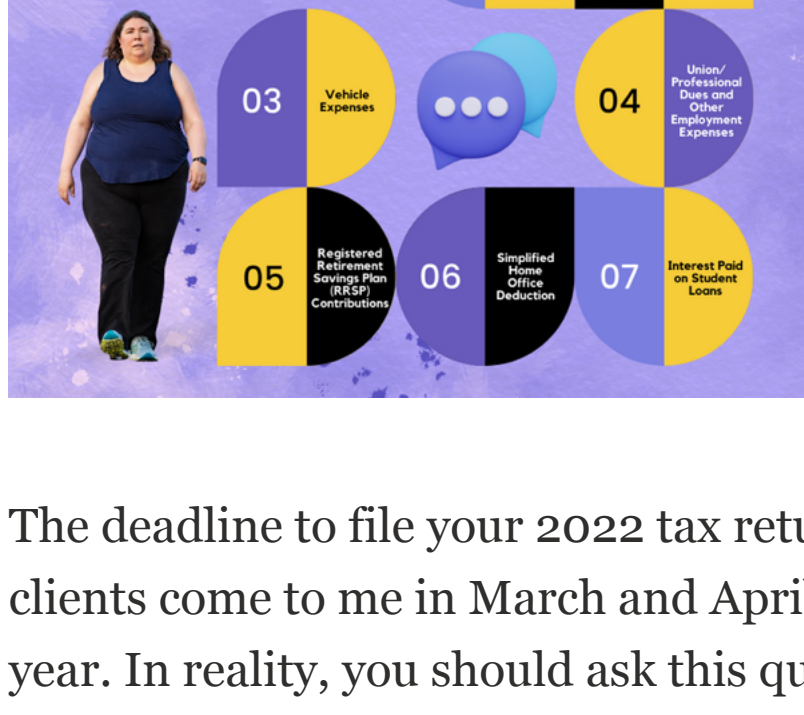




My Christine's Competitive Edge

Bits & Bytes about taxes and financial literacy.

Ready to learn some tax-saving secrets?



Despite the fact that we all have to pay taxes, there are a number of deductions and tax credits that can help you maximize your tax refund.

Here are seven tips to boost your disposable income, get a higher tax refund, and start saving more.

The deadline to file your 2022 tax return is **May 1st, 2023**. The majority of my clients come to me in March and April asking how to reduce their tax bill this year. In reality, you should ask this question earlier in November or December, when you still have time to take advantage of the benefits and deductions that might help you.

Word to the wise: Don't wait until tax time to educate yourself.

In the wake of constant changes to the Canadian tax system, it can be hard to keep up and many people do not learn what credits and deductions are available until the last minute. In the future, you'll be more likely to remember what receipts or other documentation you need to make a claim when you know what you're entitled to.

The big question on lots of people's mind is: **how to get a larger refund or pay less taxes in Canada?**

Let's examine the possibilities.

1. Childcare expenses and family benefits

Daycares, summer camps, overnight boarding schools, and nannies are examples of childcare expenses you can use to lower your taxable income.

For family benefits such as the GST/HST Credit and Canada Child Benefit (CCB), you must file your taxes every year. If you are a family with a low to modest income, then GST/HST Credit is designed to offset a percentage of the GST/HST that you pay on everyday purchases.

CCB is a tax-free monthly payment that helps cover the costs of raising children under the age of 18. Currently, children under the age of 6 are eligible for up to \$569 per month. Children between the ages of 6 and 17 are eligible for up to \$480 per month. A family's exact payment amount is determined by the number of children in your household and your adjusted family net income.

2. Medical expenses

You can claim non-refundable tax credits for a wide range of CRA approved medical expenses, including dental checkups, laser eye surgery, orthopedic shoes, and private insurance premiums. Make sure you keep all receipts, prescriptions, and other supporting documents in case CRA requests documentation later on.

3. Vehicle expenses

The expenses you incur when using your vehicle for work purposes may be deductible. These expenses may include fuel, insurance, licensing and registration fees, maintenance and repairs, leasing costs, and interest on vehicle financing.

When you purchase a vehicle that you intend to use for work purposes, you can additionally claim a capital cost allowance (CCA), allowing you to claim a portion of the vehicle's purchase price each year going forward to a maximum of \$30,000 for passenger vehicles and \$55,000 for zero-emission passenger vehicles.

