



# TAX GUIDE

***SAVING YOU MORE***

Read this guide before completing  
your 2022 tax return!

**JAMES** 

**BEZAN** MP

SELKIRK—INTERLAKE—EASTMAN

# A Message from Your Member of Parliament

Under this Liberal government, everything feels broken. Canadians are stuck with generational high inflation, food prices are skyrocketing, housing and rental prices are increasing, and utility bills are exploding.

It's simple, Canadians can't afford Justin Trudeau. The cost of his government is driving up the cost of living, and Justin Trudeau is running the most expensive government in Canadians history.

Everything feels broken, but we can fix it.

It starts today by holding the government to account on their radical tax and spend agenda. Conservatives will vote against any new tax increases to keep more money in your pocket.

Conservatives have a real plan to combat inflation and make life more affordable for Canadians that includes cancelling the tripling of the carbon tax, capping government spending, and removing gatekeepers to allow businesses, farmers, and workers to produce more and grow the economy.

Conservatives are here to help Canadians. That's why as income tax season approaches, with family budgets tighter than ever and Canadians falling further and further behind, it's imperative that you receive all the benefits you qualify for. Take a look through this Tax Guide and find some of the tax savings you may claim. Many were created by the previous Conservative government.

Please feel free to contact my office with any questions you may have.

Sincerely,



James Bezan, MP  
Selkirk-Interlake-Eastman

Contact the Canada Revenue Agency at 1-800-267-6999 or visit [www.canada.ca/en/revenue-agency](http://www.canada.ca/en/revenue-agency) for more information. All models depicted in this publication were chosen for illustrative purposes only.



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## NEW TAX CHANGES FOR 2022

Below are new changes you can expect to see on your taxes this year.

### Labour Mobility Expense Deduction

- The labour mobility deduction would provide tax recognition of up to \$4,000 per year in travel and temporary relocation expenses to eligible tradespersons and indentured apprentices. This measure is set to apply to the 2022 tax year and any subsequent taxation years.

### New Tax-Free First Home Savings Account

- Starting in 2023, the Tax-Free First Home Savings Account will offer prospective first-time home buyers the ability to save \$40,000 tax-free. Like registered retirement savings plans (RRSP), contributions to an FHSA would be tax deductible. Like tax-free savings accounts (TFSA), income and gains inside an FHSA as well as withdrawals would be tax-free. You are allowed to contribute a total of \$8,000 annually, up to a maximum account value of \$40,000 total.

### Increase to the First-Time Home Buyers' Tax Credit

- There is currently a non-refundable tax credit available to first-time home buyers of \$5,000, which provides tax relief at 15% or \$750. The changes will double this credit to \$10,000, which would provide up to \$1,500 in tax relief. This proposal will apply on the purchase of a qualifying home made on or after January 1, 2022.

### Home Accessibility Tax Credit Increase

- For the 2022 and subsequent taxation years, the Budget proposes to increase the annual expense limit of the HATC to \$20,000, which would provide a tax credit of up to \$3,000.

### New Multigenerational Home Renovation Tax Credit

- Many older adults would like to stay in their own home and live as independently as possible. For some families, a home may be renovated to create a “granny suite,” or an area within the home of adult children where an elderly parent can live. This is one type of situation where the Multigenerational Home Renovation Tax Credit (MHRTC) could help.

- The MHRTC will be a refundable credit calculated as 15% of eligible expenses for a qualifying renovation to an upper limit of \$50,000. Eligible expenses must be paid after December 31, 2022, for services performed or goods acquired after that date. This credit would apply for the 2023 and subsequent taxation years, for work performed and paid for and/or goods acquired on or after January 1, 2023.

### New Rule to Tax the “Flipping” of Residential Property

- Today, when a home qualifies as a principal residence and you sell it for a profit, capital gains realized on its disposition can be realized tax-free by claiming the principal residence exemption (PRE).
- Under the new rules coming into effect in January 2023, anyone who sells a property which they owned for less than 12 months (specifically, 365 consecutive days) will be considered to have “flipped” the house and any profits from the sale will be taxed as business income.

### Employment Insurance (EI) program

- As of January 1, 2023, the maximum yearly insurable earnings amount is \$61,500. This means that you can receive a maximum amount of \$650 per week.

## SAVINGS FOR ALL CANADIANS



The previous Conservative government succeeded in reducing the tax burden on Canadians to the lowest point in half a century.

