

CLICK HEADLINES
FOR HYPERLINKS

Canada Recovery Benefit Act

has implemented three taxable benefits for individuals:

- The **Canada Recovery Benefit (CRB)**
- The **Canada Recovery Sickness Benefit (CRSB)**
- The **Canada Recovery Caregiver Benefit (CRCB)**

Both CRSB and CRCB have been extended to May 7, 2022.

The following apply to each of the three benefits:

- Each currently provide \$500 per week with 10% source deductions withheld for a net payment of \$450
- Applications must be made within 60 days after the end of the benefit period and attest eligibility criteria are met.
- Detailed eligibility criteria may be found by clicking the hyperlinks below or visiting the CRA website

Canada Recovery Sickness Benefit (CRSB)

will provide income support to employed or self-employed individuals, unable to work because they are sick or need to self-isolate due to COVID-19, or have underlying health conditions that puts them at greater risk of getting COVID-19. You may apply for any one-week period up to a maximum of 6 weeks. This benefit will not be paid to those in quarantine after non-essential travel.

CERB Repayments – Self-employed individuals whose net income was less than \$5,000 will not be required to repay the CERB, as long as their gross self-employment was at least \$5,000 (in 2019 or the previous 12 months preceding the application) and they meet all other eligibility criteria.

COVID-19 Interest Relief – One year waiver of interest relief was provided for 2020 taxes payable (until April 30, 2022) for individuals who met the following conditions: total

Canada Recovery Caregiver Benefit (CRCB)

will provide income support for employed or self-employed individuals unable to work due to caring for their child under 12, or a family member who requires supervised care. If their school, facility or regular program closes or is unavailable because of COVID-19, due to illness, self-isolating, or risk of serious health complications due to COVID-19. A family member in respect of caregiver includes anyone whom the caregiver considers to be like a close relative, as is the case for EI. Only one member per household can be eligible for any specific week.

Canada Worker Lockdown Benefit (CWLB)

Available **October 24, 2021 to May 7, 2022** for workers who are ineligible for EI (ex: self-employed individuals or owner-managers) and unable to work due to government imposed public health lockdowns that last at least 14 consecutive days. Benefit is **\$300/wk**, taxable and payable for the full duration of any lockdown. If you quit voluntarily or decline to adhere to vaccine mandates, you are ineligible. **If you receive CWLB in 2022 and you DO NOT file your 2021 tax return by December 31, 2022, your benefits will be reversed.**

taxable income of \$75,000 or less in 2020, received a covid subsidy in 2020 (CERB, CESB, CRB, CRCB, CRSB, EI or similar provincial emergency benefits). Relief is automatically applied and CRA will not apply HST credits or Canada Child Benefits against amounts owing.

CRB Repayments – Legislation has passed to confirm individuals whose net income exceeds \$38,000 will be subject to repayment on their T1, up to the amount of their CRB.

RRSP MAX CONTRIBUTIONS:

2022: \$29,210

2021: \$27,830

Check your notice of assessment to confirm your RRSP limit before you make your contribution.

RRSP DEADLINE:

March 1, 2022

Eligible Educator School Supplies Tax Credit

Effective for the 2021 tax year, if you are an **eligible educator**, you can claim up to \$1,000 of eligible supplies. This refundable tax credit has been enhanced to **25% of eligible supplies** (up from 15% last year) and has been expanded to include durable goods and electronic devices. **The expanded list now includes:**

- books, puzzles and games
- containers (such as plastic boxes or banker boxes)
- educational support software
- calculators (including graphing calculators)
- external data storage devices
- web cams, microphones and headphones
- projectors, wireless pointer devices
- electronic educational toys
- digital timers, speakers
- video streaming devices, printers
- laptops, desktops and tablet computers (provided none of these items are made available to the eligible educator by their employer for use outside the classroom)

Eligible supplies expense is the amount paid in 2021 for teaching supplies that meet all of the following conditions:

- You bought supplies for teaching or facilitating students' learning
- The teaching supplies were directly consumed or used in the performance of the duties of the eligible educator's employment
- You were not entitled to reimbursement, allowance, or any other assistance for the expense (unless the amount is included in the calculation of income from any tax year and is not deductible in the calculation of your taxable income)
- The expense was not deducted from any other person's income for any year or included as an expense deducted from any other person's tax payable for any year

