

Ready for Tax Time?



It's that time of year again. Tax time is right around the corner, and the sooner you get your slips, receipts and forms in order, the smoother everything will go.

Preparing well is crucial

First off, you want to make sure you file your tax return on time. If you owe money, you won't incur an interest penalty on your balance if it's paid before the deadline, which is typically April 30, but this year it's May 1 since April 30 lands on a Sunday. If you're entitled to a refund, it's better to receive it as soon as possible so you can put that money to good use (e.g., investing for the future, paying down debt, getting essential repairs done on your home).

Enlist a professional

It may also help to work with an accountant or other professional with experience filing income taxes. Not only can they ensure that you pay all the taxes you owe, but they'll also help lower your tax bill because they know how to find and properly claim the credits and deductions you're entitled to.

For instance, you may qualify for a tax deduction if your employer required you to work from home as a result of the pandemic. This deduction is valid for the 2020, 2021 and 2022 tax years, provided you worked from home 50% or more of the time over a period of at least four consecutive weeks. The deduction is calculated using one of two methods provided by the Canada Revenue Agency: the "temporary flat rate method" and the "detailed method." Your accountant or tax preparer can help you choose the one that will yield the greatest financial benefit given your personal circumstances.

A tax professional will help you maximize your allowable tax benefits related to medical and childcare expenses, charitable donations, and more. If you earned employment income from foreign sources or investment income from foreign property in 2022, the tax calculations are fairly complicated, so they're best left to an experienced accountant.

Looking ahead

Once your income taxes are filed for the 2022 tax year, it's not too early to begin planning for your next tax return. Be organized by having a good recordkeeping system for all tax-related forms and documents. It'll make tax time run more smoothly next year, plus it will help you stay on top of whatever tax breaks you should be claiming.

You can work with your advisor and tax professional to ensure you do everything possible to minimize your taxes. You want to make the most of tax-advantaged plans such as the RRSP, RESP, TFSA, and RDSP. Your advisor can also work with you to implement tax-efficient investment strategies to optimize your long-term wealth-creation potential.

We can help you invest according to your needs while also saving on taxes, so please contact us today.



INVESTED IN YOU.

This article is a general discussion of certain issues intended as general information only and should not be relied upon as tax or legal advice. Please obtain independent professional advice, in the context of your particular circumstances. Investia Financial Services Inc. is a wholly-owned subsidiary of Industrial Alliance Insurance and Financial Services Inc., a life and health insurance company which operates under the trade name iA Financial Group.

investia.ca