

## The 2024 Personal Tax Season is upon us!

The team at Moeller Matthews is ready to help you navigate tax season smoothly.

### Key dates to remember:

- **March 3, 2025** RRSP contribution deadline
- **April 30, 2025** Tax return filing deadline for 2024, unless you or your spouse were self-employed during the year
- **April 30, 2025** 2024 tax balance due and foreign reporting deadline
- **June 16, 2025** 2024 tax return filing deadline for self-employed individuals and their spouse (interest accrues on tax owing from May 1st)

We have included a tax checklist to help you assemble all relevant tax information for you and your family.

***Please include the completed checklist in your tax package. Be sure to collect all tax slips and records before dropping your tax package off to our office. We greatly appreciate complete tax packages dropped off as early as possible to avoid any delays in the preparation of your return.***

If you received a tax slip last year and one has not yet arrived this year, please call the issuer to inquire if one will be coming in the mail this year. Please note that T3 slips issued for mutual fund investments may not arrive until the beginning of April.

If you are self-employed, to ensure you are able to make the balance due date of April 30th, please have your business information to us as early as possible, **but no later than April 7<sup>th</sup>**.

If you have not already created a personal log in account with the CRA, please do so as soon as possible. CRA will no longer be mailing out your notice of assessment and other important communication. You will only have access through your CRA account. To register, please visit [www.canada.ca/en/revenue-agency.html](http://www.canada.ca/en/revenue-agency.html).

We hope you find this letter helpful. If you have any questions, please do not hesitate to call our office at 250-286-0631.

Yours truly,  
MOELLER MATTHEWS



Charlene Brown, CPA, CA

## What's New for Personal Tax – 2024

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**Short-term rentals:** As of January 1, 2024 individuals are no longer able to deduct expenses related to non-compliant short-term rentals. This change applies to all expenses, including interest expenses, incurred after 2023 to non-compliant short term rentals.

**Home Buyers Plan (HBP) withdrawals:** The HBP withdrawal limit has increased from \$35,000 to \$60,000 for withdrawals made after April 16, 2024. In addition, an extension to the repayment period has been introduced.

**Volunteer Firefighters' / Search and Rescue Volunteer credit:** Has been increased from \$3,000 to \$6,000 for eligible individuals who have at least 200 combined eligible volunteer service hours during the year.

**British Columbia Renters Credit:** For the 2024 tax year, British Columbia has introduced a new renters' credit. This non-refundable credit is available to BC residents who pay rent for a primary residence. To qualify, renters must meet the following income thresholds, and be paid to a third party (non-family member):

- Single individuals: Must have a net income of \$60,000 or less.
- Families: The combined net income of a couple or family must be \$80,000 or less.

In addition to the income requirements, the credit is based on the amount of rent paid and other eligibility criteria.

**Underused Housing Tax (UHT):** If you are not a Canadian citizen or permanent resident and own residential property in Canada, you still have an obligation to file for 2024. If you would like to engage our firm, please let us know as soon as possible. We require all the information required to file a 2024 UHT return prior to March 25th, 2025. The filing deadline is April 30, 2025.

**First Home Savings Account ("FHSA"):** As of April 1, 2023, Canadians can now contribute up to \$8,000 a year to a maximum of \$40,000 over their lifetime towards the purchase of a first home. The contributions are tax deductible like an RRSP, but when withdrawn for an eligible purchase are tax free similar to a TFSA. If you made contributions towards an FHSA before December 31, 2024, your contributions can be deducted from your 2024 income.

### Other Important Items to Consider

**CRA Interest and Penalties:** As of the first quarter, the CRA is now charging 8% interest on all overdue tax balances. In addition to interest, if you file your return late, you can expect a minimum penalty of 5% of the taxes owing, plus an additional 1% per month for every month your return is late (maximum 12 months). Penalties will be doubled if you filed your 2021, 2022, or 2023 late and the CRA issued a formal demand to file letter.

