

BDCA

CHARTERED PROFESSIONAL
ACCOUNTANTS

BDCA Holiday Hours

It's that time of year again where the company will be closed to spend time with dear family and friends and re-energize in preparation for the upcoming busy season. This year, commencing December 24th at noon the offices will close, reopening on Monday January 3rd. We wish you a most joyous, peaceful, and rewarding holiday season and only the best for 2022!

Tax Update

On December 14, 2021 the Canadian Federal government released their fall economic statement. No personal or corporate tax changes were announced; however, the government announced several new tax measures to continue supporting Canadians as we continue to navigate through the pandemic. The following are some of new tax measures that may be of interest to you:

Home Office Expense – For Employees

As many Canadians will continue working from home for the foreseeable future, the government announced that employees who work from home can continue to use the “temporary flat rate method” to calculate home office expense deductions on their tax returns.

If you recall from last year, there are two methods of claiming home office expenses:

- The temporary flat rate method
- The detailed method

Temporary Flat Rate Method

The “temporary flat rate method”, which was introduced during the 2020 tax year has been extended and will apply to the 2021 and 2022 tax year. If you recall, the temporary flat rate method allowed employees to simply claim \$2 for each day they worked from home, up to a maximum of \$400. Starting in the 2021 tax year, the government announced that each employee may claim up to \$500 under this method.

Detailed Method

Under the “detail method” of calculating home office expenses, employees would calculate all “eligible expenses” incurred while working from home and would prorate this amount based on the portion of their homes used for work. Examples of “eligible expenses” may include, but not limited to, the following:

- Electricity
- Heat
- Water
- Utilities
- Home internet access fees
- Rent
- Maintenance and minor repairs

Tax Credit For Educators

In past taxation years, teachers and early childhood educators were eligible for the “Eligible educator school supply tax credit”, which was comprised of a 15% refundable tax credit on up to \$1,000 incurred for “eligible supplies”. The “eligible supplies” must be purchased for use in school or at a regulated childcare facility. Example of “eligible supplies” may include, but not limited to, the following:

- Books

- Games
- Construction paper
- Art supplies
- Puzzles
- Education Software

The economic statement announced by the government proposed to increase the refundable tax credit from 15% to 25%. In addition, the government expanded their list of eligible expenses to include certain electronic devices, such as, computers, speakers, headphones, webcams, microphones and many more.

Guaranteed Income Supplement (GIS)

During the 2020 taxation year, low-income seniors who received the GIS, but also received either the Canada Emergency Response Benefit (CERB) or the Canada Recovery Benefit (CRB) would have experienced a significant decrease in their GIS during the 2021 taxation year. As a reminder, the 2021 GIS is calculated based on net income from the prior year, which would include any CERB or CRB received.

The economic statement announced by the government proposed to alleviate the financial hardship experienced by low-income seniors who experienced a “clawback” on their GIS in the 2021 taxation year, by proposing a “one time payment” to restore the amount they had lost as a result of receiving the CERB or CRB in 2020.

Small Business Air Quality Improvement Tax Credit

To encourage businesses to invest in better ventilation and air filtration systems, the government proposed a temporary “Small Business Air Quality Improvement Tax Credit”. This 25% refundable tax credit would be applicable towards “qualifying expenditures”, up to a maximum of \$10,000 per “qualifying location” and a maximum of \$50,000 across “all qualifying locations”. In addition, to be eligible for this refundable credit, the “qualifying expenses” must be incurred between September 1, 2021 and December 31, 2022. This credit is available to sole proprietors, who do not own corporations, or “Canadian-controlled private corporations” with taxable capital employed in Canada for the associated group of less than \$15 million

in the immediately preceding taxation year. Due to the complexity of these rules, please reach out to a member of BDCA Chartered Professional Accountant to assist you in navigating through these rules!

Staff Update

BDCA welcomes four new valued team members to the firm:

- Jeannie Tran – Leads Internal Accounting
- Wilson Woo – Senior Manager – Taxation and Accounting Services
- Anthony Iaboni – Staff Accountant
- Viktoriia Shevchenko – Staff Accountant

Combined, all the above individuals bring many years of experience to BDCA including great personalities and talent. We look forward to you meeting them at the offices during your next visit (perhaps it will be a zoom “office” – we hope not, we would love to see you in person!). Lastly, our junior accountants in training (see pic below) have been having difficulty focusing and have been found napping on the job. They will be relocated close to the kitchen by the treats where they tend to be most alert and attentive to our needs! Happy Holidays Everyone!

