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SAWATSKY
PROFESSIONAL CORPORATION

CHARTERED PROFESSIONAL ACCOUNTANTS

201 – 66 Coldwater Street E. Orillia, Ontario L3V 1W5

Telephone: 705.329.7700 | Fax: 705.327.7453

www.SAWATSKY.com

SAWATSKY CHARTERED PROFESSIONAL ACCOUNTANTS

When it comes to your business and personal finances, you have a lot at stake. You need the right team who can identify the strategies and big picture opportunities that will help you steer your finances in the right direction.

TAX RATE CHANGES :

The tax rate on income between \$45,282 and \$90,563 dropped to 20.5% (from 22%). Conversely, any income above \$200,000 will see a 4% tax increase.

PRINCIPAL RESIDENCE EXEMPTION

Have you moved in the past year?

If so, there has been an important change in tax reporting. New legislation requires all homeowners to report the sale of their principal residence, whether fully exempt from tax or not. If not reported, taxpayers will be subject to an extended reassessment period of their tax returns and a potential penalty of up to \$8,000 for failing to report these sales, so be sure to let us know. We will require both the date of purchase and the date you sold your house, as well as how much your house was sold for along with your new address.

FAMILIES WITH CHILDREN

With the 2016 Federal and Provincial budgets came significant changes for families with children. Below is a bullet list of the changes:

- **Family Tax Cut** eliminated effective Jan.1.2016
- **The Children's Fitness Tax Credit** has been reduced from \$1,000 to \$500, and will be eliminated for 2017*.

- **The Children's Arts Tax Credit** has been reduced from \$500 to \$250, and will be eliminated for 2017*
- The federal government has consolidated various benefits regarding child benefits. The new Canada Child Benefit (CCB) will be replacing both the Canada Child Tax Benefit (CCTB) and the Universal Child Care Benefit (UCCB). The new benefit will be a tax-free, monthly payment made to Canadian families on a per-child basis based on the family's income and the age of the children.
- There are a number of changes for students in post-secondary education that will be implemented beginning in 2017, both federally and provincially. These include the elimination of education and textbook tax credits. Ontario will further eliminate tuition fee credits but expand and consolidate the various grant/loan programs available to students. The Ontario changes will not impact your 2016 tax return, but will take effect Sept.5, 2017.

**The provincial version of these credits, the Children's Activity Credit remains, and has been adjusted for inflation to \$561/child.*

TEACHER AND EARLY CHILDHOOD EDUCATOR SCHOOL SUPPLY TAX CREDIT

If you're an eligible educator, in 2016, you can claim up to \$1,000 for eligible teaching-supplies costs and save 15% with this refundable tax credit.

REFILE

Available now for 2015 and 2016 T1 returns. Allows e-filers to submit amended T1 returns vs. having to prepare/file T1 adjustments. Must complete Part D on the T183 form to ensure preparer is authorized.

TAX-FREE SAVINGS ACCOUNTS (TFASAS)

The annual TFSA contribution limit has decreased from \$10,000 to \$5,500


HOME ACCESSIBILITY TAX CREDIT

Did you do any renovations to your home in 2016?

Were they for the purpose of improving the accessibility, safety or security for a senior/disabled person who lives with you? If so, let us know! The credit on the first \$10,000 of renovations has been expanded to give you a federal credit on top of the provincial credit that already existed. This could mean an extra \$1,500 in your pocket, so provide us the receipts for the work performed along with a note on the purpose of the work done to benefit from this credit.

PUBLIC TRANSIT TAX CREDIT

The Public Transit Credit is proposed to be eliminated under the Budget for transit use after June 30, 2017.



THANKS

If you have any questions about the above noted changes, or anything else regarding your 2016 personal income tax return, feel free to give us a call at (705) 329-7700 or email us at info@sawatsky.com

We appreciate your business and look forward to assisting you this tax season.



- The Sawatsky Team

Sign up with Canada Revenue Agency for Online mail - This service notifies taxpayers by email when new correspondence is available to view in My Account. In addition to notices of assessment/reassessment and benefit notices, new correspondence that is available includes benefits notices and slips, and instalment reminders. Taxpayers can sign up for online mail by entering their email address on their income tax return, on Form T183 or by registering through My Account or the MyCRA mobile app.



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