

# CPABC Tax Tips for the 2015 tax year



**Filing Deadline for 2015 T1 Returns**

## Two Ways to File



## Home Office...

The deductible portion of home office expenses is a "reasonable amount" that is typically calculated based on the square footage of the home office as a percentage of the total square footage of the home.



## ...and Auto Expenses



The CRA's reasonable per-kilometre allowance rates for 2015 are \$0.55/km for the first 5,000 km driven and \$0.49/km driven after that.

## First-Time Home Buyers' Tax Credit

If you purchased your first home in 2015, you might qualify for a home buyers' tax credit worth up to about \$750.



## Active Kids...



The Children's Fitness Tax Credit is up to \$1,000 per child...

## ...and Active Gear

...and the Child Fitness Equipment Tax Credit is equal to 50% of the BC Children's Fitness Tax Credit.



## Scholarships and Bursaries



Scholarships and bursaries are fully tax-exempt, provided they are connected with a program that entitles the student to claim the education tax credit.

## The Canada Education Savings Grant (CESG)

The basic CESG is equal to 20% of the first \$2,500 of annual contributions to an RESP for the benefit of children under 18.



## Own a Business?

You are generally required to retain your business records for at least 6 years. If you are self-employed, the filing deadline is June 15.



## Principal Residence Exemption

The gain on the sale of your "principal residence" is not tax-free. The taxable amount is the gain minus your principal residence exemption.



## Change in Use Rules

If, during the year, you begin to use your home as a rental property, you have what is called a "change in use," which could lead to a significant and unexpected income tax liability.



## Child Care Expenses

You might be able to deduct your child care expenses if they were incurred because of work, school, or grant research.



### Maximum deduction for a child who...

...qualifies for the disability credit	...is 6 years old or under	is 7 to 15 years old
<b>\$11,000</b>	<b>\$8,000</b>	<b>\$5,000</b>

## Tips and Gratuities



Earned tips and gratuities at your job? That's considered taxable income and must be reported on the personal income tax return.

## Moving Costs

You may claim a tax deduction for certain moving expenses if your new residence is at least 40 km closer to your new employment, work place or educational institution than your former residence.



## Foreign Property

Canadian residents must report whether they own "Specified Foreign Properties" with an aggregate cost of \$100,000 or more.



## Foreign Pension Income

Canadian residents are required to report worldwide income on their Canadian income tax return. This includes foreign pension income, which may be eligible for pension income splitting.



## Family Tax Cut Credit



The Family Tax Cut credit involves a "notional" income split that can result in federal tax savings of up to \$2,000 for 2015 for couples with children under 18.

## Post-Secondary Education

Students enrolled at eligible Canadian post-secondary institutions might be entitled to a tuition fee tax credit and an education tax credit.

	Federal Tax Return	Provincial Tax Return (BC)
Tuition tax credit	✓	✓
Education tax credit (full-time students)	\$400	\$200
Education tax credit (part-time students)	\$120	\$60

For more RRSP & Tax Tips, please visit: [www.rrspandtaxtips.com](http://www.rrspandtaxtips.com)

*Tax rules relating to these tips are complex. This is not intended as tax advice and you should not make tax decisions based solely on the information presented in these tips. You should seek the advice of a CPA or other professionals before implementing a tax plan or taking a tax filing position.*