It is only possible to write off the portion of the car you use for business purposes if the car is also your personal vehicle. The mileage, date, and purpose of each business related trip must be recorded in a logbook (paper or electronic is suitable). To be prepared in case of an audit, make sure you document all expenses and keep receipts organized in one place.

Under certain circumstances, salaried/commisioned employees may also be able to deduct vehicle expenses. However, your commute to and from work does not qualify.

4. Union/professional dues and other employment expenses

There are several types of professional associations and union fees that can be used to reduce your taxable income. These include trade union membership fees, dues to professional boards, and insurance premiums related to your profession.

As long as you are required by your contract to maintain or participate in these memberships and you are not reimbursed for them, they are deductible in determining your taxable income. You may also be eligible to deduct other expenses you incurred to earn employment income, such as cell phone bills and office supplies and a portion of your housing expenses if you work from home. The majority of employees are not able to claim tools, clothing, and travel expenses.

5. Registered Retirement Savings Plan (RRSP) contributions

A RRSP contribution can lower your tax bill and increase your refund or decrease your balance owing. The deadline for 2022 contributions is March 1, 2023. You can find your RRSP contribution limit in your CRA My Account or on your last notice of assessment. It is 18% of your earned income from the last tax year (up to \$27,830 for 2021) plus any unused amounts.

If your taxable income is more than \$50,000, you should consider maximizing your RRSP, so that you can get even more tax savings, but if you make less than \$50,000, you might want to contribute to a Tax-Free Savings Account (TFSA) instead until you are in a higher tax bracket.

6. Simplified home office deduction

Almost half a million Canadians now have the luxury of working from home as a result of the pandemic. If you are one of them, you could claim up to \$500 (250 working days) using the flat rate method offered by the CRA.

During the tax year, you must meet all of the following criteria to be eligible for this simplified home office deduction:

- As a result of COVID-19 or a mandate from your employer, you worked from home in 2022
- At least 50% of your work hours over a minimum of 4 consecutive weeks in 2022 working from home.

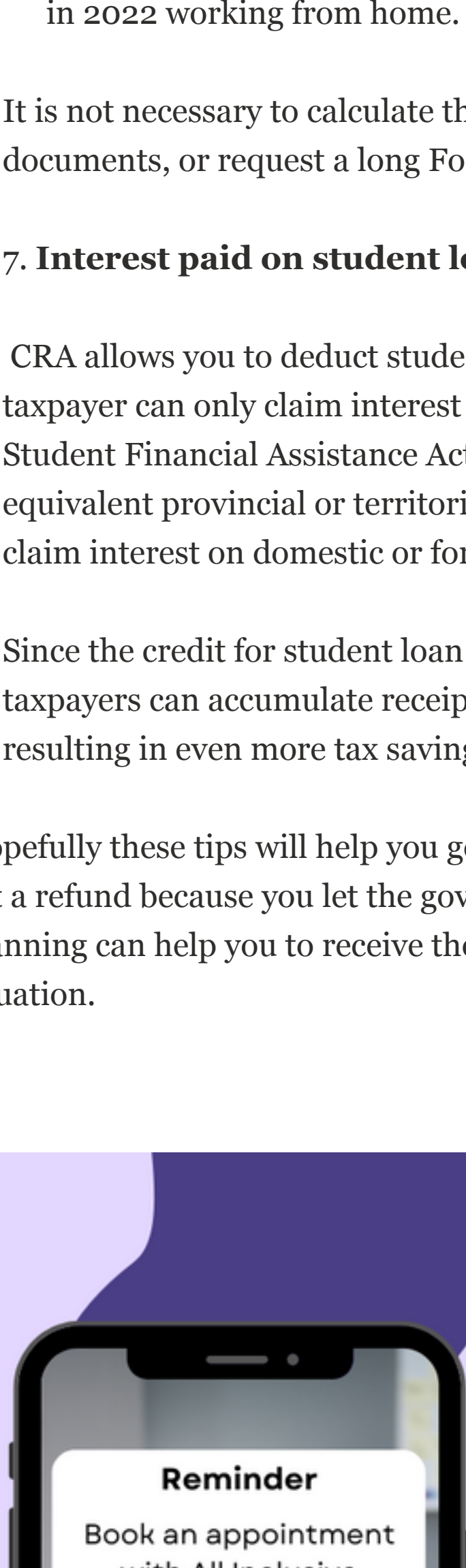
It is not necessary to calculate the size of your workspace, keep supporting documents, or request a long Form T2200 if you use the simplified method.

