



JSWerry Bookkeeping Services

Sign up for MyAccount

If you haven't already signed up for My Account, please go to the CRA's website and sign up now. Online mail, online returns and instant access to important information are just a few of the benefits! This can take up to two weeks, so plan ahead to be prepared. Click here: <http://www.cra-arc.gc.ca/myaccount/>

From the CRA's website, here are some changes that will affect your 2016 personal tax return.

What's new for 2016

We list the service enhancements and major changes below, including announced income tax changes that were not law. If they become law as proposed, they will be effective for 2016 or as of the dates given.

Our services

MyBenefits CRA – This is a new mobile application that lets you securely view your benefit information. For more information see Mobile apps.

Manage online mail – View your benefit notices online instead of waiting for a paper version to come by mail. For more information see My Account for individuals.

Individuals and families

Canada child benefit (CCB) – As of July 2016, the CCB has **replaced** the Canada child tax benefit (CCTB), the national child benefit supplement (NCBS), and the universal child care benefit (UCCB). For more information see Canada child benefit.

Northern residents deductions – The basic and additional residency amounts used to calculate the northern residency deduction have both increased to \$11 per day.

Children's arts amount – The maximum eligible fees per child (excluding the supplement for children with disabilities) has been reduced to \$250. Both will be eliminated for 2017 and later years.

Home accessibility expenses – You can claim a maximum of \$10,000 for eligible expenses you incurred for work done or goods acquired for an eligible dwelling.

Family tax cut – The family tax cut has been eliminated for 2016 and later years.

Children's fitness tax credit – The maximum eligible fees per child (excluding the supplement for children with disabilities) has been reduced to \$500. Both will be eliminated for 2017 and later tax years.

Eligible educator school supply tax credit – If you were an eligible educator, you can claim up to \$1,000 for eligible teaching supplies expenses.



JSWerry Bookkeeping Services

Interest and investments

Tax-free savings account (TFSA) – The amount that you can contribute to your TFSA every year has been reduced to \$5,500.

Dividend tax credit (DTC) – The rate that applies to “other than eligible dividends” has changed for 2016 and later tax years. For more information see lines 120 and 425.

Investment tax credit – Eligibility for the mineral exploration tax credit has been extended for flow-through share agreements entered into before April 2017. For more information see line 412.

Labour-sponsored funds tax credit – The tax credit for the purchase of shares of provincially or territorially registered labour-sponsored venture capital corporations has been restored to 15% for 2016 and later tax years. The tax credit for the purchase of shares of federally registered labour-sponsored venture capital corporations has decreased to 5% and will be eliminated for 2017 and later tax years. For more information see lines 413, 414, 411, and 419.

Other changes

Tax on taxable income – The tax rates and income levels have changed. As a result of this change the donations and gifts tax credit calculation has changed.

Split income of a child under 18 – The tax rate has increased to 33%.

Sale of principal residence – The sale of a principal residence must now be reported, along with any principal residence designation, on Schedule 3. See Schedule 3, Capital Gains (or Losses) in 2016. Under proposed changes, the CRA will be able to accept a late designation in certain circumstances, but a penalty may apply. Go to Reporting the sale of your principal residence for individuals (other than trusts) and select question 7.

Reassessment period - Under proposed legislation, for tax years that end after October 2, 2016, the CRA may at any time reassess your income tax return if you fail to report a sale or other disposition of real estate. See the Guide T4037, Capital Gains.

Go to the CRA's website:

<http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/rtrn/cmpltng/whtsnw-eng.html>