

Tax Credits and Deductions Members Miss When Filing Taxes



During tax season, our members often find themselves immersed in the complexities of filing their taxes and navigating through various forms and calculations. Amidst the hustle and bustle it's common for individuals to overlook eligible tax credits and deductions. Whether due to time constraints or a lack of awareness, many of our members inadvertently miss out on valuable opportunities to optimize their tax returns.

Despite the availability of credits and deductions designed to lessen tax burdens, some individuals may perceive the process as too daunting or believe the potential savings aren't significant enough to warrant the effort. As a result, they may inadvertently leave money on the table by not fully exploring and utilizing the tax benefits available to them.

As the financial quarterback looking out for your members' best interests always suggest that they engage a professional to assist them with filing their returns.

However, in advance here are some basics that your clients should be aware of:

Some of the Credits Available to Members

1. **Medical Expenses:** Our members can claim a variety of medical expenses, including prescription medications, dental services, and certain medical supplies not covered by insurance. Often, people overlook smaller medical expenses or those incurred by a spouse or dependent.
2. **Home Accessibility Tax Credit:** This credit is for individuals who have made renovations to their home to make it more accessible for a disabled person. Expenses such as wheelchair ramps, handrails, and walk-in bathtubs may qualify.
3. **Tuition and Education Credits:** Students or their parents often forget to claim tuition fees, education amounts, and textbook amounts. These can be significant credits, especially for full-time students.
4. **Childcare Expenses:** Expenses incurred for childcare services, including daycare, summer camps, and after-school programs, are eligible for a tax credit. Many parents forget to claim these expenses.
5. **Donations and Charitable Contributions:** Our members can claim charitable donations made throughout the year. Keep track of donation receipts as they can add up and provide a significant tax credit.
6. **Home Renovation Tax Credit for Seniors and Persons with Disabilities:** This credit is available in some provinces for seniors or persons with disabilities who make renovations to their homes to improve accessibility and safety.
7. **Moving Expenses:** If you moved to start a new job or to attend school full-time, you may be eligible to claim certain moving expenses. These can include transportation, storage, and temporary living expenses.

Medical Expenses



In Canada, taxpayers can claim medical expenses on their income tax return if they meet certain criteria. Here's how Canadians can claim medical expenses and where to enter them on their tax return:

1. **Eligibility Criteria:** To claim medical expenses, you must have paid for eligible medical services or products for yourself, your spouse or common-law partner, your dependent children, or certain other dependents. These expenses must have been incurred within 12 months ending in the tax year for which you are filing.
2. **Eligible Medical Expenses:** The Canada Revenue Agency (CRA) provides a list of eligible medical expenses on its website. These may include prescription medications, dental services, vision care, medical devices, certain travel expenses for medical treatments, and more. Here is a link from CRA. [Link to Medical Expenses in Canada](#)
3. **Keep Receipts:** It's crucial to keep all receipts and supporting documents for your medical expenses. These receipts must show the date of the expense, the name and address of the supplier, and the amount paid.
4. **Calculate Total Medical Expenses:** Add up all eligible medical expenses incurred by you and your dependents during the tax year.

Where do I enter medical expenses?

You can claim medical expenses on Schedule 1 of the federal tax return form (Form T1) under line 33000. Enter the total amount of your medical expenses here.

Home Accessibility Tax Credit:



