TAX GUIDE 2015

HELPING YOU & YOUR FAMILY SAVE MORE

Jamie Schmale, MP

Haliburton-Kawartha Lakes-Brock

A MESSAGE FROM YOUR MEMBER OF PARLIAMENT

Tax season is here!

As your MP, I recognize the importance of keeping more of your hard-earned money in your pocket. I'd like to help your family take advantage of all the important tax initiatives that my colleagues and I are working hard to protect.

As a member of Canada's Official Opposition, I am proud of our Conservative Caucus' record of lowering taxes during our time in government. In fact, we reduced taxes over 200 times, saving the average Canadian family over $6,600 per year. This includes about $2.7 billion in annual targeted tax relief for seniors and pensioners.

Please feel free to contact my office with any comments or questions you may have.

Sincerely,

Jamie Schmale, MP
Haliburton-Kawartha Lakes-Brock

Contact the Canada Revenue Agency at 1-800-267-6999 or visit online for more information at www.cra-arc.gc.ca

Jamie
Schmale, MP
Haliburton-Kawartha Lakes-Brock

68 MCLAUGHLIN RD UNIT 1
LINDSAY, ON K9V 6B5
Jamie.Schmale@parl.gc.ca
www.jamieschmale.ca
Facebook: MPJamieSchmale
Twitter: @Jamie_Schmale

TOLL FREE: (866) 688-9881
PHONE: (705) 324-2400
FAX: (705) 324-0880

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All models depicted in this publication were chosen for illustrative purposes only

Lower Taxes for All Canadians

Our Conservative Caucus has always made lower taxes a priority. During our time in government, we removed over 1 million low-income Canadians from the tax rolls all together. We increased the amount of income that all Canadians can earn before paying federal income tax at all, and we reduced the lowest personal income tax rate to 15%. Under Conservatives, the federal tax burden has been the lowest in half a century.

MEDICAL EXPENSE DEDUCTION

Our Conservative Caucus has helped you meet your health care needs by expanding the deduction for medical expenses. The credit applies to a number of eligible expenses – from home care services, to laser eye surgery, to orthopedics. Conservatives expanded the list of expenses to include the costs associated with certain types of service animals (e.g. diabetes alert dogs). The amount you can claim is the total of your expenses, **minus** $2,208 or 3% of the claimant's income (whichever is less). There is no limit on the amount of eligible expenses a taxpayer can claim for himself or herself, a spouse or common-law partner, or a child under 18.

GOODS & SERVICES (GST) TAX CREDIT

Don't forget about the GST credit! The credit is a tax-free quarterly payment that helps individuals and families with modest incomes offset all or part of the GST that they pay.

If you have a spouse or common-law partner, just one of you can receive the credit. When you file your 2015 return, CRA will determine your eligibility and will advise those who are eligible to receive the credit.

PUBLIC TRANSIT TAX CREDIT

Canadians who choose public transit are making a choice that's good for the wallet and for the environment. Transit users can claim a non-refundable tax credit of 15% of the cost of their monthly or yearly public transit passes. This means that if you buy transit passes that cost $100 per month, you could save over $180 per year. **That's like getting almost two months free.**

TAX-FREE SAVINGS ACCOUNTS (TFSAS)

Canadians have many reasons to save for the future; from home renovations to retirement, or even medical expenses. The Tax-Free Savings Account (TFSA) can help all Canadians work towards their short- and long-term financial goals.

The TFSA is a flexible registered savings account, available to all Canadians 18 years of age and older. Investment income, including capital gains, earned within the account is not taxed; and withdrawals are tax-free. Canadians can contribute up to $5,500 per year, and unused room is carried forward to the next year. For example: If John became eligible to open a TFSA in January of 2015 and contributed $5,000 that year, he will have room to deposit $10,500 in 2016 (i.e. the leftover $5,000 from 2015 + the full amount of $5,500 for 2016).

