

2023 Tax Changes

Benefits and Credits

Canada training credit limit

Eligible workers between 25-65 years old at the end of 2019 who meet certain conditions can accumulate \$250 a year, up to a lifetime limit of \$5,000 to be used in calculating their Canada Training Credit.

Based on the information on their return, the CRA will determine their Canada training credit limit for the 2024 tax year and provide it to them on their notice of assessment for 2023 and the information will also be available in your My CRA Account.

An individual could instead opt to claim 50% of their eligible tuition and fees paid to an educational institution in Canada.

[How much you can get – Canada training credit - Canada.ca](#)

Canada workers benefit

The Canada Workers Benefit (CWB) is a refundable tax credit to help individuals and families who are working and earning a low income. You can claim this credit when you go to file your income tax return.

The CWB contains a basic amount and a disability supplement. Starting in July 2023 and based on the 2022 taxation year, the CWB will provide advance payments equal to 50% of the CWB across 3 payments under the Advanced Canada Workers Benefit (ACWB). This initiative puts more money in the workers' pockets to help cope with the rising cost of living. Anyone who received the CWB in 2022 will receive the advanced payments, there is no need to apply.

For more information on the Canada Workers Benefit, please see:

[Canada workers benefit - Canada.ca](#)

Climate action incentive payment (CAIP)

The Climate action incentive payment (CAIP) is a tax-free amount paid to help individuals and families offset the cost of the federal pollution pricing. You may be eligible for the CAIP if you are a resident of Alberta, Saskatchewan, Manitoba, or Ontario.

To get the CAIP, you and your spouse or common-law partner (if applicable) must each file an income tax and benefit return for the year and be an eligible individual. The CRA will automatically determine your eligibility when you file your return. If you have a spouse or common-law partner, only one of you can get the CAIP for the family. The CAIP will be paid to the spouse or common-law partner whose return is assessed first. No matter which one of you receives the CAIP, the amount will be the same.

Home Accessibility Tax Credit

The annual expense limit of the home accessibility tax credit has increased to \$20,000.

Senior Home Safety Tax Credit

The Senior Home Safety Tax Credit has been extended by 1 year until the 2022 tax year. It is a temporary tax credit for households with senior citizen(s) above 65 who have had renovations done to make their home safer/more accessible. Eligible expenses include:

- Wheelchair ramps
- Walk-in bathtubs
- Non-slip flooring

For more eligible expenses, please see: <https://www.ontario.ca/page/seniors-home-safety-tax-credit#section-2>

The credit can be claimed under both the 2021 and 2022 tax years and can be redeemed for 25% of up to \$10,000 in expenses. You can claim this expense on your Income Tax Return.

For more information on the Senior Home Safety Tax Credit, please see:

<https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/5006-s12/5006-s12-22e.pdf>

Underused Housing Tax

The Underused Housing Tax is an annual federal 1% tax on the ownership of vacant or underused housing in Canada that took effect on January 1, 2022.

You must file an Underused Housing Tax return for each of your properties in Canada if these conditions are met on December 31:

- The property is a residential property
- You are an owner of the residential property
- You are determined to be an affected owner of the residential property

For more information on the Underused Housing Tax, please see: <https://www.canada.ca/en/services/taxes/excise-taxes-duties-and-levies/underused-housing-tax.html>

Canada Dental Benefit

Applications for the new interim Canada Dental Benefit opened on December 1, 2022, for eligible families with an adjusted family net income of less than \$90,000 in 2021. It provides financial support for parents and guardians of children under 12 years old if they receive dental care services and do not have access to a private dental insurance plan. Children already covered under another government dental program may also be eligible if the dental costs are not fully paid by that program.

Depending on your adjusted family net income, a tax-free payment of \$260, \$390, or \$650 is available for each eligible child. You can apply for a maximum of 2 payments per child.

Applications are open until June 30, 2024 for dental care received between July 1, 2023 and June 30, 2024

Parents and guardians can apply for a maximum of two payments for each eligible child.

For more information on the Canada Dental Benefit, please see: <https://www.canada.ca/en/revenue-agency/services/child-family-benefits/dental-benefit.html>

First Home Savings Account (FHSA)

In Budget 2022, the government proposed the introduction of the Tax-Free First Home Savings Account (FHSA). This new registered plan would give prospective first-time home buyers the ability to save \$40,000 on a tax-free basis. Like the RRSP, contributions are tax-deductible, and any withdrawals to purchase a first home are non-taxable, like the TFSA.

As previously stated, the lifetime limit on contributions would be \$40,000, with an annual contribution limit of \$8,000 for their first down payment within 15 years. In other words, individuals would be subject to the lesser of their annual limit and remaining lifetime limit. The full annual limit would be available starting in 2023.

