Contact the Canada Revenue Agency at

1-800-959-8281

or visit online for more information at

WWW.CRA-ARC.GC.CA

TAX GUIDE

HELPING YOU AND YOUR FAMILY

Bev
SHIPLEY, MP
Lambton-Kent-Middlesex

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A MESSAGE FROM YOUR MEMBER OF PARLIAMENT:

Soon we'll all be filing our 2014 income tax returns. In order to make sure you and your family can take advantage of all the tax saving measures passed by our Conservative government, I am providing you with a Tax Hand Guide for your reference.

Flip through the pages of this Tax Guide to learn more about a number of the important savings our Government has delivered since we were first elected in 2006 – savings like:

- reducing the lowest personal income tax rate
- introducing the landmark Tax-Free Savings Account (TFSA)
- delivering tax cuts for families, workers, seniors and job creators

By reducing taxes **over 180 times**, we're helping you save more than ever before. In fact, the average Canadian family now saves **$3,400** every year. Plus, we've provided about **$2.7 billion** in annual targeted tax relief for seniors and pensioners.

Please feel free to contact my office with comments or questions regarding our Government's strong record on lower taxes.

Sincerely,

Bev Shipley, MP
Lambton-Kent-Middlesex

CONTACT THE CANADA REVENUE AGENCY AT
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ALL MODELS DEPICTED IN THIS PUBLICATION WERE CHOSEN FOR ILLUSTRATIVE PURPOSES ONLY.

LOWER TAXES FOR HOME BUYERS

FIRST-TIME HOME BUYERS' TAX CREDIT

The fees associated with purchasing a first home can really add up. To help Canadians with these costs, our Conservative Government introduced the First-Time Home Buyers' Tax Credit. The credit allows Canadians to save up to $750 on qualifying homes purchased after January 27, 2009.

The First-Time Home Buyers' Tax Credit is *also* available to existing homeowners who are eligible for the Disability Tax Credit (DTC) who purchase a more accessible or functional home, or for the benefit of a DTC -eligible person who is related to the individual purchasing the home by blood, marriage, common-law partnership or adoption.

HOME BUYERS' PLAN

For many first-time home buyers or builders, saving for a down payment can be the most challenging part. To help Canadians saving for their first big purchase, our Conservative Government raised the amount Canadians can withdraw from their Registered Retirement Savings Plans (RRSP) for a down payment on their first home.

Through Canada's Economic Action Plan, our Conservative Government increased the maximum Canadians can withdraw from their RRSPs for a home purchase to $25,000. Through these important actions, our Conservative Government is helping Canadians realize their dream of buying a new home.

SEARCH AND RESCUE VOLUNTEER TAX CREDIT

To also acknowledge the valuable contributions of ground, air and marine search and rescue volunteers, our Conservative Government created the new Search and Rescue Volunteer Tax Credit.

Through Budget 2014, we delivered this 15% non-refundable tax credit based on an amount of $3,000. On your 2014 tax return, that's a credit of $450.

Our Government is acknowledging the hard work and selfless actions of Canada's search and rescue volunteers.

TRADESPERSONS' DEDUCTION FOR TOOLS

Construction and trade workers need tools to carry out their jobs each and every day. But often these hard-working Canadians have to pay for these expenses up front and out of their own pockets. That's why our Conservative Government has introduced a tax deduction on tools that will help tradespeople save money.

Workers in construction and the trades work hard for their money. That's why our Conservative Government is working hard to help them save on their taxes.

MEAL EXPENSES OF LONG-HAUL TRUCK DRIVERS

When your job includes travelling Canada's roads, extra expenses will occur. From meals to gas, it can really add up. In general, the Canadian tax system limits business-related meal, entertainment, and other expenses to be deductible only up to 50%.

Our Conservative Government went one step further and raised the deductible portion of meal expenses for long-haul truck drivers to 80%. Long-haul truck drivers are getting more money back in their pockets for their time spent on Canada's roads.

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LOWER TAXES FOR ALL CANADIANS

Our Conservative Government has made lower taxes for all Canadians a priority since we were first elected in 2006. We've removed over 1 million low-income Canadians from the tax rolls all together. We increased the amount of income that all Canadians can earn before paying federal income tax at all and we reduced the lowest personal income tax rate to 15%. Indeed, the federal tax burden is now the lowest it's been in 50 years.