It's important to remember that withdrawn money can only be re-contributed in the same year if you have available TFSA contribution room. If you have used all your contribution room, it cannot be re-contributed until the following calendar year (e.g. if Jane has used all her contribution room and withdraws $1,000 in April 2015, she cannot re-contribute that $1,000 until January 2016 at the earliest).

Important Note: The Liberal government has clawed-back the annual contribution room from $10,000 to $5,500 starting January 1st, 2016.

CROSS-BORDER SAVINGS

It is imperative to Canadian families and our economy that the border between Canada and our largest trading partner, the United States of America, remain as efficient as possible. That's why our Conservative Caucus increased the personal tax exemption limits for Canadian travellers.

Residents returning to Canada after being out of the country for at least 24 hours are exempt from paying duties and taxes on up to $200 of goods purchased abroad. The exemption limit for those returning after at least 48 hours is $800. Plus, Canadians can also rent a vehicle in the United States and bring it over the border to Canada. Taxes will be eliminated on these vehicles for Canadians who have been outside Canada for at least 48 hours.

FIRST-TIME DONOR'S SUPER CREDIT

Our Conservative Caucus introduced the temporary First-Time Donor's Super Credit (FDSC) to encourage new donors to give to charity. The FDSC will increase the value of the federal Charitable Donations Tax Credit by 25 percentage points if neither the taxpayer nor their spouse has claimed the credit since 2007.

Donors will receive a 40% credit for donations of $200 or less, and a 54% credit for the portion of donations over $200 but not exceeding $1,000. (Note: the new credit can only be claimed once from the 2013-2017 taxation years.)

Lower Taxes for Families

ADOPTION EXPENSE TAX CREDIT

To help parents with the costs of adopting a child, our Conservative Caucus enhanced the Adoption Expense Tax Credit while in government.

It is a 15% non-refundable tax credit that allows adoptive parents to claim eligible adoption expenses relating to the completed adoption of a child under the age of 18. Conservatives increased the maximum amount of eligible expenses up to $15,000 per child. As it is now indexed to inflation, the amount of eligible expenses for the 2015 tax year has risen to $15,255.

CANADA CHILD TAX BENEFIT & NATIONAL CHILD BENEFIT SUPPLEMENT

Low-income families continue to receive help from the Canada Child Tax Benefit (CCTB) and the National Child Benefit Supplement (NCBs).

While in government, our Conservative Caucus made increases to both, resulting in more savings for those families who, in the past, would have just missed the eligibility mark. For example, a low-income family with two children can bring in a maximum annual benefit of up to $7,237.

Important Note: The Canada Child Tax Benefit & National Child Benefit Supplement may be changed, as the Liberal government has committed to revising them.

CHILD DISABILITY BENEFIT & REGISTERED DISABILITY SAVINGS PLAN

Those families who care for a child under age 18 with severe and prolonged impairment in physical or mental functions will benefit from the Child Disability Benefit. The maximum annual benefit has been increased to $2,695. Therefore, the benefit provides approximately $220 per month for each eligible child.

Our Conservative Caucus also introduced the Registered Disability Savings Plan (RDSP) to help these families on a more long-term basis. The Plan can help ensure that a child's long-term financial security is provided for when the parents are no longer able to provide support.

Over the years, we made a number of enhancements to the RDSP, including greater flexibility for withdrawals and an expanded definition of who may be the plan holder of an RDSP.

MAXIMUM ANNUAL CHILD DISABILITY BENEFIT INCREASED TO $2,695

CHILD CARE EXPENSE DEDUCTION

Caring for a child is never easy, especially while juggling other commitments like work or school. That's why parents can deduct child care expenses from their income.

These are amounts paid to have someone look after an eligible child in order to: earn income from employment; operate a business either alone or as an active partner; attend school; or conduct research.

