefighters,
and search
and rescue
personnel

SAVINGS FOR WORKING CANADIANS (cont'd)



Lowering of the Small Business Tax Rate

The previous Conservative government introduced a tax measure to lower the small business tax rate for Canadian-controlled private corporations to 9%, and the rate remains at this 9% today.

Labour Mobility Expense Deduction

The labour mobility deduction provides a deduction of up to \$4,000 per year for eligible transportation, meals and temporary lodging costs at temporary work locations to eligible tradespersons and apprentices engaged in certain construction activities.

HIGHER TAXES FOR ALL CANADIANS



Despite record cost-of-living pressures, the Liberal government continues to raise your taxes – CPP premium rates are rising and on April 1 the carbon tax and taxes on beer and wine are going up again.

My Conservative colleagues and I are worried that the government may raise taxes even further to pay for Prime Minister Trudeau's out-of-control spending. As always, we will be voting against all new tax increases.

Carbon Tax

Canadians who live in a province where the Liberal Carbon Tax applies will see a significant increase in the Liberal Carbon Tax. The tax, which applied at \$65 per tonne in 2023, will rise to \$80 per tonne in 2024, an increase of 25%.

The Liberal Carbon Tax will eventually reach a staggering \$170 per tonne in 2030, quadrupling over the next decade. This is a devastating blow to Canadian families and to Canadian farmers. As the carbon tax rises year after year, it could cost you thousands of dollars.

Despite all of these taxes, GHG emissions have increased under the Liberal government. The Liberal Carbon Tax is not an environmental policy, it's a taxation policy.



HIGHER TAXES FOR ALL CANADIANS (cont'd)

CPP Tax Hike

The Liberal government continues to hike CPP contributions for both employees and employers. The maximum contribution for earnings of \$68,500 will be \$3,867.5, up from \$3,754 in 2023. For employees earning more than \$68,500 a secondary contribution will be required, increasing the total contribution by both employees and employers by another \$188 for an employee making \$72,300 or more.

Beer, Wine and Spirit Excise Tax

Effective April 1, the federal excise tax on beer, wine and spirits will go up by a whopping 4.7%, further exacerbating the already heavy impact of inflation.

Employee Discounts Failed Attempt

The Liberal government proposed to tax your employee discounts, affecting (for example) servers getting free meals at work, or retail clerks getting a percentage discount on purchases. However, they backed down thanks to pressure from you and Conservative MPs.

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 previous Conservative government lowered EI premium rates to \$1.49 in 2015. For 2024, the maximum premium for employees will be calculated as \$1.66 for every \$100 of income, with a maximum contribution of \$1,049. For employers the maximum annual premium will rise to \$1,469. Yet again, under this government both ordinary Canadians and businesses are paying more.

Revised Alternative Minimum Tax

While it will only apply to high income individuals, charities are worried that a proposal to increase the capital gains AMT inclusion rate to 100% for capital gains on donations of property other than publicly listed securities (from 50%) will depress donations. This legislation is proposed to apply for taxation years that begin after 2023, but has been suspended.

Income-Splitting for Family Businesses Rolled Back

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

Passive Income Tax Failed Attempt

Instead of the proposed 73% tax, the government gradually withdraws eligibility for the small business tax rate for those companies with investment income greater than \$50K. Once investment income reaches \$150K, the business would no longer be eligible for the small business tax rate. This will unfairly penalize businesses that use passive investments in order to save for downturns, to buy property or for future investments. Thousands of local businesses will no longer qualify for the small business tax rate or will see it reduced.

ADDITIONAL COMPLIANCE OBLIGATIONS

New Reporting Requirements for Some Trusts

New reporting requirements have been introduced for certain kinds of trusts, including what are known as “bare trusts”. Affected trusts will be required to file an annual T3 Trust income tax and information return (T3 Return), including a Schedule 15, Beneficial Ownership Information of a Trust, if applicable, with the CRA for tax years ending after December 30, 2023.

Higher Interest Rates for Late Taxes

The interest rate charged on overdue taxes, the Canada Pension Plan contributions, and employment insurance premiums will be 10%.

NOTES



Chris Warkentin

MEMBER OF PARLIAMENT

Grande Prairie-Mackenzie

Chris.Warkentin@parl.gc.ca | www.chriswarkentin.com



Chris Warkentin MP



@chriswarkentin



chriswarkentinmp

OTTAWA OFFICE

Valour Building, Room 680
Ottawa ON K1A 0A6
Tel. 613-992-5685
Fax. 613-947-4782

GRANDE PRAIRIE OFFICE

10625 West Side Drive
Grande Prairie, AB T8X 0T2
Tel. 780-538-1677
Fax. 780-538-9257