Here is a list of some tax benefits you can claim:

### Goods and Services Tax (GST) Credit

Four times a year, this tax-free payment helps individuals and families with modest incomes offset all or part of the GST they pay.

If you have a spouse or common-law partner, only one of you can receive this credit. When you file your tax return, CRA will determine your eligibility and will advise those who are eligible to receive the credit .

Conservatives also supported the temporary doubling of the GST credit for six months. The one-time payment was issued starting November 2022. Individuals and



## SAVINGS FOR ALL CANADIANS (cont'd)

families must meet the eligibility criteria for the 2021 base year to qualify for the one-time payment.

### Medical Expense Deductions

This credit applies to a number of eligible expenses – from home care services, to laser eye surgery, to orthopedics. The previous Conservative government expanded the deduction itself, as well as the list of expenses, to include costs associated with certain types of service animals (e.g. diabetes alert dogs). The amount you can claim is the total of your expenses, minus approximately \$2,479 or 3% of the claimant's income (whichever is less). 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.

### Climate Action Incentive

Canadians who live in a province where the Liberal Carbon Tax applies – Alberta, Saskatchewan, Manitoba and Ontario – can claim the climate action incentive with their income tax return. The amount you receive depends on your province of residence and your personal living situation, and it probably won't cover all the costs of the carbon tax. Residents of Alberta, Manitoba, Ontario, and Saskatchewan will receive four equal quarterly payments (April 2023, July 2023, October 2023, and January 2024). Individuals and families may also qualify for a 10% supplement if you are a resident of a small or rural community.

### Canada Training Credit

The Canada Training Credit (CTC) is available for eligible tuition and other fees paid for courses taken in 2020 and subsequent tax years. Beginning with the 2019 tax year, an eligible individual can accumulate \$250 in each year toward their CTC limit, up to a maximum of \$5,000 in a lifetime, which can be accessed the following year to help cover up to half of eligible tuition and fees associated with training. Note that it is only available for individuals between the ages of 26 and 65 who are resident in Canada, with income between \$10,000 and the top of the third tax bracket, and for eligible courses. Contact CRA to check eligibility.

## SAVINGS FOR FAMILIES



Conservatives have always worked hard to keep taxes low for families. We introduced tax credits for children's sports and arts activities, and tax credits for education expenses including textbooks. These are the same tax credits the current Liberal government cancelled.

Here is a list of some tax benefits you can claim:

### Child Care Expense Deductions

You can claim payments you have made to someone who has looked after your child while you either earned an income from employment, operated a business alone or as an active partner, attended school or conducted research.

The previous Conservative government increased the dollar limits that parents can claim up to \$8,000 per child who is under the age of seven, up to \$5,000 for each child aged 7 to 16 (and for infirm children over the age of 16), and \$11,000 for any children who are eligible for the Disability Tax Credit.

### Canada Caregiver Credit

You can claim \$2,350 on your 2022 tax return under the Canada Caregiver Credit if you support a spouse, a common-law partner or a dependent with a physical or mental impairment.

If you are eligible for the Canada caregiver amount for your spouse or common-law partner, or an eligible dependant 18 years of age or older, and their net income is less than \$25,195, you may be able to claim an additional amount up to a maximum of \$7,525.

### Child Disability Benefit

To recognize the additional costs that can add up when caring for a child with a severe disability, families can continue to claim the Child Disability Benefit. It is an amount of up to \$2,985 per eligible child.

### Registered Disability Savings Plan

The previous Conservative government introduced the Registered Disability Savings Plan (RDSP) to ensure long-term financial security for Canadians and families who are dealing with severe disability. Over the years, we have also made a number of enhancements. In particular, the Plan now ensures that long-term financial security is provided to children whose parents are no longer able to provide support.

### Adoption Expense Tax Credit

This 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. The previous Conservative government created this initiative and increased the maximum amount of eligible expenses up to \$15,000 per child, indexed to inflation. For the 2022 tax year, the maximum is \$17,131.

A photograph of a man and a young girl in a kitchen. The girl is sitting on the floor, holding a stuffed animal, and the man is kneeling next to her, petting a dog. The kitchen has a wooden countertop, a sink, and a stove. A blue text box is overlaid on the top right of the image.

Claim childcare  
expenses up to

**\$8,000**

(for children under  
the age of seven)

Claim home  
care services,  
laser eye surgery,  
orthopedics,  
and more





Claim adoption  
expenses up to  
**\$17,131**



## SAVINGS FOR SENIORS

Conservatives have always worked hard to provide tax relief to seniors. We delivered tax-saving initiatives to help seniors keep more of their hard-earned money.