To better reflect the cost of child care expenses, Conservatives increased the dollar limits that parents can claim to $8,000 from $7,000 per child under age seven, $5,000 from $4,000 for each child aged 7 through 16 (and for infirm children over age 16), and $11,000 from $10,000 for children who are eligible for the Disability Tax Credit. These new limits take effect for the 2015 taxation year.

CHILD CARE EXPENSE CREDIT INCREASED

CAREGIVER AMOUNT & FAMILY CAREGIVER TAX CREDIT

Caring for a loved one who is dependent on you due to a physical impairment can be challenging both emotionally and financially. That's why Canadians can continue to claim the Caregiver Amount, and why our Conservative Caucus created the Family Caregiver Tax Credit.

If at any time in 2015 you (either alone or with another person) maintained a residence where you and the person you supported lived (a spouse or common-law partner is not considered your dependant for this purpose), you may be able to claim a maximum amount of $4,608 under the Caregiver Amount, for each eligible dependent.

The Family Caregiver Tax Credit allows individuals supporting infirm dependants to claim an enhanced amount under other dependency related credits. The Family Caregiver Tax Credit is a 15% credit on an amount of $2,093.

CLAIM A MAXIMUM OF $4,608
FOR EACH ELIGIBLE DEPENDANT

TEXTBOOK AMOUNT & SCHOLARSHIP AND BURSARY EXEMPTION

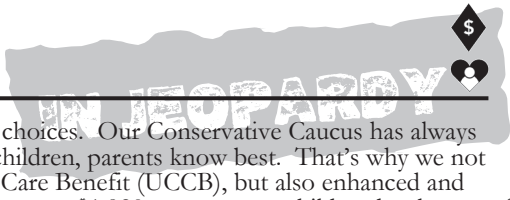
Getting an education shouldn't be taxing. Canada's students work hard to earn good grades while paying for their schooling.

That's why hard-working students can continue to exempt scholarships, fellowships and bursaries from their income. Students and families can also continue to make post-secondary education more affordable and more attainable with the Textbook Tax Credit.

These are just a few of the ways that Canadian students can achieve their dreams and full potential.

MAKING EDUCATION MORE AFFORDABLE

UNIVERSAL CHILD CARE BENEFIT



Being a parent is about making choices. Our Conservative Caucus has always believed that, when it comes to children, parents know best. That's why we not only created the Universal Child Care Benefit (UCCB), but also enhanced and expanded it. Families will receive up to $1,920 per year, per child under the age of six. And parents with children aged 6 through 17 will receive up to $720 per year, per child. These figures are effective as of January 1, 2015.

The UCCB allows parents to decide what is best for their kids. Rather than try to apply a 'one-size-fits-all' approach to caregiving, the UCCB lets parents choose how to spend their money. This may be for traditional caregiving costs like daycare or babysitting, or for other costs like program expenses, school supplies, or clothing. Whether that choice is daycare, staying with a relative, or having Mom or Dad stay home, the decision rests with parents.

Important Note: The Universal Child Care Benefit may be changed, as the Liberal government has committed to revising it.

UP TO $1,920 PER YEAR PER CHILD UNDER 6

CHILDREN'S FITNESS TAX CREDIT & CHILDREN'S ARTS TAX CREDIT

Our Conservative Caucus understands that by participating in sports and the arts, kids learn the value of sportsmanship, unleashing their creativity and living healthy lifestyles.

Our Children's Fitness Tax Credit and Children's Arts Tax Credit allows parents to claim a tax credit on up to $500 per child under 16 against the fees for sports and programs like ballet, hockey and soccer, as well as for artistic and cultural activities like art or music lessons.

While in government, Conservatives doubled the Children's Fitness Tax Credit (CFTC) and made it refundable. Parents are now able to take advantage of a new $1,000 limit. The credit is refundable as of the 2015 taxation year, increasing benefits to low-income families who claim it for that year and subsequent years.

Important Note: The Children's Fitness Tax Credit and Children's Arts Tax Credit may be changed, as the Liberal government has committed to revising them.