Eligible educator requirements during the 2021 tax year:

- Employed in Canada as a teacher or an early childhood educator at an elementary or secondary school, or a regulated child care facility
- Held a teaching certificate, license, permit or diploma, or a certificate or diploma in early childhood education, which was valid and recognized in the province or territory in which you were employed

Supplies purchased to facilitate online classrooms required due to pandemic are considered eligible if all other above criteria are met. Disposable masks that are not supplied by your school are considered consumable supplies if students are required to wear them and all other conditions are met. **CRA may ask you later to provide a letter** from your employer or delegated official of employer (ie: principal or manager) **attesting to your eligibility.**

New GST/HST Requirements

Short-term Accommodation

The government will apply GST/HST to all supplies of short-term accommodation in Canada, unless total accommodation revenues total under \$30,000. Short term accommodation generally includes rental of residential complex less than one month where the price is more than \$20 per day.

Non-resident vendors

All non-resident vendors supplying digital products or services to consumers in Canada will be required to register, collect and remit GST/HST if taxable supplies exceed \$30,000. If a supplier engages in both supplying digital services and short-term accommodations, the total threshold for the \$30,000 exemption should include both these types of revenues. CRA hot line for digital economy HST/GST matters is **1-833-585-1463** for Canada and US, International line is **1-613-221-3154** or email **LPDIGITAL@cra-arc.gc.ca**

COVID-19 related medical costs

COVID-19 vaccines received outside of Canada and COVID-19 tests (for example those received for travel) are only eligible for the medical expense tax credit if they were prescribed by a medical practitioner, in addition to meeting the other conditions.

Medical face masks and respirators will qualify if prescribed by medical practitioner for patient to cope with or overcome severe chronic respiratory or immune conditions. Costs of non-medical masks would likely not qualify as a medical practitioner would not likely prescribe such masks for those with severe conditions to cope with or overcome said conditions.

Lease costs of a secondary condo to protect a family member's health during the pandemic does not qualify as a medical expenses since they are not specifically provided for in the Income Tax Act. Quarantine hotel accommodations while awaiting test results will also not qualify. Tests to re-enter Canada are only admissible if prescribed by medical practitioner.

Provincial Updates

Ontario Staycation Credit will be implemented for the 2022 tax year and aims to encourage Ontarian residents to vacation in their own province, helping to increase tourism in sectors that have suffered financially during the pandemic. The new credit will provide a 20% refundable tax credit on eligible accommodation expenses in Ontario to a max of \$1,000 (\$200 credit) for an individual or \$2,000 (\$400 credit) for a family. In order to be eligible, you must be a resident of Ontario on December 31, 2022. You can claim accommodation expenses for a short-term leisure stay of less than a month in Ontario, including a hotel, motel, resort, lodge, bed-and-breakfast establishment, cottage or campground.

Short-term accommodation would generally not include timeshare agreements, or a stay on a boat, train or other vehicle that can be self-propelled. The tax credit applies to leisure stays actually occurring between **January 1, 2022, and December 31, 2022**, regardless of the date of payment. The tax credit does NOT apply to business travel.

The accommodation expenses must also: have been paid by you, your spouse or common-law partner, or your eligible child, as set out on a detailed receipt that has been subject to GST/HST and not have been reimbursed by any person.

Ontario Childcare Access Relief from Expenses

A one-time top-up for the Childcare Access Relief from Expenses (CARE) tax credit equal to 20% of the 2021 CARE tax entitlement. Families can receive up to \$6,000 per child under seven (plus up to \$1,200 top-up for 2021), \$3,750 per child between seven and sixteen (plus up to \$750 top-up for 2021) and \$8,250 per child with severe disability (plus up to \$1,650 top-up for 2021).

Toronto Vacant Homes Tax Credit

A new tax commencing in 2022, with the first payments due in early 2023. This tax is based on occupancy status during the preceding year, charged at 1% of the current value assessment. Your property is considered unoccupied if it is vacant for more than 6 months. Short-term rentals have not yet been addressed in the most recent releases regarding occupancy status. Exemptions: for situations including death of the owner, homes under renovation, snowbirds, and owners in medical care. Property owners will be required to declare homes occupancy status annually online or by mail. Your property could be deemed vacant if this declaration is not filed. Some properties will be selected for audit.