Read on to discover all the ways our Conservative Government is lowering taxes for Canadians from coast to coast to coast.

TAX-FREE SAVINGS ACCOUNT (TFSA)

Canadians have many reasons to save for the future; from home renovations to retirement, or even medical expenses. The Tax-Free Savings Account (TFSA) can help all Canadians work towards their short- and long-term financial goals.

The TFSA is a flexible registered savings account, available to all Canadians 18 years of age and older. Investment income, including capital gains, earned within the account is not taxed; and withdrawals are tax-free. Canadians can contribute up to $5,500 per year, and **unused room is carried forward to the next year.** For example: If John became eligible to open a TFSA in January of 2014 and contributed $2,000 that year, he will have room to deposit $9,000 in 2015 (i.e. the leftover $3,500 from 2014 + the full amount of $5,500 for 2015).

It's important to remember that **withdrawn money can only be re-contributed in future years.** It cannot be re-contributed in the same year without penalty (e.g. if Jane has used all her contribution room and withdraws $1,000 in April 2014, she cannot re-contribute that $1,000 until January 2015 at the earliest).

VISIT ONLINE FOR MORE INFORMATION AT
WWW.TFSA.GC.CA

Contact your local financial institution to learn more about the rules of this important savings vehicle.

APPRENTICESHIP JOB CREATION TAX CREDIT

For businesses that are hoping to make the most of every dollar while continuing to employ tradespeople in training, our Conservative Government introduced the Apprenticeship Job Creation Tax Credit. Employers who employ an eligible apprentice in a skilled trade in the first two years of an apprenticeship contract (registered with the federal, provincial, or territorial government) can be eligible to receive a non-refundable tax credit equivalent to 10% of the salaries and wages paid to the apprentice. This can translate into tax savings for an employer of up to $2,000 per eligible apprentice.

VISIT ONLINE FOR MORE INFORMATION AT
WWW.RED-SEAL.CA

LOWER TAXES FOR SMALL BUSINESS OWNERS, FARMERS AND FISHERMEN

When a family farm, small business or fishing enterprise passes from one generation to the next, the property or shares are subject to Capital Gains Tax. In years previous, the first $500,000 of the value was tax-free.

Our Conservative Government increased this exemption to $800,000. By increasing the Lifetime Capital Gains Exemption, our Conservative Government is taking real action to help keep family businesses where they belong: in the family.

VOLUNTEER FIREFIGHTERS' TAX CREDIT

Many communities across Canada depend on volunteer firefighters to respond to fires and other emergencies. Brave volunteers sacrifice their time and put their lives at risk to save others. They also incur expenses.

That's why our Conservative Government created the Volunteer Firefighters' Tax Credit on an amount of $3,000, for volunteer firefighters who perform at least 200 hours of service a year. However, if preferred, the option to claim the exempt amount of up to $1,000 for honoraria will remain in lieu of the credit. We're acting to support volunteers and help sustain volunteer fire departments.

LOWER TAXES FOR WORKING CANADIANS AND JOB CREATORS

SMALL BUSINESS JOB CREDIT

Small businesses help fuel Canada's economy, which is why our Conservative Government created the new Small Business Job Credit. Beginning January 1st, 2014, businesses that have EI premiums of $15,000 or less will have their payroll taxes lowered by 15% over 2015 and 2016.

This builds on our strong support for small business. In fact, thanks to the savings delivered by our Conservative Government, a typical small business ($500,000 of taxable income) is seeing annual savings of approximately $28,600.

Over 780,000 businesses are expected to be eligible for the credit in 2015 and 2016.

POOLED REGISTERED PENSION PLANS

Saving for retirement is no easy feat, especially without access to a workplace pension. To make saving easier for the millions of Canadians who find themselves in this category, our Government delivered Pooled Registered Pension Plans (PRPPs). PRPPs provide an accessible, large-scale and low-cost pension option to employers, employees and the self-employed.

WORKING INCOME TAX BENEFIT

For too long, many Canadians who relied on social assistance faced big challenges in joining the workforce. Our Conservative Government took action for workers through the Working Income Tax Benefit (WITB). This benefit is a refundable tax credit that supplements the earnings of low-income workers to ensure they aren't penalized for getting a job.

