



# XBlox News for Canadians



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## CANADIAN TAX CHANGES FOR 2017

There are very few income tax changes on the 2017 tax return. Some credits have been increased by the rate of inflation which has been set at 1.4% for 2017. However, contributions to a tax-free savings account remain at \$5,500.

The federal Children's Arts and Fitness tax credits which were capped for 2016 have now been completely eliminated for 2017. The government decided they weren't having any effect on the rates of children participating in the activities covered. For 2017, Ontario has eliminated the provincial Ontario Children's Activity Tax Credit.

You can still claim a credit for yours, your spouses' or your child's post-secondary tuition federally, but the additional federal education and textbook tax credits are gone. In Ontario, you can only claim tuition and education tax credits for the months January - August. As of September 1, 2017, Ontario offers no credits for post-secondary education.

Very few people ever used it, but the federal tax credit for investments in labour-sponsored venture capital funds has been eliminated.

The Ontario Healthy Homes Renovation Tax Credit is eliminated.

The Caregiver Credit, Infirm Dependant Credit and Family Caregiver Tax Credit have been eliminated. These three credits have been replaced with a single new tax credit, the Canada Caregiver Credit, which is intended to provide better support to those who need it most, apply to caregivers whether or not they live with their family member and help families with caregiving responsibilities. The Canada Caregiver Credit provides a 15% non-refundable tax credit for (i) up to \$6,883 of expenses incurred for the care of dependent relatives (i.e., parents, brothers and sisters, adult children and other specified relatives) with infirmities and (ii) up to \$2,150 on expenses incurred for the care of a dependent spouse, common-law partner or minor child with an infirmity. The credit will be reduced on a dollar-for-dollar basis where the dependant's net income exceeds \$16,163 (indexed for inflation for subsequent years).

Some occupational skills courses taken at post-secondary schools which were not previously eligible to have the tuition claimed are now allowed.

Prior to 2017, employers were able to supply employees with their T4 information slips electronically if the employee gave permission. Effective 2017, the employer will not need permission. The employer must, however, have safeguards in place to ensure confidentiality and provide paper copies to former employees or employees on leave or upon request.

## CALLING CRA

The Federal Auditor General's latest report says Canadians are all too often getting a busy signal or a message to hang up and try back later when they try to contact the CRA by telephone

And when they do get through to the Canada Revenue Agency call centre, the report says they are getting bad information more often than the agency has been willing to admit publicly.

The agency has boasted that 90 per cent of callers are able to connect when they reach out for service either through a telephone self-service centre or by speaking to a call centre agent.



But that doesn't take into account the fact that, on average, a taxpayer has to call about four times in a week just to get through to the agency, or the fact that more than half of the calls are blocked outright due to volume, said auditor general Michael Ferguson.

"We found that the agency's numbers didn't account for the 29 million calls it blocked in a year — more than half of its total call volume," Ferguson said. "Those calls either get a busy signal, a message to visit the agency's website, or a message to call back later."

Overall, only 36% of calls to the tax agency were able to connect, said the report.

"Based on our tests — and those done by others - we found that the Canada Revenue Agency gave taxpayers wrong answers to their questions almost 30 per cent of the time," said Ferguson. "This rate is significantly higher than the roughly six and a half per cent error rate estimated by the agency."

In its written response to the report, the government said it agreed on the need to improve the accuracy of information provided to taxpayers. To that end, the CRA said it will launch a new system early next year for training its call centre agents. It also acknowledged that its current call centre technology is "outdated" and will be upgraded.

***HO! HO! HO! Have Happy Holidays, A Merry Christmas and A Happy New Year!***