

WHAT'S NEW FOR 2022 PERSONAL TAX FILING SEASON?

CHANGES FOR INDIVIDUALS

The following changes apply to 2022 T1 personal tax returns for individuals, which are generally due on May 1 this year (because April 30 is on a Sunday).

- **Request to deduct federal COVID-19 benefits repayment in a prior year:** The CRA has created a new form — T1B Request to Deduct Federal COVID-19 Benefits Repayment in a Prior Year — for those who want to:
 - Deduct a repayment made in 2022 on their 2020 or 2021 return (depending on when they received the benefit) instead of their 2022 return, or
 - Split the deduction between their 2022 return and the return for the year that they received the benefit.

Once the form is filed, the CRA will automatically reassess the prior year return(s) and apply the deduction so the taxpayer does not need to request changes separately. Note that benefits repaid after December 31, 2022 can only be deducted in the year in which the repayment is made.

- **First-time home buyers' tax credit:** The amount used to calculate the first-time home buyers' tax credit has increased to \$10,000 (from \$5,000) for a qualifying home purchased after December 31, 2021.
- **Home accessibility tax credit:** This non-refundable tax credit is available for eligible home renovation or alteration expenses that allow a qualifying individual to:
 - Gain access to, or be mobile or functional within, an eligible dwelling, or
 - Reduce the risk of harm to a qualifying individual when inside a dwelling or accessing it.

For 2022, the annual expense limit increased to \$20,000.

- **Ontario Staycation Tax Credit.** The OSTC allows individuals to obtain a 20% tax credit on eligible expenses of up to \$1,000, and up to \$2,000 for families, relating to costs for accommodations incurred in Ontario in 2022. Eligible expenses for a leisure trip in 2022 shorter than one month in Ontario include payments for a:
 - Hotel
 - Motel
 - Resort
 - Lodge
 - Bed-and-breakfast
 - Cottage
 - Campground
 - Vacation rental property
- **Labour mobility deduction for tradespeople:** Under this new deduction, eligible tradespeople and apprentices working in the construction industry may deduct up to \$4,000 in eligible temporary relocation expenses per year (see Form T777 for more information).
- **Medical expense tax credit for surrogacy and other expenses:** The list of eligible medical expenses was expanded as of 2022 to include amounts paid to fertility clinics and donor banks in Canada to obtain donor sperm or ova to enable a child's conception by the individual, their spouse or common-law partner, or a surrogate mother on their behalf. In a related change, certain expenses incurred in Canada for a surrogate or donor are now considered medical expenses of the individual.

- **Consent to share contact information – Organ and tissue donor registry**

The CRA has added the following question to the 2022 personal tax return: “I authorize the CRA to provide my name and email address to Ontario Health so that Ontario Health may contact or send information to me by email about organ and tissue donation: YES or NO”.

Please provide us with clear direction, otherwise we will assume that you do not consent and will respond NO.

CHANGES FOR SELF-EMPLOYED INDIVIDUALS

People who are self-employed may benefit from two newly introduced tax concessions:

- **Air quality improvement tax credit:** Self-employed individuals and partnership members can claim a refundable tax credit of 25% of their total expenses to improve ventilation or air quality at their place of business. The expenses must be incurred from September 1, 2021 to December 31, 2022, and are limited to \$10,000 per location and \$50,000 in total.
- **Immediate expensing for self-employed individuals:** The federal government introduced a temporary immediate expensing incentive for certain eligible property that an eligible person or partnership acquires. For self-employed individuals, this deduction applies to property acquired after December 31, 2021, to a maximum of \$1.5 million. The property must become available for use before 2025.