7. Interest paid on student loans


CRA allows you to deduct student loan interest with some limitations. A taxpayer can only claim interest paid on loans received under the Canada Student Financial Assistance Act, the Canada Student Loans Act, or equivalent provincial or territorial programs. Taxpayers are not permitted to claim interest on domestic or foreign bank loans or lines of credit.

Since the credit for student loan interest is not a use it or lose it claim, taxpayers can accumulate receipts for up to five years before making a claim resulting in even more tax savings.

Hopefully these tips will help you get a larger refund, though remember you only get a refund because you let the government use your money for free. Tax planning can help you to receive the largest refund or pay less tax in your situation.



Reminder
Book an appointment with All Inclusive Accountants
Yes! Woohoo



Want to save more tax dollars?

Schedule your tax-planning appointment with Christine today!

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Navigating Challenges with Small Business Owners Together

November 14-18th, 2022 @ 3pm MST live on Facebook
[@ain-tax.co/quickbooks-challenge](#)

DID YOU KNOW?

- Families can combine medical expenses and claim them for any 12-month period that ends in the year - does not have to be a calendar year.
- You can accumulate up to 5 years worth of donations and by claiming all donations on one persons return you can save even more money in taxes.
- In case of a move over 40 km for work, if you own your home, you can deduct the real estate fees, legal fees, and land transfer tax (as applicable to your province).



The holiday season is fast approaching.

Do you feel as if the workable, realistic budget for the holidays has been shot out of the window?

I think most people feel this way. Here are 10 easy ways to budget, stick to it and start your savings!

1. **Sleep on big purchases** - weigh the benefits of the purchase. Did you know that most people ponder over food items more than deciding which house to buy? Read reviews for big ticket items to help make your decision clearer.
2. **Consider gifting a night of babysitting** or Never spend more than you have even on presents for friends & family.
3. **Stick to a lower gift price budget** - reduce your temptation to overspend. Create a gift budget for everyone on your list, & stick to it.
4. **Check your subscriptions and stop paying for things you don't need.** It's a great time to review all of your subscriptions and make sure you are just paying for the ones you use. I recently reviewed someone's credit card statement and they were paying for 2 Netflix subscriptions.
5. **Plan your meals and stick to a grocery list**, especially for that indulgent holiday feast.
6. **Do your grocery shopping online to stop extra impulse purchases** while shopping in person.
7. **Pay yourself first** - Automatic transfer of a certain amount into savings after bills. Covid proved to many of us that we didn't have enough saved for those times we might need extra money, that we didn't totally realize we needed.
8. **"Budget to \$0"** - have an emergency fund for the curve balls life throws at you."
9. **Compare brands and price per quantity when shopping.** When shopping online or in person, all prices will have a price per quantity to compare items.
1. **Connect your spending to how many hours you worked!** This is a great reality check! A friend working minimum wage, if they give you a gift worth \$25, it will cost them 3 hours of work.

Hopefully, these tips can help you keep your holiday budget realistic!

You can trust us at All Inclusive Accountants!

26,528
Number of Tax Returns Completed for Clients

8,843
Number of Clients We've Assisted with Tax Preparation



Interesting in learning more in helping you save money with your small business?

We have an Income tax calculator that will show you the tax differences between employee, sole-proprietor, and incorporation.

Click the button below to access it.

Income Tax Calculator

Putting Your Accounting needs First

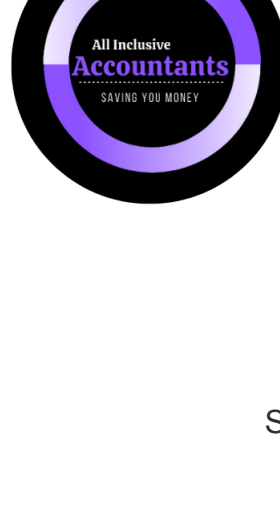


Thanks for tuning in!

We know your time is valuable, so thanks for reading our newsletter. Love it or hate it, just reply and leave us some feedback. We'd much appreciate it.

Until next time,

Christine Walters



Contact us anytime to learn more:

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Phone us at (403)400-0426

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