

Federal Budget April 21, 2015 Highlights

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W H I T R O D L E D U C C P A I N C .

On April 21, 2015, Finance Minister Joe Oliver tabled the 2015 Federal Budget, a balanced budget with many benefits in advance of the upcoming federal election.

The following are a few highlights:

Personal Taxes

- The Tax Free Savings Accounts (TFSA) limit will increase to \$10,000 per year, effective 2015. There will be no automatic indexation in the future.
- Introduction of a Home Accessibility Tax Credit for seniors 65 and older to improve the accessibility into and within their homes.
- A reduction, starting in 2015, in the mandatory minimums withdrawn by seniors from the Registered Retirement Income Funds (RRIFs) to ensure the RRIFs last longer as people live longer.
- An increase in the Capital Gains Exemption (CGE) on the sale of qualified farming and fishing property to \$1 million from the current \$813,600.
- The granting of federal student loans will be changed to no longer penalize students who are working part-time while studying, and there will be a reduction of the deemed parental support in the application process, based upon the parents' income.
- An increase in the EI benefit period for persons taking time off to care for family members in their last stages of life from 6 weeks to 6 months.

Look inside for more highlights...

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Business & Corporate Taxes

- A reduction in the tax rate for active business corporations, by 0.5% starting in 2016 and continuing through 2019 when the rate will be 9% on the first \$500,000 of annual taxable profits.
- An accelerated CCA rate (depreciation for tax purposes of 50% on purchases of manufacturing and processing equipment, on a declining balance basis, from 2016 through 2025.

Business & Individuals

- The rules regarding paying tax free inter-corporate dividends to reduce the capital gains on the sale of shares of the payer of the dividends, are being tightened.
- For 2015 and future years, the foreign investment asset reporting (T1135) will be simplified for investment holdings with a cost less than \$250,000 throughout the year.
- A removal of capital gain reporting on donations of shares of private companies and real estate to registered charities.

As always, should you wish to discuss any of these measures in further detail, please give us a call.

Yours truly,

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