

LETTER

YEAR END TAX TIPS FOR 2017

TFSA:

The TFSA dollar limit for 2017 is \$5,500 but there is no deadline for making a TFSA contribution. If you have been at least 18 years old and resident in Canada since 2009, you can contribute up to \$52,000 in 2017 if you haven't previously contributed to a TFSA.

RRSP:

Although you have until March 1, 2018, to make RRSP contributions for the 2017 tax year, contributions made as early as possible will maximize tax-deferred growth. Your 2017 RRSP deduction is limited to 18% of income earned in 2016, to a maximum of \$26,010, less any pension adjustment plus any previous unused RRSP contribution room and any pension adjustment reversal.

RESP

If your child (or grandchild) is an RESP beneficiary and attended a post-secondary educational institution in 2017, consider having Educational Assistance Payments (EAPs) made from the RESPs before the end of the year. Although the amount of the EAP will be included in the income of the student, if the student has sufficient personal tax credits, the EAP income will be effectively tax-free.

Update on Small Business Tax Changes:

In our last newsletter we gave you the latest update on the proposed Tax changes for Small Business Owners. Since then, there have been more updates available. Here is where these proposals stand:

Income Sprinkling - Changes to come - January 1, 2018.

Passive Investments inside a corporations - Changes to come such as \$50K of passive income investment annually that won't be subject to the proposed measures. However no set date as of yet on when this will come into effect.

We at Accounting Plus are always happy to meet with you to discuss any tax related questions whether you are an individual or a Small Business client. Next year will bring changes and we would like you to be as prepared as possible.

Contact us:

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SOCIAL MEDIA UPDATE:

WE ARE NOW ON FACEBOOK AND TWITTER.

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