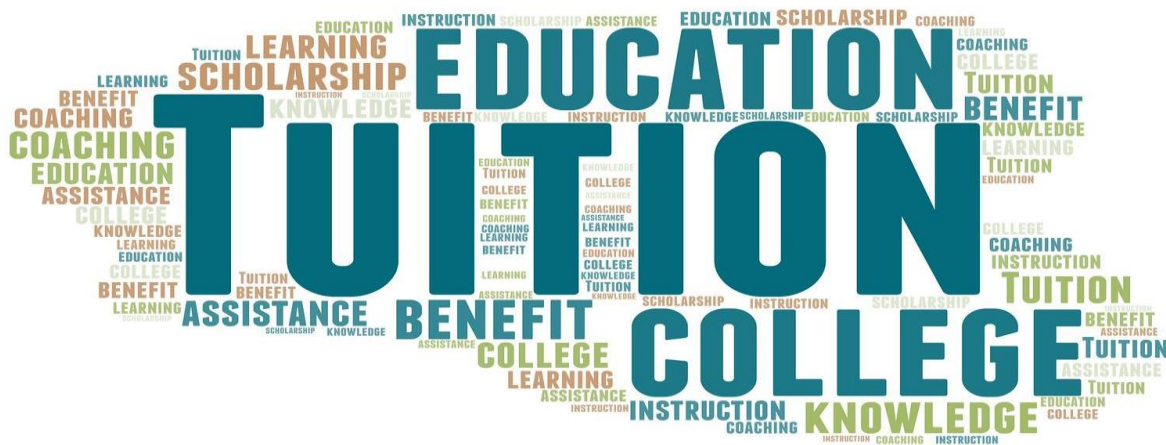
The Home Accessibility Tax Credit (HATC) in Canada is a non-refundable tax credit that helps individuals with disabilities or those aged 65 and older make their homes more accessible. Here's how to access the Home Accessibility Tax Credit:

1. **Determine Eligibility:** To be eligible for the HATC, you, your spouse, or a qualifying family member must have a qualifying impairment and the renovation must directly relate to the impairment. Qualifying impairments include mobility impairments, vision impairments, hearing impairments, and impairments related to mental functions necessary for everyday life.
2. **Identify Eligible Expenses:** The HATC covers a wide range of home renovation expenses aimed at making a home more accessible or functional for someone with a disability or mobility issue. Eligible expenses may include the installation of wheelchair ramps, grab bars, handrails, stairlifts, walk-in bathtubs, widening doorways, and lowering countertops.
3. **Complete the Renovation:** Hire a qualified contractor or perform the renovations yourself. It's essential to ensure that the renovations meet the criteria outlined by the Canada Revenue Agency (CRA) to qualify for the HATC.
4. **Retain Receipts and Documentation:** Keep all receipts, invoices, and documentation related to the renovation work. These documents will be required to support your claim for the HATC.

Where do I claim the home accessibility tax credit on my return?

You claim the Home Accessibility Tax Credit on Schedule 1 of the federal tax return form (Form T1) under line 31270. Enter the total eligible expenses incurred for the home accessibility renovation.

Tuition and Education Credits



In Canada, the tuition tax credit allows eligible students to claim a credit for tuition fees paid for post-secondary education. Here's how to claim the tuition tax credit:

1. **Eligibility:** To claim the tuition tax credit, you must have been enrolled in a qualifying educational program at a designated educational institution. Qualifying programs generally include courses taken at the post-secondary level, such as university degree programs, college diploma programs, and certain occupational skills courses.
2. **Obtain a Tuition Tax Receipt:** Your educational institution will issue a T2202A (Tuition and Enrolment Certificate) form for each tax year you are enrolled. This form outlines the amount of tuition and other eligible fees paid during the tax year.

Where do I claim the tuition tax credit?

Enter the total amount of tuition fees paid for the tax year on Schedule 11 of the federal tax return form (Form T1) under line 32300.

