



TAX TIPS FOR THE 2024 YEAR-END



As year end approaches, it is a good time to review your finances and take advantage of eligible credits, deductions and key tax-saving opportunities. We have compiled these Tax Tips, some old and new for your consideration.

Income and Investment Planning

- **Tax Loss Selling**

Consider **engaging in tax loss selling** of some non-registered assets to offset capital gains you have accumulated over the years on other non-registered assets.

- **Capital Gains Inclusion Rate - Tax Gains**

(As a reminder) What is done is done, effective June 25, 2024, Capital Gains Inclusion Rate increased from one half (50%) to two thirds (66.67%). Individuals and certain trusts are entitled to 50% inclusion on the first \$250,000.00 of capital gains annually. Those affected in 2024 by this change will have a more complicated income tax return to prepare *(we're here to help you!)*.

- **Tax Free Savings Account (TFSA) Contribution**

If you haven't already contributed to your TFSA this year, now is the time (just do not overcontribute or CRA will penalize you!). The 2024 TFSA contribution limit is \$7,000.00

- **Convert RRSP to RRIF at age 65**

You may wish to **convert a portion of your RRSP to a RRIF earlier** and withdraw \$2,000.00 to take advantage of the pension income tax credit *(if you are not already doing so)*.

- **Delay RRSP withdrawals under the Home Buyer's Plan (HBP) or Life Long Learning Plan (LLP) programs** until January of next year to **defer repayment** by a full year.

- **Spousal RRSP Contribution**

If you have contribution room, perhaps contributing to your spouse's RRSP is an even better idea than contribution to your own.

- **Registered Disability Savings Plan (RDSP) Contribution**

Assuming you have the available room, make a contribution to maximize the benefits.

Consult our Macnaughton & Ward Financial tax professionals for further details.



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- **RESP Contributions**

Make sure to **maximize your 2024 RESP contributions** subject to the limits keeping in mind that you may be eligible to contribute to the current tax year as well as a previous year for which contributions have not been made or maximized.

- **Income Splitting**

If you have pension income, you may split it with your spouse. Likewise, your family benefits tax wise on a spousal investment loan.

- **Guaranteed Investment Certificate/Account**
Delay upcoming year end GIC purchases until January 2025 to defer taxation by a year.

Family & Estate Planning

- **Canada Child Benefit (CCB)**

Review your CCB entitlements and any provincial benefits for children.

- **Caregiver Credit**

If you take care of your parent(s)/a family member, you may be eligible for a \$5,505.00 credit.

- **BC Renter's Tax Credit**

If you rent* in BC, you may be eligible for a \$400.00 tax credit (*certain conditions apply.)

Home Buyers and Owners

- **First Home Savings Account**

If you or your loved one are eligible, now is a great time to set up an account and reap the

benefits. 2024 First Home Savings Account limit is \$8,000.00. Unused contribution room is eligible to be carried forward only once an account has been opened, therefore the earlier the FHSA is opened the better!

- **Home Buyer's Plan**

You can withdraw up to \$35,000.00 from your RRSP to buy or build a home for yourself.

- **First-Time Home Buyer's Tax Credit**

Receive a credit of up to \$1,500.00!

- **GST/HST New Housing Rebate**

If you buy or build a house to be your primary residence, you may be eligible for a rebate.

- **Multi-Generational Home Renovation Tax Credit**

If you are doing renos to accommodate older or disabled family members, CRA is giving a break with this generous tax credit.

- **Home Accessibility Tax Credit (HATC)**

Specifically for qualifying individuals with eligible home renovation or alteration expenses, up to \$20,000.00 limit per year!

- **BC Home Renovation Tax Credit for Seniors and Those with Disabilities**

Like the federal program above, the BC government is also offering a similar tax credit, up to \$10,000.00

- **Underused Housing Tax**

Foreign nationals and some Canadian owners may be subject to a 1% tax on vacant or underused housing in Canada.