**Late Returns:** Please note that late returns may affect your ability to receive the Canada Child Tax Benefit, OAS, and other government assistance programs such as the new Canadian Dental Care Plan.

**Foreign Income Verification:** Any person owning foreign property with a cumulative cost greater than \$100,000 CDN at any time during the year is required to file Form T1135 (Foreign Income Verification Statement). Foreign income properties include foreign stocks, bonds, treasury bills and property excluding foreign property held for personal use (i.e. vacation property). The penalties for non-disclosure are punitive (up to \$2,500); please ensure you discuss any ownership of foreign property with us.

**Real Property Dispositions (including principal residence):** If you sold real property, including an interest or a right, or changed the use of the property, you will need to report the transaction on your return regardless of whether it was your principal residence, recreational property, or other personal property - even if it was sold at a loss. You will only be allowed the principal residence exemption if you report the sale on your tax return. If a principal residence goes unreported you could be subject to a penalty of up to \$8,000, and they could deny your right to the exemption. Additionally, an unreported property could leave your tax return open for reassessment indefinitely, far beyond the normal 3 year statute barred period. **If you change the use of a principal residence, either in part or in full to a rental, or change a rental in full or in part back to a principal residence, there are tax implications, and potential elections that must be filed with your tax returns. Failure to file the correct forms could result in taxes payable.**

## 2024 Tax Preparation Checklist

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Name: \_\_\_\_\_ Phone (Home/Cell) \_\_\_\_\_  
Address: \_\_\_\_\_  
Email: \_\_\_\_\_

**Are you already subscribed to our secure client portal?** **Yes/No**

**Would you like to sign and receive a copy of your 2024 tax return electronically via the portal?** (if yes, please ensure you provide an email above) **Yes/No**

**Please complete the following questionnaire and checklist and return with your required tax documentation. The list below is not exhaustive; call 250-286-0631 with any questions, or to schedule an appointment (if necessary).**

**Questionnaire:**

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|---|---------------|
| 1. Do you authorize the CRA to provide information to elections Canada?   | <b>Yes/No</b> |
| 2. Did you own or hold foreign property or investments at any time during the year with a total cost of more than \$100,000 CDN?  | <b>Yes/No</b> |
| 3. Did you sell a principal residence in 2024 (or any property)?  | <b>Yes/No</b> |
| 4. Did you change the use of a residence during the year?<br><i>(Changed all or part of a principal residence to a rental, or vice versa)</i>   | <b>Yes/No</b> |
| 5. Are you a Canadian Citizen?  | <b>Yes/No</b> |
| 6. Are you a US Citizen?  | <b>Yes/No</b> |
| 7. Were there any changes this year that we should be aware of?<br><i>(This could include changes to income sources, change of marital status, birth of a child or adoption, change in dependents, whether you moved, or if you have new contact information)</i> | <b>Yes/No</b> |
| 8. Did you repay any CESB, CERB, or Fish Harvesters benefits?   | <b>Yes/No</b> |

**Please provide (as applicable):**

**Slips**

- All T slips (T4, T3, T5, T4E, T4A, T4AP, T4OAS)
- Social assistance payments or Workers' Compensation Benefits (T5007)
- Withdrawals from your RRSPs or RRIF's (T4RSP, T4RIF)
- Tuition/education amounts for qualifying students (T2202A)
- RRSP contributions (RRSP contribution slip)
- FHSA contributions (FHSA contribution slip)

**Other Documentation Required**

- Notice of Assessment/Re-Assessment received during the year
- Any Canada Revenue Agency correspondence received during the year
- Capital gains/losses statements for investments
- Rental income & expense records
- Business, farm & expense records
- Disability Tax Credit Certificate (T2201)
- Declaration of Conditions of Employment (T2200) for those using their personal vehicle or home as a condition of employment and those wanting to claim a deduction for working from home due to COVID-19 (T2200s)
- Tax installments made
- Rental information ( receipts, landlord information)

