

Make Sure to Include These Tax Deductions on your Tax Return!

Things You Should Know

The COVID-19 pandemic is a significant disruption, not only in our home or office routines but also for tax preparations. This year's tax season isn't the usual because Canadian taxpayers must include all pandemic benefits received in 2020 as taxable income.

On the positive side, the Canada Revenue Agency (CRA) has some tax deductions to reduce tax bills. If you're filing your taxes in 2021 for the 2020 income year, don't miss these tax deductions if you're eligible.

Home office expense

Home Office workers grew in number last year due to lockdown measures to prevent the spread of COVID-19. Many employers allowed their employees to work from home in 2020. If you're one of the thousands who used or converted spaces in the house as workstations, you could qualify for the home-office-expense tax deduction.

The claim process is simple and uses a new flat-rate method. You must have worked 50% of the time at home for four consecutive weeks to qualify. The tax deduction is \$2 per day up to a maximum of \$400 (\$2 x 200 days). Just fill up Form T777S, and you're good to claim. In case your expenses are considerable, use the detailed but more cumbersome.

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