

What's new for 2024

Several credits, deductions, or benefits have been modified or added for the 2024 taxation year. Here are a few of them that may be of interest to you.

Extended deadline for charitable donations – Due to the Canada Post strike, charitable donations made by cash, bank draft, cheque, credit card, and electronic transfer, up until February 28, 2025, will be eligible for the charitable donation tax credit for the 2024 tax year, both federally and in Quebec.

Cryptoasset Return – Revenu Québec has introduced the new form TP-21.4.39, Cryptoasset Return. Therefore, all taxpayers who held cryptocurrencies in 2024 are required to complete this form. Penalties for failure to file the return can reach up to \$2,500. Don't forget to complete it and send it to us if it applies to you.

Home Buyers' Plan (HBP) – The withdrawal limit for the HBP has increased from \$35,000 to \$60,000 for withdrawals made since April 17, 2024. Additionally, the beginning of the HBP repayment period is deferred by 3 years for taxpayers who made or will make a first withdrawal between January 1, 2022, and December 31, 2025.

Measures to discourage short-term rentals (Airbnb and others) – Since January 1, 2024, tax deductions for expenses incurred to generate income from short-term rentals (including interest expenses) in provinces and municipalities that have banned this type of rental are no longer deductible. The same applies to tax deductions when short-term rental operators do not comply with provincial or municipal licensing or registration requirements. Be sure to hold a valid tourist accommodation certificate and comply with the limitations and restrictions imposed by certain municipalities or provinces.

Payments or transfers over \$10,000 – Since January 1, 2024, payments or transfers exceeding \$10,000 must be made online or via bank transfer.

Alternative Minimum Tax (AMT) – The calculation of the AMT has undergone several changes, effective from January 1, 2024. Without going into all the details, here are the main changes: 1) The basic exemption has increased from \$40,000 to \$173,205 federally and \$175,000 in Quebec. 2) The rate used to calculate the AMT has increased from 15% to 20.5% federally and 19% in Quebec. 3) Several changes have been made to the calculation of the adjusted income used for the AMT calculation.

Tax credit for Home-Support Services for Seniors (Quebec) – The credit rate has increased to 38% in 2024. This credit will increase annually by 1% to reach 40% in 2026.

Contributions to the FTQ Solidarity Fund or Fondaction – On March 12, 2023, the Quebec government announced that individuals who contribute to these funds will no longer be eligible for the 15% credit in 2024, both federally and in Quebec (up to a maximum of \$750 at each level), if they had an income over \$112,655 in 2022. This measure has been postponed until 2027. Thus, for the years 2024 to 2026, taxpayers contributing to these funds will remain eligible for these credits, regardless of their income level.

Contributions to the Quebec Pension Plan (QPP) – Since January 1, 2024, workers aged 65 and over who are already receiving their retirement pension can choose to stop contributing to the QPP, whether they are employees or self-employed. An employee wishing to stop contributing must complete the RR-50 form and submit it to their employer. For self-employed workers, this choice must be made in their Quebec income tax return (Schedule U). This choice is revocable.

Maximum age for QPP eligibility – Since January 1, 2024, the government has increased the maximum age at which a contributor can apply for their retirement pension from 70 to 72. Delaying the start of the pension will significantly increase the amount of the future pension.

What's new for 2024 (Continued)

Canadian Dental Care Plan (CDCP) – This plan is intended to help lower dental costs for eligible families earning less than \$90,000 per year. Families earning less than \$70,000 will have no co-payment to make. Applications have been gradually accepted since December 2023 for various groups (people aged 65 and older, children under 18, and adults with a valid certificate for the disability tax credit). For other eligible Canadian residents, applications can be made online in 2025.

Postdoctoral Fellowship Income – This income now qualifies 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.

News measures effective in 2025

Parental Union Plan – The parental union plan is a new marital regime that will automatically apply to common-law partners who have a child together or legally adopt one after June 29, 2025. This plan aims to equally divide the marital assets in case of separation and includes the same assets as the family property, except for pension plans and retirement funds. It is not possible to exclude oneself from this plan but only to exclude specific assets. However, a couple not subject to this regime may voluntarily opt into it if they wish.

Career extension credit – As of 2025, this tax credit will no longer be available for workers aged between 60 and 64. Only those aged 65 and over will still have access to this credit.