Here is a list of some tax benefits you can claim:

### Home Accessibility Tax Credit

While in Government, Conservatives introduced the Home Accessibility Tax Credit. Seniors and persons with disabilities who are eligible for the Disability Tax Credit can qualify for tax relief of 15% on up to \$20,000 in eligible expenses. To be eligible, expenses must be incurred in relation to a renovation allowing for better mobility and functionality or reducing the risk of harm.

### Doubling the Pension Income Amount

Years ago, a non-refundable pension income credit was introduced to apply to the first \$1,000 of eligible pension income. A lot has changed since then, which is why the previous Conservative government 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

While in government, Conservatives increased the Age Amount by \$2,000 to help low and middle-income seniors keep more of their hard-earned money to meet their needs. Based on these increases and adjustments for inflation, the Age Amount allows seniors to claim up to \$7,898 on their 2022 tax return, depending on the individual's net income.

### Pension Income-Splitting

The previous Conservative government introduced pension income-splitting to help ease the tax burden and deliver fairness for Canadian pensioners.

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.

The previous Conservative government 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.



**Pension  
income-splitting**

helps ease the  
tax burden

Save on  
renovations,  
allowing for better  
mobility, with the  
**Home  
Accessibility  
Tax Credit**


Keep more of your hard-  
earned money with the  
**Increased Age Amount**



A photograph showing three construction workers on a wooden structure, likely a roof or wall. One worker is standing on the left, another is standing on the right holding a vertical wooden beam, and a third is crouching in the foreground. The background shows green trees and a clear blue sky. A white line with three circular nodes connects the text boxes to the workers.

Employers can save up to  
**\$2,000 per eligible  
apprentice**

**Claim tools and  
meal expenses**

A photograph of two firefighters in full gear, including helmets and oxygen tanks, standing in front of a large fire. The scene is filled with bright orange and yellow flames and thick smoke. The firefighters are looking towards the fire.

**Supporting**  
volunteer firefighters,  
and search and  
rescue personnel

## SAVINGS FOR WORKING CANADIANS



Conservative MPs have always worked hard to keep taxes low for hard-working Canadians. We know that local business owners are the backbone of Canada's economy. That's why we successfully reduced red tape and made it more affordable for businesses to hire more workers.

Here is a list of some tax benefits that you can claim:

### Canada Workers Benefit

This benefit, introduced by the previous Conservative government in 2007, is a refundable tax credit that supplements the earnings of low-income workers to ensure they aren't penalized for getting a job. The Liberal government has since renamed and expanded the benefit.

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

### Canada Employment Amount

The Canada Employment Amount provides most employees of the public and private sector (excluding the self-employed) with help to offset the cost of work-related expenses such as home computers, uniforms and supplies. If you qualify for this amount, you can claim up to \$1,287 on your 2022 tax return.

### 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. Introduced by the previous Conservative government, this can translate into tax savings for an employer of up to \$2,000 per eligible apprentice.

### Lower Taxes for Local Business Owners, Farmers and Fishers

When an owner of a family farm, local business, or fishing enterprise passes from one generation to the next, the properties – or shares – are subject to a Capital Gains Tax. Previously, the first \$500,000 of the value was tax-free.

The previous Conservative government increased this exemption to \$800,000. (As it is indexed for inflation, the lifetime capital gains exemption is \$913,630 for the 2022 tax year.) Additionally, Conservatives also increased the limit specifically for farm and fishing businesses to \$1 million. Conservative Bill C-208, passed in the last Parliament, has made it easier for family-owned businesses and farms to be passed down to children or grandchildren.

### Eligible Educator School Supply Tax Credit

Eligible educators can claim a 25% refundable tax credit on up to \$1,000 of supply purchases per year. Some examples include flashcards, arts supplies, writing materials, books for the classroom and more.

### Volunteer Firefighters' Tax Credit

This is a 15% non-refundable tax credit based on an amount of \$3,000 for volunteer firefighters who perform at least 200 hours of service per year. Delivered by the previous Conservative government, the option to claim the exempt amount of up to \$1,000 for honoraria will remain in lieu of the credit, if desired.



## SAVINGS FOR WORKING CANADIANS (cont'd)

### Search and Rescue Volunteer Tax Credit

This is a 15% non-refundable tax credit based on an amount of \$3,000 to acknowledge the valuable contributions of ground, air and marine search and rescue volunteers, who perform at least 200 hours of service per year. Delivered by the previous Conservative government, the option to claim the exempt amount of up to \$1,000 for honoraria will remain in lieu of the credit, if desired.