TAX CREDIT ON UP TO $1,920 PER CHILD UNDER 16 ENROLLED IN ARTS PROGRAMS

TAX CREDIT ON UP TO $1,000 PER CHILD UNDER 16 ENROLLED IN SPORTS

FAMILY TAX CUT

IN JEOPARDY

Our Conservative Caucus has always been focused on helping hard-working Canadian families make ends meet. That's why we introduced the Family Tax Cut.

The Family Tax Cut provides up to $2,000 in tax relief for couples with children under the age of 18. This initiative allows a high-income spouse to transfer up to $50,000 of taxable income to their spouse who is in a lower income tax bracket. This ensures all couples with children are treated fairly by Canada's tax system – meaning those with similar total incomes pay a similar amount in taxes.

The Family Tax Cut is estimated to benefit more than 1.7 million families in Canada.

Important Note: The Family Tax Cut may be changed, as the Liberal government has committed to revising it.

UP TO $2,000 IN TAX RELIEF
FOR COUPLES WITH CHILDREN UNDER 18

Lower Taxes for Seniors

DOUBLING THE PENSION INCOME AMOUNT

Canadian seniors have worked hard and paid their dues. That's why, while in government, Conservatives delivered real tax savings to help seniors keep more money in their pockets, where it belongs.

Not only have seniors paid taxes, they've also saved for retirement. Years ago, a non-refundable pension income credit was introduced to apply to the first $1,000 of eligible pension income. A lot has changed since then, which is why Conservatives increased the maximum amount of eligible pension income that can be claimed to $2,000. This results in even more savings that will make a real difference for pensioners.

PENSION INCOME CREDIT DOUBLED TO $2,000

INCREASING THE AGE AMOUNT

Canadian seniors have worked hard to prepare for their retirement. That's why Conservatives increased the Age Amount while in government, helping low and middle-income seniors keep more money to meet their needs.

We increased this allowable amount by $2,000, providing even more support to Canadian seniors. The Age Amount allows seniors to claim up to $7,033 on their 2015 tax return, depending on the individual's net income.

AGE AMOUNT INCREASED BY $2,000

INCREASING THE AGE LIMIT FOR CONVERTING RRSPS TO RRIFS

Registered Retirement Savings Plans (RRSPs) provide one of the best opportunities for Canadians to save for the future. Since RRSP contributions are not taxable below your RRSP deduction limit, they are an ideal way to plan for retirement. However, some Canadians have been restricted by the way RRSPs are structured. Even though they chose to work past 69 years of age, it was a requirement to convert their RRSP into a Registered Retirement Income Fund (RRIF) and begin making withdrawals.

Conservatives took action for Canadians nearing retirement while in government. **We increased the age limit for converting RRSPs to RRIFs from 69 to 71.** Now, more Canadians have the freedom to choose when they convert their RRSPs. Conservatives believe in delivering tax savings and choice for Canadian seniors.

AGE LIMIT FOR CONVERTING RRSPS TO RRIFS FROM 69 to 71

PENSION INCOMING SPLITTING

To help ease the tax burden and deliver fairness for Canadian pensioners, our Conservative Caucus introduced Pension Income Splitting while in government.

Generally, each individual Canadian pays taxes on their full income earned. Pension Income Splitting allows any Canadian resident who receives qualifying pension income to allocate to their spouse (or common-law partner), with whom they reside, up to one-half of that income. By doing so, a pensioner and their family can dramatically reduce their tax load.

SPLIT UP TO 1/2 YOUR PENSION INCOME WITH A SPOUSE (OR COMMON-LAW PARTNER) AND REDUCE YOUR TAX LOAD

Lower Taxes for Home Buyers

FIRST-TIME HOME BUYERS' TAX CREDIT

The fees associated with purchasing a first home can really add up. To help Canadians with these costs, our Conservative Caucus introduced the First-Time Home Buyers' Tax Credit while in government. The credit allows Canadians to save up to $750 on qualifying homes purchased after January 27, 2009.

