
ANNUAL PERSONAL TAX NEWSLETTER – February 2025

2024 TAX BRACKETS

Approx.. first \$15K = no tax, next \$40K taxed at 20%, next \$55K at 30%, next \$60K upto 40%, and above that upto 50%

FEDERAL \$15,706-55,867 @15%, \$55,868-111,733 @20.5%, \$111,734-173,205 @26%, \$173,206-246,752 @29%, \$246,753+ @33%

ONTARIO \$12,400-51,446 @5.05%, \$51,447-102,894 @9.15%, \$102,895-150,000 @11.16%, \$150,001-220,000 @12.16%, \$220,001+ @13.16%

CRA REQUIRES BUSINESSES FILE HST RETURNS ONLINE & MOVING TO DIGITAL MAIL

Starting Dec2023 CRA imposed a mandatory electronic HST filing requirement or be charged a penalty of \$250 per return. If you do not have online access to CRA's MyBsnsAccount you can still file your HST via OnlineBsnsBanking or NetFile. Also starting this coming spring CRA is saying they will transition every business's default communication to online via MyBsnsAcct (with email notification when mail is ready). Note if CRA does not have an email setup in your profile I assume paper correspondence continues? They are saying there will be an option to set your mail setting back to paper mail (but form RC681 not yet available). On this one we are waiting to see how shakes out??

CAPITAL GAINS INCLUSION RATE

While Budget 2024 had proposed an increase in the capital gains inclusion rate from 50% to 66% as of June 25, 2024, but as you likely know this item was not passed into legislation. Last week on January 31, 2025 the Department of Finance changed the effective date for the proposed increase in capital gains inclusion rate to January 1, 2026. So for 2024/2025 we do not have to worry about the increased inclusion rate – and remains to be seen if the revised proposal ever passes.

EXTENSION OF CHARITABLE DONATIONS DEADLINE

Due to the Canada Post strike, proposed legislation is waiting for approval that would allow donations made by February 28, 2025 to be claimed on the 2024 return. This is most likely to pass, but you can decide if you want to utilize.

TRANSFER OF DISABILITY TAX CREDIT

When you have a disabled low income relative (net income under \$28,041) who is dependent on you for at least one of the following; 'food, shelter, or clothing'; there might be an option to have their unused disability tax credit transferred to your tax return. If the dependent is not a spouse/child who lives with you, you may need to submit a written request to CRA (including details of the support you provide) to be approved for the transfer.

BARE TRUST vs TRUST ACCOUNTS

Bare trusts will not have to file tax returns for 2024, but they are still proposing for future years? Reminder a bare trust arrangement exists when title of an asset (property/bank account/etc) is different than the beneficial owner (the person who will benefit from that asset/makes all decisions related to their asset - ex. you are on title to aid succession only) Note if you have accounts that say "In Trust" for someone, this is an actual trust that must file an annual trust tax return.

HOME BUYERS PLAN WITHDRAWALS

As of April 16, 2024 the withdrawal limit has increased from \$35,000 to \$60,000 and the now the fifteen year repayment period (or income inclusion period) will begin five years after the withdrawal made (increased from two years).

TRANSFER MONIES FROM RRSP TO FHSA

Reminder if you qualify for a FHSA (have yet to own a home) you can move monies from your RRSP over. No tax deduction in this year, but the future withdrawal when buy a house is now tax free.

GAINS FROM CRYPTO CURRENCY OR PRECIOUS METALS

When you buy crypto currency or precious metals and hold to make a profit, any profit when sold is taxable as a capital gain. To calculate the profit/gain you should be tracking your 'adjusted cost base' which averages out the various purchase prices if bought over time. Since there are no reporting slips provided, it is up to you to track and report.

REMINDER OUR WEBSITE ALLOWS UPLOAD OF DOCUMENTS

Rather than email slips or other tax documents, you might consider uploading pdf/jpg files via our website. You can find this feature at <https://slricecpa.ca/im-a-client/> scroll down to the File Upload section. This is slightly more secure, as you are reducing the number of servers your email will touch as it travels from you to me – instead it will go directly to our website backend on Execulink's server. We retrieve and remove from the website server daily.