For those low-income working Canadians with a disability who face even larger barriers to workforce participation, the WITB provides an additional disability supplement.

CANADA EMPLOYMENT AMOUNT

Having a job can mean many different work-related costs, from home computers to uniforms and other supplies. But, why should work-related expenses limit the rewards of hard-working Canadians?

Our Conservative Government is putting money back into the pockets of working Canadians with the Canada Employment Amount. Most Canadian employees, excluding the self-employed, will qualify for a non-refundable tax credit on up to $1,127 in 2014. Our Conservative Government is making it easier for Canadians to benefit from their hard work.

GOODS AND SERVICES TAX (GST) CREDIT

Our Conservative Government is committed to keeping taxes low and giving Canadians a break. The GST credit is a tax-free quarterly payment that helps individuals and families with modest incomes offset all or part of the GST that they pay.

DEDUCT MEDICAL EXPENSES

Our Conservative Government is helping you meet your health care needs through a deduction for medical expenses. The credit applies to a whole host of eligible expenses – from home care services, to laser eye surgery, to orthopedics. The amount you can claim is the total of your expenses, **minus** $2,171 or 3% of the claimant's income (whichever is less). Budget 2014 expanded the list of expenses to include the costs associated with certain types of service animals (e.g. diabetes alert dogs). There is no limit on the amount of eligible expenses a taxpayer can claim for himself or herself, a spouse or common-law partner, or a child under 18.

PUBLIC TRANSIT TAX CREDIT

Canadians who choose public transit are making a choice that's good for the wallet and for the environment. Transit users can claim a non-refundable tax credit of 15% of the cost of their monthly or yearly public transit passes. This means that if you buy transit passes that cost $100 per month, you could save over $180 per year. **That's like getting almost two months free.**

CROSS-BORDER SAVINGS

It is imperative to Canadian families and our economy that the border between Canada and our largest trading partner, the United States of America, remain as efficient as possible. That's why our Government increased the personal tax exemption limits for Canadian travellers. Residents returning to Canada after being out of the country for at least 24 hours are exempt from paying duties and taxes on up to $200 of goods purchased abroad. The exemption limit for those returning after at least 48 hours is $800. Plus, Canadians can also rent a vehicle in the United States and bring it over the border to Canada. Taxes will be eliminated on these vehicles for Canadians who have been outside Canada for at least 48 hours.

FIRST-TIME DONOR'S SUPER CREDIT

Our Conservative Government introduced the temporary First-Time Donor's Super Credit (FDSC) to encourage new donors to give to charity. The FDSC will increase the value of the federal Charitable Donations Tax Credit by 25 percentage points if neither the taxpayer nor their spouse has claimed the credit since 2007.

Donors will receive a 40% credit for donations of $200 or less, and a 54% credit for the portion of donations over $200 but not exceeding $1,000. (Note: the new credit can only be claimed once from the 2013-2017 taxation years.)

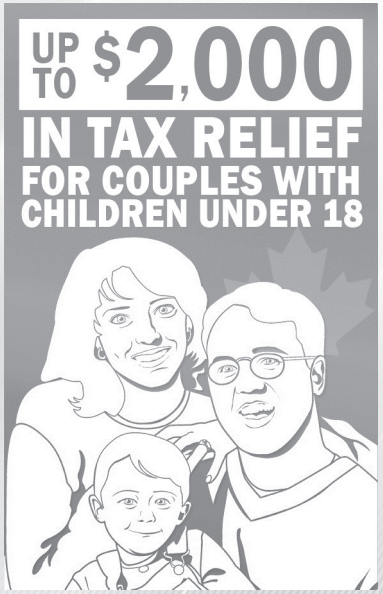
LOWER TAXES FOR FAMILIES

FAMILY TAX CUT

Our Conservative Government is focused on helping hard-working Canadian families make ends meet. That's why we recently introduced the new Family Tax Cut.

Available to claim on your 2014 tax return, the Family Tax Cut will provide up to $2,000 in tax relief for couples with children under the age of 18. This initiative allows a high-income spouse to transfer up to $50,000 of taxable income to their spouse who is in a lower income tax bracket. This will ensure all couples with children are treated fairly by Canada's tax system – ensuring those with similar total incomes pay a similar amount in taxes.