The First-Time Home Buyers' Tax Credit is also available to existing homeowners who are eligible for the Disability Tax Credit (DTC) who purchase a more accessible or functional home, or for the benefit of a DTC-eligible person who is related to the individual purchasing the home by blood, marriage, common-law partnership or adoption.

SAVE UP TO $750 ON QUALIFYING HOMES

HOME BUYERS' PLAN

For many first-time home buyers or builders, saving for a down payment can be the most challenging part. To help Canadians saving for their first big purchase, our Conservative Caucus raised the amount Canadians can withdraw from their Registered Retirement Savings Plans (RRSP) for a down payment on their first home.

We increased the maximum Canadians can withdraw from their RRSPs for a home purchase to $25,000.

MAXIMUM RRSP WITHDRAWAL INCREASED TO $25,000 FOR FIRST-TIME HOME BUYERS

Lower Taxes for Working Canadians and Job Creators

SMALL BUSINESS JOB CREDIT

Small businesses help fuel Canada's economy, which is why our Conservative Caucus created the Small Business Job Credit while in government. Businesses that have EI premiums of $15,000 or less will have their payroll taxes lowered by 15% over the 2015 and 2016 tax years.

This builds on our strong support for small business. In fact, thanks to the savings delivered by Conservatives, a typical small business ($500,000 of taxable income) is seeing annual savings of approximately $28,600.

Over 780,000 businesses are expected to be eligible for the credit in the 2015 and 2016 taxation years.

BUSINESSES WITH EI PREMIUMS OF $15,000 OR LESS
WILL HAVE THEIR PAYROLL TAXES LOWERED BY 15%

APPRENTICESHIP JOB CREATION TAX CREDIT

For businesses that are hoping to make the most of every dollar while continuing to employ tradespeople in training, Conservatives introduced the Apprenticeship Job Creation Tax Credit while in government. Employers who employ an eligible apprentice in a skilled trade in the first two years of an apprenticeship contract (registered with the federal, provincial, or territorial government) can be eligible to receive a non-refundable tax credit equivalent to 10% of the salaries and wages paid to the apprentice. This can translate into tax savings for an employer of up to $2,000 per eligible apprentice.

Visit online for more information at www.red-seal.ca

TAX SAVINGS FOR AN EMPLOYER OF UP TO $2,000
PER ELIGIBLE APPRENTICE

LOWER TAXES FOR SMALL BUSINESS OWNERS, FARMERS AND FISHERMEN

When a family farm, small business or fishing enterprise passes from one generation to the next, the property or shares are subject to Capital Gains Tax. In years previous, the first $500,000 of the value was tax-free.

Our Conservative Caucus increased this exemption to $800,000 while in government. And for the 2015 tax year, as it is indexed for inflation, the exemption has increased again to $813,600.

LIFETIME CAPITAL GAINS EXEMPTION INCREASED TO HELP FAMILY BUSINESSES

VOLUNTEER FIREFIGHTERS' TAX CREDIT

Many communities across Canada depend on volunteer firefighters to respond to fires and other emergencies. Brave volunteers sacrifice their time and put their lives at risk to save others. They also incur expenses.

Championed by former MP Barry Devolin, the Conservatives created the $3000 Volunteer Firefighters' Tax Credit for volunteer firefighters who perform at least 200 hours of service a year. However, if preferred, the option to claim the exempt amount of up to $1,000 for honoraria will remain in lieu of the credit.

VOLUNTEER FIREFIGHTERS' TAX CREDIT ON $3,000 FOR 200 HOURS OF SERVICE

MEAL EXPENSES OF LONG-HAUL TRUCK DRIVERS

When your job includes travelling Canada's roads, extra expenses will occur. From meals to gas, it can really add up. In general, the Canadian tax system limits business-related meal, entertainment, and other expenses to be deductible only up to 50%.

