

MARCH - APRIL 2021 NEWSLETTER

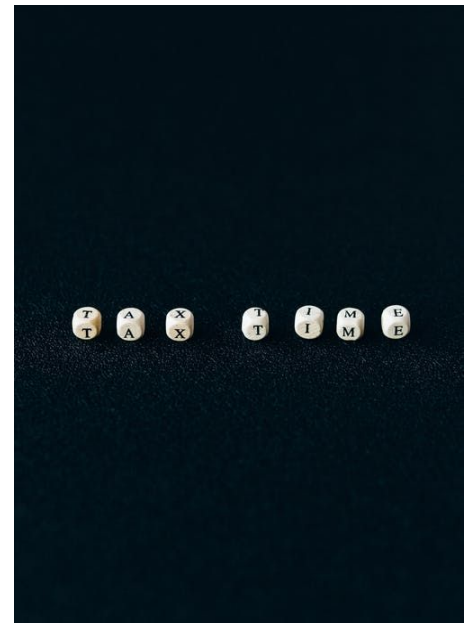
IT'S TAX SEASON!

Greetings, Clients!

This newsletter primarily highlights **2020 INCOME TAX** preparation information.

We are proud to have been taking care of your personal and business financial needs for over 32 years. During the ongoing Covid-19 pandemic we continue to make ourselves available to you as a provincially designated essential service. Our staff are alternating workdays in the office as part of our safety plan to ensure physical distancing and minimize virus transmission. We aim however, **to work with clients primarily virtually this tax season** via:

- Our [online portal upload](#)
- Zoom conferencing
- Telephone conferencing
- Onsite drop box
- In exceptional circumstances we can accommodate in office meetings **by appointment only** (contact cbrown@reliableaccounting.com).



We continue to be up-to-date on the latest Health Regulations. A strict COVID protocol has been put in place should you have to visit our office. Please visit our [website](#) or [follow this link](#) to understand the measures you must follow for our mutual safety.

Please visit our [website](#) under **2020 TAXES** for additional information and updates.

Feel free to contact our staff with any questions or concerns.

Stay safe,

Roma and Team



RELIABLE

Accounting & Tax Services

TAX FILING DEADLINES



DATES TO KNOW

Individuals - April 30, 2021 is the filing deadline for the 2020 tax year. For the majority of tax filers, this is the deadline to both pay and file your returns.

Filing on time avoids delays and ensures that you receive the refunds, benefits and credit payments that you may be entitled to in a timely manner.

Self Employed - Deadline to file the 2020 taxes is June 15th, 2021. Remember, that if you owe taxes, you still need to pay by April 30.

WHAT'S NEW FOR THIS TAX SEASON - TAX RELATED CHANGES

■ INCREASED FLAT RATE AMOUNT FOR MEAL CLAIMS

CRA has increased the flat rate that transport employees and other individuals can claim for meal expenses from **\$17 to \$23 per meal**, these increases are now in effect and retroactive to **January 1, 2020**.

■ AUTOMOBILE AND MOTOR VEHICLE ALLOWANCES:

59 cents per KM for the first 5,000 KM driven; **53 cents** per KM driven after that.

■ LARGER WITHDRAWALS UNDER THE HOME BUYERS PLAN

Maximum amount you can withdraw as a first time home buyer is increased to **\$35,000** for withdrawals made after March 19, 2019.

■ MEDICAL TAX CREDIT

Cannabis can be claimed as a medical expense if it has been prescribed for medical use.

■ NEW OFFICE AND HOME DEDUCTIONS

Employees will generally be able to claim home office expenses deduction if they worked from home in 2020 due to the COVID-19 pandemic and in particular, more than 50% of the time for a period of at least four consecutive weeks in 2020.

Under the flat method, the individual can claim **\$2 per day for each day worked up to a maximum of \$400 (\$200 / day).**

Refer to Form T777S - If it's more than 200 days, you may want to use the detailed method (Check with your employer for Form T2200).

- **TURNING 19 IN 2021?** File a tax return for 2020 to receive the GST-HST Credit
- **CANADA TRAINING CREDIT** - If you meet certain conditions, you will be able to claim a Canada Training Credit, a new refundable tax credit that is available for 2020 and later tax years.
- **TAX FREE ALLOWANCE** - In 2020 the amount you can earn without paying taxes is \$12,298 (NOTE: You can only claim the tax free allowance if you earn at least 90% of your total income in Canada).

NEW AND IMPROVED ONTARIO TAX BREAKS - Provincial Tax

- **CHILDCARE AND RELIEF FROM EXPENSES (CARE)**
- **LIFT CREDIT** - is designed for someone working full time and making minimum wage. It aims to help families with children up to age 16 and income of up to \$150,000. This is in addition to the federal child care expenses. The LIFT credit will be in effect for low-income workers residing in Ontario, for the 2019 and subsequent taxation years. It will provide a provincial income tax reduction of up to \$850 for an individual and \$1,700 for a couple.