

# Tax Changes for 2019

Each year, there are changes to the tax laws that could have an impact on your return. Here are some of the important updates that you need to know about.

## 2019 Personal Tax Changes

### ► **Medical Expenses and service animals**

Canadians suffering from severe mental impairment will now, in certain circumstances, be able to claim, the cost of caring for service animals as a medical expense. This credit applies only for animals trained to perform specific tasks that help their owners cope with their impairment. You will be able to claim a range of expenses, including the cost of maintaining your service animal, veterinary expenses and food.

### ► **EI parental sharing benefit**

The 2018 federal budget made changes to the Employment Insurance (EI) parental sharing benefit, effective March 17, 2019.

Under the previous rules, either parent could receive up to 35 weeks of EI standard parental leave benefits, and the other parent can receive the remainder of the 35 weeks. (The 35 weeks may be extended to 61 weeks at a lower rate.) As such, if a couple decided that one parent would take the 35 weeks of EI parental leave benefits, there are no EI parental leave benefits available to the other parent.

Under the new EI parental sharing benefit, a second parent may receive up to an additional five weeks of benefits for a total of 40 weeks of EI standard parental leave benefits between two parents.

### ► **“Foreign-Born Status Indians” are now eligible for the Canada Child Benefits**

Foreign-born status Indians” (individuals that reside in Canada and are Indians under the Indian Act but are neither Canadian citizens nor permanent residents) are now allowed to retroactively apply for CCB for the 2005 taxation year through to June 30, 2016.



## ► Elimination of the home relocation loan

A home relocation loan is a loan given to you by your employer or the employer of your spouse or common-law partner. Following changes that were proposed in the 2017 federal budget, the home relocation loan deduction was eliminated as of 2018.

## ► Retirement income security benefits now available to veteran's for pension splitting.

Retroactive to 2015, retirement income security benefits received by veterans are now eligible for pension income splitting. The cap on the amount that can be split is \$103,056 for 2018.

## ► Climate Action Incentive

Starting this year, Canadians who live in Saskatchewan, Manitoba, Ontario and New Brunswick can claim the new climate action incentive tax credit.

A family of four could receive:

- \$609 in Saskatchewan
- \$339 in Manitoba
- \$307 in Ontario
- \$256 in New Brunswick

## 2019 Business Tax Changes

### ► Reduction in small business corporate tax rate

The small business corporate tax rate was reduced from 10.5% to 10% effective for 2018 and will be further reduced to 9% for 2019.

### ► Accelerated capital cost allowance (CCA) rates

Good news for business owners and the self-employed. This year you may get more money back for the cost of purchases like business equipment, office furniture and computers. Since these items gradually wear out, you're allowed to claim the cost over a period of several years.

The federal Fall 2018 Economic Statement included a temporary change to the half-year rule for claiming CCA. The change takes effect for purchases of equipment made on or after November 21, 2018 and before



2024 and will affect the amount that may be claimed on the 2018 tax return.

As a result, property currently subject to the half-year rule will, in essence, qualify for an enhanced CCA equal to three times the normal first-year allowance and property not currently subject to the half-year rule will qualify for an enhanced CCA equal to one-and-a-half times the normal first year allowance.

The Accelerated Investment Incentive will not change the total amount that can be deducted over the life of a property—the larger deduction taken in the first year in respect of a property will eventually be offset by smaller deductions in respect of the property in future years.

## Getting Advice

---

Reviewing your Tax Plans? We encourage you to talk to us. Speak to your Financial Advisor or contact Investor Services at 1 800 608 7707.