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CONTACT US



604.581.9121 | 1.800.397.0115



service@mwfs.ca

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- **Work from Home Tax Credit**
Claim up to \$2.00 per day if you worked from home more than 50% of the time for at least four consecutive weeks. A T2200 completed by your employer is required to determine eligibility.
- **Home Office Expenses**
Be sure to **utilize home office deductions** for small business owners and commissioned employees on certain eligible expenses.
- **Canada Training Credit**
For eligible Canadian taxpayers, take advantage of the \$250.00 per year **Canada Training Credit**.

Tax Credits & Other Deductions

- **Disability Tax Credit**
If you have an eligible physical or mental impairment, CRA may grant you some serious tax relief (talk to your Account Manager for details).
- **Charitable Donations**
As an individual donor, the first \$200.00 annual donation (to an eligible registered charity) is eligible for a 15% federal tax credit, plus the applicable provincial/territorial tax credit. Donations above \$200.00 are eligible for a 29% federal tax credit (or a 33% federal tax credit to the extent your income is above \$246,752.00 and subject to a 33% tax rate), plus the relevant provincial/territorial tax credit. Keep in mind there are limits for charitable donation claims. It is important to note that you can now only claim 80% of your donation tax credit when calculating alternative minimum tax (AMT).
- **Medical Expenses**
Consider **donating stock** (which has accumulated significant capital gains) "in kind" to your favourite charity. When making a gift-in-kind, such as a donation of a publicly traded securities, instead of cash, it may increase the tax benefit of your donation. Be aware, gifts-in-kind may now be subject to AMT.
- **Medical Expenses**
Consider buying glasses, hearing aids, orthotics, prescriptions and getting dental work done before the year's end if you expect your medical receipts to make up more than 3% of your 2024 income. Collect receipts for eligible out-of-pocket medical costs.
- **Moving Expenses**
Moving 40 kilometers or more to be closer to your work can result in a nice deduction on moving expenses.
- **Association Fees and Union Dues**
If you pay these, make sure to deduct them (be sure to provide your Account Manager your tax receipts).
- **Digital News Subscription Tax Credit**
Take advantage of the \$500.00 subscription tax credit for qualifying subscription expenses after 2019 and before 2025.

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Important Deadlines for 2024 Year-End Tax Planning

Topic	Deadline
Final tax installment for 2024: If you pay tax installments, the fourth and final payment for 2024 is due on this date.	December 15, 2024
Charitable donations, medical expenses, political contributions, Home Accessibility Tax Credit, Spousal support payments, deductible legal fees, professional dues, interest on student loans, etc.: Payments made for the 2024 tax year must be made during 2024 to be deductible in 2024.	December 31, 2024
Realize Gains/Losses: Review your investment portfolio (for non-registered investments) with your Account Manager. For losses, sales must be completed by this date to offset any gains realized in 2024.	December 31, 2024
FHSA Contributions: Open the account in 2024 to benefit from contribution room beginning to accumulate.	December 31, 2024
TFSA Contributions: For 2024. Unused room can be carried forward indefinitely.	December 31, 2024
RESP Contributions: To benefit from government grants and tax deferred growth.	December 31, 2024
Joint Holdings: Accounts with adult children (may be considered Bare Trust) valued more than \$50,000 are required to file tax returns beginning 2025. Seek advice before December 31, 2024 for options (i.e. bank account, GIC, HISA, and real estate).	December 31, 2024
Spousal Loan: Interest owed or payable for 2024 must be paid by this date.	January 30, 2025
RRSP Contributions: Contributions made within the first 60 days of 2025 can still be deducted against 2024 income, giving an extra window for maximizing retirement savings. RRSP repayments under a Home Buyer's Plan or Lifelong Learning Plan.	March 1, 2025

Scams & Fraud - CRA Latest Scam Alerts

Recognize a scam - know when to be suspicious.

Record Keeping

Keep meticulous records for expenses you plan to claim. Taxpayers are required to keep supporting documents for six (6) years from the end of the last tax year your documents relate to.

Utilize the above tips and strategies to further optimize your tax situation and take advantage of the most effective tax savings available. Reach out to your MWFS Account Manager if you have questions regarding the above information, your tax return, savings and investments, or wish to discuss your tax and estate planning solutions.

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