

January 2023

NEWSLETTER

TAX TIDBITS:

- **Rapid inflation** has resulted in a significant **increase** of 6.3% to **personal income tax and benefit amounts** for 2023. For example, the income level at which **OAS repayments** commence is now \$86,912 (from \$81,761), the **capital gains exemption** for the sale of certain small businesses is now \$971,190 (from \$913,630), and the **annual TFSA** contribution limit has increased to **\$6,500** (from \$6,000).
- Legislation that requires **more trusts to file trust returns** and **more information** to be **disclosed** has been **enacted**. The commencement date was recently **deferred by a year** to apply to fiscal years ending on or after **December 31, 2023**.

COVID BENEFITS: Review/Audit Activity

- **CRA was clawing back \$3.2 billion** from suspect COVID-19 aid payments, but that's just the start.
- **post-payment reviews** are set to continue until **at least 2025**; and Review and audit activity in respect of COVID benefits is likely to increase. Ensure to have all supporting documentation ready for claims made.

ACTION: Review and audit activity in respect of COVID benefits is likely to increase. Ensure to have all supporting documentation ready for claims made. If assistance is needed, contact Accounting Plus at info@accplus.ca

CANADA DENTAL BENEFIT: Support for those with Young Children

The **Canada dental benefit**, announced in September 2022, provides **up-front tax-free payments** to cover **dental expenses** for **children under age 12 without dental coverage**. The program began **December 1, 2022**, with expenses **retroactive to October 1, 2022** being covered.

Please check our website or contact us for details.

ONE-TIME TOP-UP TO THE CANADA HOUSING BENEFIT: Additional Support

- A **one-time tax-free payment of \$500**, announced in September 2022, is now available to **low-income renters**. The payment does not reduce other federal income-tested benefits.
- Applicants must provide the information of the rental property and submit the application by **March 31, 2023**

FOR MORE INFORMATION ON THESE TOPICS, CONTACT US OR VISIT OUR WEBSITE

www.accplus.ca

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