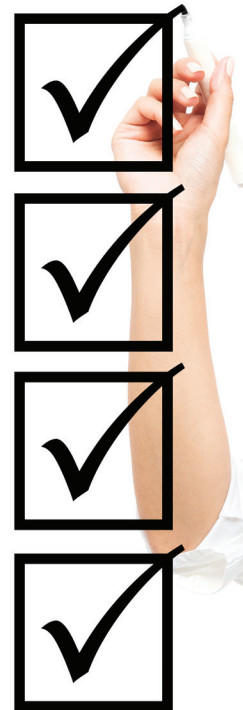
Refundable Temporary Credits Extended through 2022:

> Ontario Jobs Training Credit

In 2021, the provincial government introduced a refundable temporary Ontario jobs training credit which is modelled after Canada training credit. It is calculated as 50% of eligible expense to a max of \$2000.

> Ontario Seniors Home Safety Credit

If you are over 65 years of age, this credit will help make your home safer and more accessible, thereby allowing you to remain in your home longer. The credit is worth 25% of up to \$10,000 in eligible expenses annually for your principal residence.



• Student Loan Interest

Interest is waived on Canada Student Loans and Canada Apprentice Loans until **March 31, 2023**.

• Canada Workers Benefit

This refundable tax credit has been enhanced, including increasing the phase-out thresholds and introducing a secondary earner exemption allowing secondary earners to exclude up to \$14,000 of their working income when calculating the benefit.

• Partial Change in Use

(Residential Properties) - Bill C30 was modified to allow elections to avoid a deemed disposition on partial change in use of a multi-unit residential property

• Electronic Signatures

Due to COVID-19, CRA is continuing to allow electronic signatures on T183 EFILE authorization forms for the 2021 tax season.

• Electronic NoA's and NoRA's

In 2022, CRA will begin the process of switching to electronic Notice of Assessments that are Efiled or Netfiled. Paper filers will also receive an electronic notice, unless no email address is provided. First time filers will still receive their first assessment in the mail regardless of how it is filed.

Working from home in 2021

OVERVIEW COMPARISON	Temporary Flat Rate Method* Availability extended for 2021 and 2022 tax years	Simplified Detailed Method** Only working from home expenses and supplies	Regular Detailed Method** Any Employment Expenses
EMPLOYER CERTIFICATION REQUIRED?	No	Yes - T2200(S)	Yes - T2200
RECEIPTS REQUIRED?	No	Yes - please retain all receipts and provide annual summary	Yes - please retain all receipts and provide annual summary
ELIGIBLE EMPLOYEES	Working from home due to COVID-19 and worked from home >50% for at least 4 consecutive weeks	Working from home due to COVID-19 and worked from home >50% for at least 4 consecutive weeks	Work from home due to employer requirement for >50% of the time for at least 4 consecutive weeks; OR home work space was only used to earn employment income on a regular and continuous basis for meeting clients, customers or others in course of employment duties
COMPUTATION	\$2/day work from home; max \$500 (2021 & 2022) FT or PT days count, while days off, vacation or sick days do not	Claim the actual amounts paid, supported by documents/receipts	Claim the actual amounts paid, supported by documents/receipts
CAN YOU ALSO CLAIM OTHER EMPLOYMENT EXPENSES, IF ELIGIBLE?	No	No	Yes as in the past, expenses prorated for space and hours used for employment purposes
CAN THE WORK SPACE ALSO BE USED FOR PERSONAL PURPOSES?	Yes - no change to the claim	Yes as in the past, expenses prorated for space and hours used for employment purposes	Reimbursements will reduce expenses eligible for deduction
IMPACT OF EMPLOYER REIMBURSEMENT	Full claim permitted unless all expenses are reimbursed	Reimbursements will reduce expenses eligible for deduction	Reimbursements will reduce expenses eligible for deduction
ACTION ITEMS	Fill out Section 1 of the Employee Non-Reimbursed Expenses Worksheet. If multiple people work from the same home and meet all eligibility requirements, they can each make the full claim.	Obtain signed T2200(S) from your employer, complete the Employee Non-Reimbursed Expenses Worksheet for Detailed Method (Section 2) and submit with your taxes.	Obtain signed T2200 from your employer, complete the Employee Non-Reimbursed Expenses Worksheet for Regular Method (Section 3) and submit with your taxes.

