

# LETTER

## YEAR END TAX TIPS FOR 2017 - PART 2

### **EXPENSES:**

Certain expenditures made by individuals by December 31, 2017 will be eligible for 2017 tax deductions or credits including:

- moving expenses,
- child care expenses,
- charitable donations,
- political contributions,
- medical expenses,
- alimony,
- eligible employment expenses,
- union, professional, or like dues,
- carrying charges and interest expense.

*Ensure you keep all receipts that may relate to these expenses*

### **BUSINESS STRATEGY:**

If you own a business or rental property, consider paying a reasonable salary to family members for services rendered. Examples of services include:

- website maintenance,
- administrative support, and
- janitorial services.

Salary payments require source deductions (such as CPP, EI and payroll taxes) to be remitted to CRA on a timely basis, in addition to T4 filings.

If you are providing services to a small number of clients through a corporation (which would otherwise be considered your employer), CRA could classify the corporation as a Personal Services Business. There are significant negative tax implications of such a classification. In such scenarios, consider discussing risk and exposure minimization strategies (such as paying a salary to the incorporated employee) with your professional advisor.

### **DONATIONS:**

For individuals who have not yet claimed charitable donations, consider making a donation of up to \$1,000 in order to get a "super charged" donation credit.

### **EI CHANGES**

There were a number of employment insurance (EI) changes have been enacted effective December 3, 2017. These include a new caregiving benefit for up to 15 weeks for those who are temporarily away from work to support or care for a critically ill or injured family member, the option to extend the parental benefit for up to 18 months (from the current 12 months) and the ability to claim EI benefits up to 12 weeks before a mother's due date (from the current 8 weeks).

***We at Accounting Plus are always happy to meet with you to discuss any tax related questions whether you are an individual or a Small Business client. Next year will bring changes and we would like you to be as prepared as possible.***

**Contact us:**

**tel: 905 771-1131 or email: [info@accplus.ca](mailto:info@accplus.ca)**

**SOCIAL MEDIA UPDATE:**

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