### Tradespersons' Tools Deduction

This tax deduction on tools, delivered by the previous Conservative government, helps those tradespeople who often must pay for their work expenses up front out of their own pockets.

### Meal Expenses of Long-Haul Truck Drivers

The Canadian tax system generally limits business-related meal, entertainment, and other expenses to be deductible only up to 50%. The previous Conservative government raised the deductible portion of meal expenses for long-haul truck drivers to 80%.

### Lowering of the Small Business Tax Rate

In 2015, the previous Conservative government introduced a tax measure to lower the small business tax rate from 10.5% to 9% by 2019. A reduced small business tax rate of 9% is now in effect.



## HIGHER TAXES FOR ALL CANADIANS

Despite record cost-of-living pressures, the Liberal government continues to raise your taxes – CPP premium rates are rising, the carbon tax is climbing, and taxes on beer and wine are going up again.

My Conservative colleagues and I are worried that the government may raise taxes even further to pay for Prime Minister Trudeau's out-of-control spending. We will be voting against all new tax increases:

### Carbon Tax

Canadians who live in a province where the Liberal Carbon Tax applies – Ontario, Alberta, Saskatchewan and Manitoba, and in Newfoundland & Labrador, PEI and Nova Scotia where the Liberal Carbon Tax will be imposed in 2023, will see a significant increase in the Liberal Carbon Tax as it rises to \$65 per tonne.

But this is just the beginning. It will eventually reach a staggering \$170 per tonne in 2030, tripling over the next decade. This is a devastating blow to Canadian jobs. As the carbon tax rises year after year, it could cost you thousands of dollars.

Despite all of these taxes, GHG emissions have increased under the Liberal government. The Liberal Carbon Tax is not an environmental policy, it's a taxation policy.

### Disability Tax Credit

The Liberal government has made it more difficult for Canadians to prove their eligibility for this tax credit.

### **Tax-Free Savings Account Rolled Back**

The Liberal government clawed the maximum contribution amount back down from \$10,000 to \$6,500.

### **Public Transit Tax Credit Cut**

The Liberal government cut this tax credit that helped commuters save 15% on the costs of public transit.

### **Family Tax Cut (Income-Splitting) Scrapped**

The Liberal government scrapped this initiative which would have provided \$2,000 in tax relief for couples with children under the age of 18.

### **Children's Fitness Tax Credit and Children's Arts Tax Credit Scrapped**

The Liberal government took away the tax credit you used to be able to claim for your children's sports and arts programs.

### **Education Tax Credit and Textbook Tax Credit Scrapped**

The Liberal government axed critical support for students by scrapping these tax credits.

### **CPP Tax Hike**

The Liberal government's plan has raised the rate 0.5% every year and will reach 11.9% in 2023. As a result, 92.2% of all Canadian families, on average, will pay \$2,218 more after the CPP payroll tax changes are implemented.

### **Beer, Wine and Spirit Excise Tax**

The Liberal government increased the excise tax, which makes beer, wine and spirits more expensive. Worse, they introduced an escalator, so their tax automatically increases on April 1st of every year with inflation.

### **Employee Discounts Failed Attempt**

The Liberal government proposed to tax your employee discounts, affecting (for example) servers getting free meals at work, or retail clerks getting a percentage discount on purchases. However, they backed down thanks to pressure from Conservative MPs. But there is nothing stopping them from trying again.

### **Hiring Credit for Small Business Scrapped**

The Liberal government scrapped this tax-saving initiative which delivered up to \$1,000 in reimbursement on EI premiums.

### **EI Premium Rate Hike**

The previous Conservative government lowered EI premium rates to \$1.49 in 2015. In 2023, because of more Liberal government spending, the rate will be \$1.63 meaning workers and businesses will pay more.

### **Income-Splitting for Family Businesses Rolled Back**

The Liberal government has increased taxes and made the rules more complicated for business owners that employ family members.

### **Passive Income Tax Failed Attempt**

Instead of the 73% tax, the government gradually withdraws eligibility for the small business tax rate for those companies with investment income greater than \$50K. Once investment income reaches \$150K, the business would no longer be eligible for the small business tax rate. This is somewhat simpler than the previous (awful) proposal, but it will unfairly penalize businesses that use passive investments in order to save for downturns, to buy property or for future investments. Thousands of local businesses will no longer qualify for the small business tax rate or will see it reduced.



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