



Sunil and Nita LLP
Tax and Business Advisors Chartered Professional Accountants

April 2023 Update

REMINDER TO FILE PERSONAL TAX RETURN.

Underused Housing Tax (UHT) (1%)

We had mentioned about the new UHT filling in our March newsletter.

Failure to File Penalty is based on each property not filed.

- Each person that fails to file a return as and when required will be liable to a penalty equal to or greater of

- \$5,000 for individuals or \$10,000 for non-individuals, and

Exception for first time:

The Canada Revenue Agency (CRA) understands that there are unique challenges for affected owners in the first year of the Underused Housing Tax Act (UHTA) administration.

To provide more time for affected owners to take necessary actions to comply, the Minister of National Revenue is providing transitional relief to affected owners. The application of penalties and interest under the UHTA for the 2022 calendar year will be waived for any late-filed underused housing tax (UHT) return and for any late-paid UHT payable, provided the return is filed or the UHT is paid by October 31, 2023.

This transitional relief means that although the deadline for filing the UHT return and paying the UHT payable is still April 30, 2023, no penalties or interest will be applied for UHT returns and payments that the CRA receives before November 1, 2023.

<https://www.canada.ca/en/revenue-agency/news/newsroom/tax-tips/tax-tips-2023/underused-housing-tax-penalties-and-interest-waived.html>

Few 2023 Federal Budget Highlights for individuals:

Registered plans

Tax-assisted registered plans includes changes:

- Annual withdrawal limits increased for beneficiaries of Registered Education Savings Plans (RESP) to \$8,000 for eligible full-time programs and to \$4,000 for eligible part-time programs
- Divorced or separated parents can now open joint RESPs
- Extending to 2026 the temporary measure that allows a qualifying family member (parent, spouse or common-law partner) to open a Registered Disability Savings Plan (RDSP) and be the plan holder for certain adults whose capacity to enter into an RDSP contract is in doubt, and extending the measure to qualifying siblings

Grocery rebate

Budget 2023 proposes to provide a one-time Grocery Rebate to low- and modest-income families by increasing the maximum Goods and Services Tax Credit amount for January 2023. Eligible individuals will receive twice the amount they received for January. The rebate is to be paid as soon as possible after this proposal has been approved.



What Is The 90% Rule?

The 90% rule applies to a taxpayer who have not been a Canadian tax resident for an entire year, whether they are departing from or arriving to Canada. As a result, they may only be entitled to the full Basic

Personal Amount deduction if 90% of their net worldwide income is Canadian-sourced.

If a tax payer Canadian income is less than 90% of the worldwide income, the Basic Personal Amount Deduction will be proportional to the number of days you have resided in Canada during the year.

2023 federal Basic Personal Amount Deduction is \$15,000.



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