

## What's new for 2022

**Several credits or deductions have either been modified or added for the 2022 taxation year. Here are a few of them that may be of interest to you.**

**Home office expenses for employees who are teleworking** – For 2022, you once again have the possibility of using, under certain conditions, a simplified method to deduct your home office expenses. This method allows for a deduction of \$2 per day of teleworking up to a maximum amount of \$500.

**Home accessibility tax credit** – For 2022, the annual expense limit has been increased to \$20,000.

**First-time home buyers' tax credit** – For 2022, the amount used to calculate the first-time home buyers' tax credit has been increased to \$10,000.

**Medical expense tax credit** – The list of eligible medical expenses now includes amounts paid to fertility clinics and donor banks to obtain donor sperm or ova to enable the conception of a child by an individual, the individual's spouse or a surrogate mother on behalf of the individual. Certain medical expenses incurred in Canada for a surrogate mother can be considered medical expenses of the individual.

**Canada Dental Benefit** – This interim benefit is intended to help lower dental costs for eligible families earning less than \$90,000 per year. You can request this amount if the child receiving dental care is under 12 years old and does not have access to a private dental insurance plan. Depending on your adjusted family net income, you could receive a non-taxable maximum payment of \$650 for each eligible child. This benefit will be applicable for only two periods. The first benefit period is for children under 12 years old as of December 1, 2022, for dental care received between October 1, 2022 and June 30, 2023. This benefit is managed directly by the Canada Revenue Agency and cannot be requested in your tax returns. You can make your requests through "My Account" at the CRA.

**Critical mineral exploration tax credit** – This new 30% investment tax credit for critical mineral exploration of specified minerals will only apply to expenditures renounced under eligible flow-through share agreements entered into after April 7, 2022 and before April 1, 2027.

**Canada Housing Benefit** – This one-time top-up to the Canada Housing Benefit is intended to help low-income renters. A one-time non-taxable \$500 payment is available for families earning less than \$35,000 per year or for an individual earning less than \$20,000 per year that have rental costs representing at least 30% of their adjusted family net income. This benefit is managed directly by the Canada Revenue Agency and cannot be requested in your tax returns. You can make your requests through "My Account" at the CRA. Applications for this benefit must be made by no later than March 31, 2023.

**Uncashed cheques** – As a taxpayer, you can consult "My Account" at the CRA to see if you have any uncashed cheques. If we have been given authorization to obtain online access to your tax file through the CRA's Represent a Client Service, we will be able to verify this information. As such, if you have any uncashed cheques, we will advise you so that these amounts can be claimed and refunded to you.

**Air quality improvement tax credit** – You may be eligible for a refundable tax credit equal to 25% of your total ventilation expenses to improve ventilation or air quality at your place of business if you were self-employed or a member of a partnership in 2022.

**Upgrading of residential waste water treatment systems** – If you paid for qualified expenditures for recognized work in relation to the residential waste water treatment systems of your principal place of residence or your cottage (available year-round), you may be eligible for this Québec refundable credit. This credit available since April 1, 2017 has been extended to March 31, 2027.

**Senior assistance tax credit (Québec)** – For individuals 70 years old or older on December 31, 2022, the senior assistance tax credit has been increased to a maximum of \$2,000 for an eligible individual and to a maximum of \$4,000 for a couple where both partners are eligible individuals. This amount is subject to a reduction based on family income limits.

## What's new for 2022 (cont)

**Obligation to file a RL-24 slip (Québec)** – As of 2022, any person that, in exchange for remuneration, provides child care services in Québec will be required to issue a RL-24 slip. Simple receipts for child care services rendered will only be accepted under certain conditions.

**Property tax refund for forest producers (Québec)** – If you are a forest producer, you may be able to obtain a property tax refund if you meet certain conditions. Among other things, you must have a forest engineer's report in which the eligible expenses to develop your woodlots have been recorded.