While in government, Conservatives went one step further and raised the deductible portion of meal expenses for long-haul truck drivers to 80%. Long-haul truck drivers are getting more money back in their pockets for their time spent on Canada's roads.

DEDUCT 80% OF MEAL EXPENSES FOR LONG-HAUL TRUCK DRIVERS

TRADESPERSONS' DEDUCTION FOR TOOLS

Construction and trade workers need tools to carry out their jobs each and every day. But often these hard-working Canadians have to pay for these expenses up front and out of their own pockets. That's why Conservatives introduced a tax deduction on tools while in government, that will help tradespeople save money.

SEARCH & RESCUE VOLUNTEER TAX CREDIT

To also acknowledge the valuable contributions of ground, air and marine search and rescue volunteers, our Conservative Caucus also created the Search and Rescue Volunteer Tax Credit.

We delivered this 15% non-refundable tax credit based on an amount of $3,000. That's a credit of $450.

SEARCH & RESCUE VOLUNTEER TAX CREDIT OF $450

POOLED REGISTERED PENSION PLANS

Saving for retirement is no easy feat, especially without access to a workplace pension. To make saving easier for the millions of Canadians who find themselves in this category, our Conservative Caucus delivered Pooled Registered Pension Plans (PRPPs) while in government. PRPPs provide an accessible, large-scale and low-cost pension option to employers, employees and the self-employed.

CANADA EMPLOYMENT AMOUNT

Having a job can mean many different work-related costs, from home computers to uniforms and other supplies. But, why should work-related expenses limit the rewards of hard-working Canadians?

That's why Canadians can take advantage of the Canada Employment Amount. Most employees, excluding the self-employed, will qualify for a non-refundable tax credit on up to $1,146 in 2015.

WORKING INCOME TAX BENEFIT

For too long, many Canadians who relied on social assistance faced big challenges in joining the workforce. Conservatives took action for workers through the Working Income Tax Benefit (WITB) while in government. This benefit is a refundable tax credit that supplements the earnings of low-income workers to ensure they aren't penalized for getting a job.

For those low-income working Canadians with a disability who face even larger barriers to workforce participation, the WITB provides an additional disability supplement.

Please send me more Information on:

- ☐ Tax-Free Savings Account (TFSA)
- ☐ Goods and Services Tax (GST) Credit
- ☐ Medical Expense Deductions
- ☐ Public Transit Tax Credit
- ☐ Cross-Border Savings
- ☐ First-Time Donor's Super Credit
- ☐ Family Tax Cut
- ☐ Universal Child Care Benefit (UCCB)
- ☐ Children's Fitness Tax Credit & Children's Arts Tax Credit
- ☐ Caregiver Amount
- ☐ Family Caregiver Amount
- ☐ The Child Disability Benefit & The Registered Disability Savings Program
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- ☐ Textbook Amount & Scholarship and Bursary Exemption
- ☐ Disability Tax Credit
- ☐ Pension Income Deductions
- ☐ Age Deductions
- ☐ Age Limit for Converting RRSPs to RRIFs Increase
- ☐ Hiring Credit for Small Business
- ☐ Pooled Registered Pension Plans
- ☐ Working Income Tax Benefit
- ☐ Canada Employment Amount
- ☐ Lower Taxes for Small Business Owners, Farmers and Fishermen
- ☐ Volunteer Firefighters' Tax Credit
- ☐ Apprenticeship Job Creation Tax Credit
- ☐ Tradesperson's Deductions for Tools
- ☐ Meal Expenses of Long-Haul Truck Drivers
- ☐ First-Time Home Buyers' Tax Credit
- ☐ Home Buyers' Plan

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Jamie Schmale, MP
Haliburton-Kawartha Lakes-Brock

68 McLaughlin Rd, Unit 1
Lindsay, ON
K9V 6B5

Jamie Schmale, MP
Haliburton-Kawartha Lakes-Brock