CRA has stated a **reasonable** employment allocation of **home internet access fees** is deductible and is treated like a utility, allocated based on space and time used for employment, however other allocations may be appropriate and must meet the following criteria: cost of plan must be reasonable, cost must be divided between employment and personal use on a reasonable basis, employee must be able to substantiate amount of data used directly in employment expenses.

*CRA clarified that the **employee must have paid some portion of the home costs in order to make a claim** using Temporary Flat Rate Method – for example an employee working from their parent’s home paying them rent could qualify.

**When expenses are partially reimbursed, non-reimbursed portions are still eligible under the Detailed Methods.

NOTE: On workspace in the home CRA reviews – bank and credit card statements were not sufficient proof – **receipts are required**.

COVID-Related Employment Supplies

Personal Protective Equipment: Where an employer requires an employee to use disposable masks, gloves and sanitizer while carrying out employment duties, the cost of these items **can be deductible** as a supply as long as the cost is reasonable, the employee will not be reimbursed and a T2200 is signed. Note: supplies must also be used up in within the year.

Taxable benefits: CRA previously stated reimbursements of up to \$500 for computer equipment acquired personally, but used for working remotely during pandemic would be non-taxable. CRA extended the position to apply to **other home office equipment** (desk, chair, etc.) reimbursed by an employer. Anything above this limit will be considered a taxable benefit. If assets are **owned by the employer** and only used at the employee's home for the period they work from home, there will be no taxable benefit. The \$500 limit refers to all items purchased from **March 15, 2020 to December 31, 2021** that they will keep after the pandemic. Any amounts in excess of \$500 over this time period will be taxable.

Non-taxable allowances

2022 auto deductions will raise 2 cents to **61 cents per km for first 5,000 km** and **55 cents for each additional km**. For Yukon and the Northern Territories, the increase is 4 cents per km higher, so 65 cents per km for the first 5,000 km and 59 cents for each additional km.

The ceiling on all CCA claims for most passenger vehicles is raising from \$30,000 to **\$34,000** and for zero-emissions vehicles from \$55,000 to **\$59,000**. The leasing costs limit will increase from \$800 to **\$900** on leases entered into after January 1, 2022.

Zero-emission vehicles

First year 100% CCA claim for zero-emission automotive equipment and vehicles has been amended from only those that are new to include those who have been purchased used, on an arm's length basis. This change is applicable to vehicles purchased on or after March 2, 2020, though the law was not passed until 2021.

Disability Tax Credit (DTC) Eligibility Expanded

The government has proposed to provide broader access to the DTC by expanding the definition of mental functions and loosening restrictions on the 14 hour per week of therapy requirements (life-sustaining therapy eligibility) for 2021 and subsequent years.

There is also a substantially updated T2201 Disability Tax Credit Certificate Form & digital application tool, which was released October 4, 2021. The updated form is much longer (16 pages compared to the former 6 page version). The form is more structured into categories of impairment for practitioner and asks many specific queries, but no longer asks whether the individual was markedly restricted. To assist medical practitioners with Part B, the new digital application tool can be used. The new form also requires the claimant (if different from the person with the disability) to sign the form and verify information about themselves and how they provided support.

Climate Action Incentive (CAI)

On December 14, 2021, draft legislation was tabled for Ontario, Manitoba, Alberta and Saskatchewan to convert the CAI tax credit. **It will now be paid to you directly each quarter** starting July 2022 as a double payment for the first 2 quarters of 2022, then January, April, July and October. Returns must be filed to qualify.

TFSA

TAX YEAR	ANNUAL LIMITS	CUMULATIVE LIMITS
2020	\$6,000	\$69,500
2021	\$6,000	\$75,500
2022	\$6,000	\$81,500

OAS Clawback Threshold

2022 Threshold is \$81,761
2021 Threshold is \$79,845

OAS Enhancements – Pensioners 75 and older as of June 30, 2022 will have received a one-time additional payment of \$500 in August 2021. This is a taxable amount and no deductions were withheld. You will see the amount reported in box 205 of a T4A, not on the T4A(OAS). Regular OAS payments will be increased by 10% on an ongoing basis as of July 2022 (Bill C30).