**Tax credit for home-support services for seniors (Québec)** – For 2022, the tax credit rate has increased to 36%. This credit will increase annually by 1% to reach 40% by 2026. In addition, for seniors living in an apartment building (other than a private seniors' residence), the maximum monthly rent for calculating your eligible expenses has been increased from \$600 to \$1,200. If your rent is less than \$600 per month, the credit will be calculated using a minimum of \$600.

### ABOLISHED

**Tax credit for taxi drivers and taxi owners** – These credits were abolished as of 2022.

### OTHER INFORMATION

**Postdoctoral fellowship income** – This income will now qualify as "earned income" for RRSP purposes. This amendment applies to 2021 and subsequent taxation years. Furthermore, postdoctoral fellowship income received in the 2011 to 2020 taxation years can also qualify as "earned income" if an adjustment to the "earned income" calculation is requested by the individual prior to 2026. Please advise us if you have received income from a postdoctoral fellowship so that we may assist you with this adjustment request.

**Virtual currency transactions** – As a Canadian resident, every year you must report all income earned from all sources. Since 2020, Revenu Québec is asking taxpayers to indicate on their income tax returns if they have had any transactions using virtual currency (cryptocurrency such as Bitcoin). This information is requested in question 12 of the Income section of our 2022 Tax Checklist and on page 2 of our Simplified Tax Checklist. Please be sure to answer it!

**Tax on split income (TOSI)** – In addition to applying to certain types of income of a child born in 2005 or later, TOSI may now apply to amounts received by adult individuals from a related business. If you have received income on which TOSI applies, please advise us.

**Underused Housing Tax** – This new tax affects all persons owning residential property in Canada (including corporations, partnerships, trusts and individuals), unless the person is an excluded owner. As an individual, this measure will apply to you if, on December 31, 2022, you are not a Canadian citizen or permanent resident of Canada, but are the owner of a house, duplex, triplex or condo in Canada. You may have a filing obligation even if you have no taxes to pay. The individuals concerned by this new obligation must file the prescribed underused housing tax return form by no later than April 30, 2023, for the 2022 taxation year. Substantial penalties apply for the non-filing of a required form.

**Disability tax credit** – Modifications proposed in the budget concerning the disability tax credit and the criteria relating to the mental functions necessary for everyday life, life-sustaining therapy and the calculation of the therapy time have now received Royal Assent. An individual diagnosed with type 1 diabetes is deemed to have met the two times and 14-week requirements for life-sustaining therapy. If applicable, you may request the tax credit by completing the new T2201 form. These amendments will apply as of the 2021 taxation year.

## What's new for 2022 (cont)

### OTHER INFORMATION (CONT)

**Deduction for residents of designated remote areas**

– Since 2021, if you live in a designated remote area and do not receive any taxable benefits for trips provided by your employer, you can claim a deduction for trips up to a maximum of \$1,200 if you live in a northern zone or \$600 if you live in an intermediate zone.

**Canada Training Credit**

– This refundable credit can be requested since the 2020 taxation year. For those who are eligible, the Canada Training Credit limit for 2022 will be indicated on their 2021 federal notice of assessment.

### NEW MEASURES INTRODUCED FOR 2023

**Residential property flipping rule (federal)** – As of January 1, 2023, profits from the sale of residential property that was held for less than 365 days will be deemed to be business income. Exceptions will apply for situations such as death, separation and other such life circumstances.

**Tax-Free First Home Savings Account (FHSA)** – These new measures aimed at facilitating home ownership will come into effect as of April 1, 2023.

**Multigenerational Home Renovation tax credit (federal)** – This new tax credit aims to assist owners with the cost of renovations in building a secondary suite for a family member who is a senior or adult with a disability. Before proceeding with the construction work, be sure to take into consideration the potential impact of these renovations on the principal residence exemption.

**Tax credit for seniors' activities (Québec)** – This tax credit is abolished as of 2023.