The Family Tax Cut is estimated to benefit more than 1.7 million families in Canada.



UNIVERSAL CHILD CARE BENEFIT

Being a parent is about making choices. Our Conservative Government believes that, when it comes to children, parents know best. That's why we not only created the Universal Child Care Benefit (UCCB), but also recently enhanced and expanded it.

Previously, the UCCB provided families with $1,200 per year for each child under the age of six. Now, our Government improved the UCCB so that these families will receive up to $1,920 per year, per child under the age of six. We also expanded it so that parents with children aged 6 through 17 will receive up to $720 per year, per child. These changes are effective as of January 1, 2015.

The UCCB allows parents to decide what is best for their kids. Rather than try to apply a 'one-size-fits-all' approach to caregiving, the UCCB lets parents choose how to spend their money. This may be for traditional caregiving costs like daycare or babysitting, or for other costs like program expenses, school supplies, or clothing. Whether that choice is daycare, staying with a relative, or having Mom or Dad stay home, the decision rests with parents.

PENSION INCOME SPLITTING

To help ease the tax burden and deliver fairness for Canadian pensioners, our Conservative Government introduced Pension Income Splitting.

Generally, each individual Canadian pays taxes on their full income earned. **Pension Income Splitting allows any Canadian resident who receives qualifying pension income to allocate to their spouse (or common-law partner), with whom they reside, up to one-half of that income.** By doing so, a pensioner and their family can dramatically reduce their tax load.

INCREASING THE AGE LIMIT FOR CONVERTING RRSPs TO RRIFs

Registered Retirement Savings Plans (RRSPs) provide one of the best opportunities for Canadians to save for the future. Since RRSP contributions are not taxable below your RRSP deduction limit, they are an ideal way to plan for retirement. However, some Canadians have been restricted by the way RRSPs are structured. Even though they chose to work past 69 years of age, it was a requirement to convert their RRSP into a Registered Retirement Income Fund (RRIF) and begin making withdrawals.

Our Conservative Government is taking action for Canadians nearing retirement. **We increased the age limit for converting RRSPs to RRIFs from 69 to 71.** Now, more Canadians have the freedom to choose when they convert their RRSPs. We are delivering tax savings and choice for Canadian seniors.

LOWER TAXES FOR SENIORS

DOUBLING THE PENSION INCOME AMOUNT

Canadian seniors have worked hard and paid their dues. That's why our Conservative Government is delivering real tax savings to help seniors keep more money in their pockets, where it belongs.

Not only have seniors paid taxes, they've also saved for retirement. Years ago, the Government of Canada introduced a non-refundable pension income credit to apply to the first $1,000 of eligible pension income. A lot has changed since then, which is why we increased the maximum amount of eligible pension income that can be claimed to $2,000. This results in even more savings that will make a real difference for pensioners.

INCREASING THE AGE AMOUNT

Canadian seniors have worked hard to prepare for their retirement. That's why our Conservative Government increased the Age Amount, helping low and middle-income seniors keep more money to meet their needs.

Our Government increased this allowable amount by $2,000, providing even more support to Canadian seniors. The Age Amount allows seniors with a net income of $34,873 or less in 2014, aged 65 and over, to claim $6,916, saving them as much as $1,037.40 on their taxes this year. Please note that no Age Amount can be claimed once an individual's net income reaches $80,980.

CHILDREN'S FITNESS TAX CREDIT & CHILDREN'S ARTS TAX CREDIT

Our Conservative Government is taking action to help families with children meet their goals. At the same time, by participating in sports and the arts, kids learn the value of sportsmanship, unleashing their creativity and living healthy lifestyles.

The previously announced Children's Fitness Tax Credit and Children's Arts Tax Credit allows parents to claim a tax credit on up to $500 per child under 16 against the fees for sports and programs like ballet, hockey and soccer, as well as for artistic and cultural activities like art or music lessons.

Our Government recently announced we would double the Children's Fitness Tax Credit (CFTC) and make it refundable. For the 2014 taxation year, parents will be able to take advantage of the new $1,000 limit. The credit will be made refundable as of the 2015 taxation year, increasing benefits to low-income families who claim it for that year and subsequent years.

DEDUCT CHILD CARE EXPENSES

Caring for a child is never easy, especially while juggling other commitments like work or school. That's why our Conservative Government is providing parents with the ability to deduct child care expenses from their income.