You can open an FHSA starting April 1, 2023 and it is open to everyone in between 18 years and 71 years on December 31 of the year the account is opened.

<https://www.canada.ca/en/department-finance/news/2022/08/design-of-the-tax-free-first-home-savings-account.html>

<https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/first-home-savings-account.html>

Changes for individuals and families

Withdrawals have increased under the Home Buyers' Plan

The current withdrawal limit is 35,000

Disability Tax Credit

For 2021 and later tax years, an individual diagnosed with type 1 diabetes is deemed to have met the two times and 14 hours per week requirements for life-sustaining therapy.

Cannabis as a medical expense – Certain cannabis products bought for a patient for medical purposes are eligible for the medical expense tax credit.

The patient must be a holder of a medical document as defined in the Cannabis Regulations

be registered as a client of the holder of a licence for sale; and

make their purchases from the holder of a licence for sale they are registered with.

Tuition and enrolment certificate – The new T2202, Tuition and Enrolment Certificate replaces T2202A, Tuition and Enrolment Certificate for the 2019 and following tax years. Flying schools and clubs will now report information on the new T2202.

Canada caregiver credit

The Canada Caregiver Credit (CCC) is a non-refundable tax credit that is paid out to an individual who supports their spouse/common law partner with a physical and mental impairment.

For your spouse or common-law partner, you may be entitled to claim an amount of \$2,350 in the calculation of line 30300. You could also claim an amount up to \$7,525 on line 30425.

For other scenarios, please see:

<https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/canada-caregiver-amount.html>

CPP Contribution

Beginning January 1, 2024, you must deduct the second additional CPP contributions (CPP2) on earnings above an estimated \$72,400 at a rate of 4% for employer and individual. This works out to an annual contribution of around \$188 for each. For those that are self-employed, then they will pay both the employer and individual's contribution.

For more information on second CPP contributions, please see:

<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/calculating-deductions/making-deductions/second-additional-cpp-contribution-rates-maximums.html#dt5>

Changes for businesses and self-employed individuals

Claim capital cost allowance on zero-emission vehicles

The ceiling for capital cost allowances (CCA) for zero-emission passenger vehicles will be increased from \$55,000 to \$59,000, before tax, in respect of vehicles (new and used) acquired on or after January 1, 2022.

For standard passenger vehicles, the ceiling for CCA will be increased from \$30,000 to \$34,000, before tax, in respect of vehicles (new and used) acquired on or after January 1, 2022.

Eligible zero-emission vehicles include plug-in hybrids (PHEV) with a battery capacity of minimum 7kWh and fully electric powered or hydrogen powered vehicles.

For more information on the capital cost allowance on automobiles, please see:

[Government announces the 2022 automobile deduction limits and expense benefit rates for businesses - Canada.ca](#)

Air quality improvement tax credit

If you were self-employed or a member of a partnership in 2022, you may be eligible to claim a refundable tax credit equals to 25% of your total ventilation expenses to improve ventilation or air quality at your place of business from September 1, 2021 and ending December 31, 2022, for a limit up to \$10,000 for each qualifying location and a total of \$50,000 for ventilation expenses across all eligible locations.

To apply, complete the [Form T2039, Air Quality Improvement Tax Credit](#), and enter the final result on line 47557 of your income tax return.

For more information on the air quality improvement tax credit, please see: <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/deductions-credits-expenses/line-47557-air-quality-improvement-tax-credit.html>

Canada Emergency Business Account (CEBA)

The repayment deadline for CEBA loans to qualify for partial loan forgiveness of up to 33% is has been extended from December 31, 2023, to January 18, 2024.

Loan holders who made a refinancing application with their CEBA loan provider by January 18, 2024 will see their repayment deadline to qualify for the partial loan forgiveness extended to March 28, 2024 to give business more time to hear back on their applications.

Any loans outstanding on January 19, 2024 will be converted to three-year term loans, with an interest of 5% per annum. Additionally, the loan repayment date will be extended from December 31, 2025 to December 31, 2026.

Repayment on or before the deadline of January 18, 2024 (or March 28 for those who received an extension) will result in a \$10,000 loan forgiveness for a \$40,000 loan (25%) and \$20,000 for a \$60,000 loan (33%).

For more information on the CEBA loan forgiveness, please see:
<https://www.canada.ca/en/department-finance/news/2023/09/canada-emergency-business-account-government-extends-repayment-and-partial-loan-forgiveness-deadlines.html>

The government of Canada offers many benefits and credits on your tax return. See the website for a full list of benefits.

[Tax credits and benefits for individuals - Canada.ca](#)