

Federal Budget February 11, 2014 Highlights

For more information please
contact the office of
Robin Whitrod CPA Inc.
1 Holiday Avenue
West Tower, Suite 520
Pointe-Claire, QC H9R 5N3
Telephone: (514) 426-2011
Facsimile: (514) 426-0559
robin@rwhitrod.ca

On February 11, 2014, Finance Minister Jim Flaherty tabled the 2014 Federal Budget, focusing on balancing the budget and closing some loopholes. Much of what is included was previously discussed so little was unexpected.

The following are a few highlights:

Personal Taxes

- An increase in the expense limits eligible for the Adoption Expense Tax Credit from \$11,774 to \$15,000 for 2014 and indexed thereafter.
- The Medical Expense Tax Credit to include the “design” of an individualized therapy plan for disabled persons starting in 2014.
- Introduction of a tax credit for “Search and Rescue” volunteers of \$450 (\$375) for Quebec taxpayers.
- A further extension of the Mineral Exploration tax credit until March 31, 2015 to support flow-thru shares issuances.
- Contributions to Amateur Athlete Trusts will increase the beneficiary’s RRSP room for contributions.
- Starting in 2014, income from a trust or partnership that is considered business income will be taxed at the highest marginal rates if paid out to a minor.
- Graduate taxation rates for Testamentary Trusts will only be for the first 36 months at which time highest marginal tax rates will be levied. Graduated marginal rates will continue to apply beyond 36 months for Testamentary Trusts set up for disabled persons.
- Testamentary Trusts will have deemed calendar year ends starting as early as December 31, 2015.

Look inside for more highlights...

Personal Taxes (continued)

- Several additional preferential rates related to Testamentary Trusts will only be available for the first 36 months including an exemption to make instalment payments.
- The carryforward of unused donations of ecologically sensitive land is increased to 10 years from 5 for donations on or after February 11, 2014.
- Greater flexibility on donations made upon the death of an individual so they can be used more effectively.
- The gifting of Certified Cultural Property will be subject to the rule stating the “value will be no greater than the cost” if part of a tax shelter gifting arrangement.

Business & Corporate Taxes

- An increase in the limits requiring businesses to remit deductions at source to 2 times/months if monthly withholdings exceed \$25,000 and 4 times/month if withholdings exceed \$100,000.
- Proposed changes to simplify capitalization and amortization of Eligible Capital Property.

GST/HST

- Acupuncturists' and Naturopathic doctors' services to now be exempt services for purposes of GST/HST.
- CRA will now have the ability to deem a business registered for GST/HST if registration compliance is ignored.

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

Yours truly,

ROBIN WHITROD CPA INC.

Per:



Robin Whitrod, CPA, CA
(514) 426-2033

