



Sunil and Nita LLP
Tax and Business Advisors Chartered Professional Accountants



November 2023 Update

CEBA repayment

The new deadline to repay the Canada Emergency Business Account (CEBA) interest free loan is January 18, 2024. Additionally, a business can apply for refinancing by January 18, 2024, with their borrowing financial institution to qualify for the partial loan forgiveness provided the loan is repaid by March 28, 2024. If a business fails to meet CEBA loan re-payment deadline, the loan will automatically convert into a three year loan with 5% interest on January 19, 2024, and outstanding loan & interest must be paid by December 31, 2026.



2023 Tax Planning

TFSA

2023 limit for TFSA is \$6,500 and there is no deadline for making contribution. If you are over 18 years old in Canada since 2009, and never contributed to a TFSA, you are eligible to contribute up to \$88,000 for TFSA in 2023

Tax - Loss Selling

You may think about selling investments in non registered account that are at a loss to help you offset capital gains that you realized in the current or previous three years. Remember, if an investment is sold at a loss and then repurchased within 30 days, the initial loss cannot be claimed for tax purposes. So, just wait for 30 days after the sale date before repurchasing the same or similar investment.

RRSP who turns 71

If you are turning 71 during the year, you can only contribute to RRSP until December 31 rather than the normal 60 days of following calendar year.

Make a donation

Donating publicly traded securities, including mutual funds is a great way to maximize tax credit because you will get tax receipt based on fair market value

of the securities being donated. Also, you will not pay any capital gains taxes

Contribute to RDSP (if eligible)

Parents and other eligible contributors can contribute to a Registered Disability Savings Plan (RDSP) to receive up to \$7,000 matching Canada Disability Savings grants (CDSGs)

First Home Savings Account (FHSA)

Qualified first-time homebuyers can contribute \$8,000 annually up to a lifetime total of \$40,000 (\$80,000 between couple). The best part is that the contribution is tax deductible, and any income/gains are tax free. The full amount can be withdrawn from FHSA tax free within 15 years (or by the age 71) to make qualifying home purchase.

Investment expenses

Make sure to collect investment expenses (for nonregistered investment) details from you advisor because these expenses are deductible in your tax return.

Pension split

Pension split is a great way to minimize taxes. You can split half of pension with your spouse or common law partner. This will also help you to minimize or eliminate old Age Security Pension clawback.

CRA Mileage Rate

2023 CRA mileage rate for business related driving is 68 cents per kilometer for the first 5,000 kilometer driven, and 62 cents for each additional kilometer.



CRA extends the date of Underused Housing Tax (UHT) tax filing:

Now owners of residential property in Canada have until April 30, 2024, to file UHT return for the 2022 calendar year. Similar extension also applies to certain Canadian private companies (including bare trustee corporations). CRA announcement on October 31, 2023, provides a relief to affected residential property owners who were unable to meet the previous deadline of October 31, 2023.