These are amounts paid to have someone look after an eligible child in order to: earn income from employment; operate a business either alone or as an active partner; attend school; or conduct research.

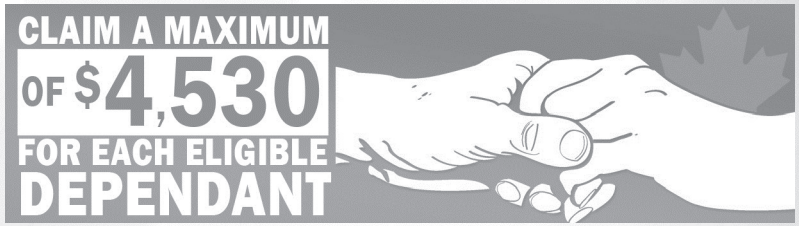
To better reflect the cost of child care expenses, our Government recently announced an increase to the dollar limits that parents can claim to $8,000 from $7,000 per child under age seven, $5,000 from $4,000 for each child aged 7 through 16 (and for infirm children over age 16), and $11,000 from $10,000 for children who are eligible for the Disability Tax Credit. Note that this will not be available for your 2014 return. These new limits take effect for the 2015 taxation year.

CAREGIVER AMOUNT & FAMILY CAREGIVER TAX CREDIT

Caring for a loved one who is dependent on you due to a physical impairment can be challenging both emotionally and financially. That's why our Conservative Government continues to provide Canadians with the Caregiver Amount and the Family Caregiver Tax Credit.

If at any time in 2014 you (either alone or with another person) maintained a residence where you and the person you supported lived (a spouse or common-law partner is not considered your dependant for this purpose), you may be able to claim a maximum amount of $4,530 under the Caregiver Amount, for each eligible dependant.

Our Government also created the Family Caregiver Tax Credit so individuals supporting infirm dependants can claim an enhanced amount under other dependency related credits. The Family Caregiver Tax Credit is a 15% credit on an amount of $2,058, meaning you could qualify for up to $308.70 per dependant.



CHILD DISABILITY BENEFIT & REGISTERED DISABILITY SAVINGS PLAN

For those families who care for a child under age 18 with severe and prolonged impairment in physical or mental functions, our Conservative Government increased the maximum annual Child Disability Benefit to $2,650. Therefore, the benefit provides up to $220.83 per month for each eligible child.

Our Conservative Government also introduced the Registered Disability savings Plan (RDSP) to help these families on a more long-term basis. The Plan can help ensure that a child's long-term financial security is provided for when the parents are no longer able to provide support.

Over the years, our Government has made a number of enhancements to the RDSP, including greater flexibility for withdrawals and an expanded definition of who may be the plan holder of an RDSP.

CANADA CHILD TAX BENEFIT & NATIONAL CHILD BENEFIT SUPPLEMENT

Low-income families have been getting a boost from our Conservative Government's increases to the Canada Child Tax Benefit (CCTB) and the National Child Benefit Supplement (NCBs).

These increases have resulted in *more* savings for those families who, in the past, would have just missed the eligibility mark. For example, a low-income family with two children can bring in a maximum annual benefit of up to $7,155.

There has been confusion recently regarding the CCTB. To be very clear, our Government is not eliminating the CCTB. **Benefits under this program will continue.**

ADOPTION EXPENSE TAX CREDIT

To further help parents with the costs of adopting a child, our Conservative Government has enhanced the Adoption Expense Tax Credit.

The tax credit is a 15% non-refundable tax credit that allows adoptive parents to claim eligible adoption expenses relating to the completed adoption of a child under the age of 18. As part of Budget 2014, we've increased the maximum amount of eligible expenses up to $15,000 per child.

TEXTBOOK AMOUT & SCHOLARSHIP AND BURSARY EXEMPTION

Getting an education shouldn't be taxing. Canada's students work hard to earn good grades while paying for their schooling.

Our Conservative Government is helping ease the tax burden on hard -working students who achieve strong results by exempting scholarships, fellowships and bursaries from their income. We are also helping students and their families make post-secondary education more affordable and more attainable with the Textbook Tax Credit.

These are all ways that our Conservative Government is helping Canadian students achieve their dreams and full potential.