In 2021, full clawback is reached at \$129,757 of adjusted income (AI) or higher. Form 1213(OAS) can be filed to request reduced withholdings. OAS is clawed back at a rate of 15% of AI received in that year over an indexed threshold amount. If your OAS clawback eliminates in full, it costs nothing to delay it, but doing so will provide the benefit of increased future payments. Increased OAS payments also increase AI level at which all OAS is clawed back.

Another option for high-income individuals is to retroactively apply early for OAS in a year after reaching 65, to receive up to additional 11 months of benefits in a single calendar year, hopefully retaining some benefits in that one year. For high-income seniors, the application could be delayed to result in the full 36% enhancement with 23 payments received in the year they reach 72.

Interest-free Home Renovation Loans

Interest-free loans of up to \$40,000 are available to homeowners and landlords who undertake retrofits identified through an authorized EnerGuide energy assessment.

HAVE YOU REGISTERED FOR YOUR CCH iFIRM PORTAL ACCOUNT? CALL US TODAY FOR YOUR INVITATION

CCH iFirm Portal provides you with a convenient, safe, reliable file storage and exchange for confidential information. You will receive your completed tax package (tax return, engagement letter, T183 EFILE Authorization form, all other forms requiring your signature, along with your invoice and payment form) via Portal. Log into Portal to keep and view several years of tax information safely in one location, without expiry. Inquire within for a registration link if you are not already using CCH iFirm Portal.

HOW TO ACCESS PORTAL:

- (1) Bookmark the login link
- (2) Staff's email signatures include a quick link access
- (3) Visit our website home page and click the link

FORGOT YOUR PASSWORD?

Click the “*forgot your password*” link on the login screen.

INVITED TO MORE THAN ONE PORTAL?

You only have to register the first time!

For subsequent portal invitations, simply click the link in the invite email and log in. This action will link the subsequent account to your existing one.

Upload documents TO Portal:

1. Log into portal. You may have to authenticate your ID with a code text messaged to your cell phone.
2. Click My Documents > the correct tax year > Client Uploads
3. Click the gray +Upload button and browse (select files button) or drag and drop files > click Upload Files
4. An email notification will automatically be sent to L&L LLP to let us know a new file has been uploaded.

Download documents FROM Portal:

1. You will receive an email notification link when your document is ready
2. Click the link and log into Portal
3. Click Unread Files and click on file to download (or select box at the top to select download all)
4. Print, sign (or digitally sign) and upload your signed documents back into your Portal

PLEASE CALL ALEXANDRA TO SET UP A PHONE OR ZOOM APPOINTMENT

Alexandra Fudalejext. 211
alexandra@computax.on.ca

Satyajeet Vansadia ext. 210
satyajeet@computax.on.ca

Deborah Caka..... ext. 212
deborah@computax.on.ca

Ed Ludwig..... ext. 213
eludwig@computax.on.ca

David Loudon CPA, CGA..... ext. 214
dhlouden@computax.on.ca

Robert Loudon CPA, CA.....ext. 216
relouden@computax.on.ca

Kim Brazeau CPA, CGA.....ext. 217
kbrazeau@computax.on.ca

Valbona Lamcja.....ext. 218
valbona@computax.on.ca

Gena Cakaext. 220
gcaka@computax.on.ca

Mersada Misic..... ext. 221
mersada@computax.on.ca

Gaby Loudon.....ext. 222
ghlouden@computax.on.ca

Swati Gholetar.....ext. 224
swati@computax.on.ca

Amy Halliday.....ext. 234
ahalliday@computax.on.ca

HOURS OF OPERATION

WEEKDAYS: 9am – 7pm
SATURDAYS: 9:30am – 5pm
SUNDAYS: CLOSED

**TIPS TO
GET YOU
ORGANIZED
FOR THIS
tax
season:**

- Use the T1 checklist & fill out contact update
- Save a trip and use Portal to upload your tax documents
- Check with your broker to make sure you've received your full investment package (see checklist)
- Visit your regular pharmacy for a summary of your all family's prescriptions instead of collecting individual receipts
- Send everything together in ONE package with NO staples please
- Refer to last year's tax return