



March 2023 Update

Underused Housing Tax (UHT) (1%)

The Underused housing Tax (UHT) is effective from January 1, 2022 with filing and/or taxes due on April 30, 2023. The tax mainly applies to non-resident, non-Canadian owner. In some situation, it also applies to Canadian owners.

The UHT applies to legal owner or/and part ownership interest in a residential property in Canada as of December 31 of the particular year. There are certain exemptions and exclusions, for example, primary place of residence or residential property with 50% used for commercial purposes. There are still a lot of confusion around this tax due to lack of clarity. All owners (unless you are excluded owner) must file annual declarations with CRA and must pay 1% annual tax on the value of real estate. A private corporation is not considered excluded owner. However, there are so many owners who are not taxable will still have filling obligation.

The minimum penalty for failing to file the UHT return is the greater. \$5,000 for an individual (\$10,000 if the person is not individual).



Boost Your Business Technology Grant

You get up to \$15,000 grant to boost your business technology. The purpose of this is to increase productivity by digital transformation. This grant helps small

businesses (individual or corporate) to achieve following:

- Reduce overhead costs
- Speed up transactions
- Respond to client more quickly
- Manage inventory more efficiently
- Improve supply chain logistics

You are eligible if your business is Canadian owned with 1 to 499 employees and have had at least \$500,000 in annual revenue in one of the last three years. For further detail go to following link



Employer paid identity theft protection service

CRA considers employer paid identity theft protection services as taxable benefit to the employee. However, employer can deduct these expenses as business expenses. The plan normally provides privacy and 26 security monitoring, identity consultation services and identity restoration services for employees.

Correction: February update incorrectly mentioned \$78,000 TFSA lifetime limit since its inception in 2009 until 2023 should be instead \$88,000. We apologies for the error



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