Child Tax Credits



Child tax credits and deductions in Canada are essential as they alleviate financial strain on families, promote social equity, and invest in the well-being and development of children,

1. **Canada Child Benefit (CCB):** The Canada Child Benefit is a tax-free monthly payment made to eligible families to help with the cost of raising children under the age of 18. The amount you receive depends on factors such as the number of children you have, their ages, and your family income.
2. **Child Disability Benefit (CDB):** This benefit is provided to families who care for a child under the age of 18 with a severe and prolonged mental or physical disability. It's a tax-free benefit added to the monthly Canada Child Benefit payment.
3. **Childcare Expenses Deduction:** Parents can claim childcare expenses paid to caregivers or childcare facilities so that they can work, carry on a business, go to school, or conduct research or similar work. This deduction helps to reduce taxable income.
4. **Children's Fitness Tax Credit:** This credit allows parents to claim eligible fees paid for their children's participation in eligible fitness activities, up to a certain amount per child.
5. **Children's Arts Tax Credit:** Like the fitness credit, this credit allows parents to claim eligible fees paid for their children's participation in eligible artistic, cultural, recreational, or developmental activities, up to a certain amount per child.

Use the link for the many options for your child tax credits and deductions.

[Link to Child Tax Credits and Deductions](#)

Home Renovation Credits for Seniors and Persons with Disabilities



In Canada, seniors and persons with disabilities may be eligible for tax credits and deductions related to home renovations aimed at improving accessibility and safety. These include:

1. Home Accessibility Tax Credit (HATC): Individuals who are 65 years or older or eligible for the Disability Tax Credit (DTC) can claim a non-refundable tax credit for eligible home renovation expenses that improve accessibility or help seniors and persons with disabilities stay in their homes. Eligible expenses may include the installation of wheelchair ramps, grab bars, elevators, or stairlifts.
2. Disability-Related Home Renovation Deductions: Individuals eligible for the Disability Tax Credit may be able to deduct certain disability-related home renovation expenses from their taxable income. These expenses must be directly related to the individual's impairment and aimed at enabling them to live independently or more comfortably in their home.
3. Medical Expense Tax Credit: While not specific to home renovations, certain home modifications made for medical reasons may qualify as eligible medical expenses under the Medical Expense Tax Credit. This credit allows individuals to claim a portion of eligible medical expenses that exceed a certain threshold as a non-refundable tax credit.

[BC Link for Home Renovations for Seniors and Persons with Disabilities](#)

Moving Expenses



Including moving expenses for tax credits and deductions in Canada is essential as it eases the financial strain of relocating for work, business, or education. Allowing individuals to deduct eligible moving costs from their taxable income, encourages mobility, supports labor market participation, and promotes fairness in the tax system, enabling individuals to pursue opportunities without undue financial burden.

1. **Moving Expenses Deduction:** Individuals who move to be at least 40 kilometers closer to their new place of work, business, or studies may be able to deduct eligible moving expenses from their taxable income. Eligible expenses may include transportation and storage costs, travel expenses, temporary living expenses, and fees associated with selling or terminating a lease on the old residence.
2. **Eligible Moving Expenses:** To qualify for the moving expenses deduction, the expenses must be reasonable and directly related to the move. This may include the costs of hiring professional movers, renting a moving truck, packing supplies, and lodging expenses incurred during the move.
3. **Conditions for Deduction:** To claim the moving expenses deduction, the move must be within Canada and the expenses must not have been reimbursed by an employer or any other organization. Additionally, individuals must have income from employment, self-employment, or full-time attendance at a post-secondary educational institution in their new location.

Where do I enter moving expenses?

You can claim moving expenses on Line 21900.

Summary

It is crucial to remember to use all deductions that may have been overlooked when filing taxes in Canada for several reasons.

Firstly, maximizing deductions helps minimize tax liability, resulting in potential savings and more disposable income for individuals.

Secondly, overlooking deductions means missing out on opportunities to claim legitimate expenses, effectively leaving money on the table.

Thirdly, utilizing all available deductions ensures fairness in the tax system by accurately reflecting individuals' financial circumstances and reducing the risk of overpaying taxes.

Additionally, claiming overlooked deductions can provide relief for specific expenses, such as medical costs, moving expenses, or charitable donations, thereby supporting various aspects of individuals' lives.

Happy planning, and as always, feel free to reach out to me if you have any questions.

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