
WHAT'S NEW THIS YEAR?

2017



SAWATSKY

CHARTERED PROFESSIONAL ACCOUNTANTS

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

Telephone: 705.329.7700 | Fax: 705.327.7453

www.SAWATSKY.com

PERSONAL TAX CHANGES

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.

TAX RATE CHANGES :

The tax rate on income between \$45,916 and \$91,831 dropped to 20.5% (from 22%). Conversely, any income above \$202,800 will see a 4% tax increase from 29% to 33%.

Families With Children

- **The Children's Fitness Tax Credit** has been eliminated for 2017.
- **The Children's Arts Tax Credit** has been eliminated for 2017.
- 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 took effect Sept.5, 2017.
- Did you incur cost to access medical intervention required to conceive a child? Amounts may be claimed in respect of any such expense for the previous 10 years.

Teacher and Early Childhood Educator School Supply Credit

If you're an eligible educator, after 2015, 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.

Taxation of a Professional's Work in Progress

(Billed Basis Accounting)

Introduced with the 2017 federal budget, professionals are now required to value inventory at the lower of cost and fair market value. The proposed change will be phased in over five years. This could affect accountants, dentists, lawyers, medical doctors, veterinarians and chiropractors.

Public Transit Credit

- The Public Transit Credit is eliminated under the Budget for transit use after June 30, 2017.
- The new Ontario Seniors' Public Transit tax credit starts as of July 1, 2017.

Home Accessibility Tax Credit

Did you do any renovations to your home in 2017?

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.

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.

ONTARIO CHANGES

As many of you know, the Ontario government introduced the Fair Workplaces, Better Jobs Act, 2017. It was passed on November 22, 2017.


We thought we'd forward along a few items from the legislation that will impact employers and employees alike.

Minimum Wage

The Ontario government introduced legislation to increase general minimum wage to \$14 per hour on January 1, 2018, and then to \$15 on January 1, 2019. Learn more about proposed changes to the minimum wage <https://www.ontario.ca/page/minimum-wage-increase>.

Vacation Time

Under the legislation, employees will be entitled to three weeks of paid vacation after five years with the same employer. This came into effect on January 1, 2018.



Personal Emergency Leave

Prior to January 1, 2018 some employees had the right to take up to 10 days of unpaid, job-protected leave, each calendar year due to illness, injury and other emergencies/urgent matters. But these rules only applied to workplaces with 50 or more employees. The legislation will require all employers to give all employees 10 personal emergency leave days per year, including two paid days if the employee has been employed for one week or longer. Effective January 1, 2018.

A complete report of Bill 148 can be found at <https://www.ontario.ca/page/plan-fair-workplaces-and-better-jobs-bill-148>.

OHIP+ Program

Beginning January 1, 2018, OHIP+: Children and Youth Pharmacare will be in place for Ontario residents under age 25. This program was announced in the 2017 Budget released by the Government of Ontario on April 27, 2017.

OHIP+ provides free prescription drug coverage on approximately 4,400 drugs listed under the Ontario Drug Benefit (ODB) program. The program pays 100% of the cost with no deductible. Coverage ends on an individual's 25th birthday. Individuals under age 25 need only show their health card when getting a prescription at any Ontario pharmacy.

Visit www.ontario.ca/page/learn-about-ohip-plus#section-1 for more information.

Thanks

If you have any questions about the above noted changes, or anything else regarding your 2017 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*

