

Ottawa Journal: Family Tax Credits & Savings

Safeguarding financial prosperity starts with strong Canadian families and our Government will continue to keep taxes low for Canadian families. Our Government's low-tax plan is delivering real results for hardworking Canadians and their families.

The average family of four now receives more than \$3,200 in extra tax savings, and the federal tax burden for all Canadians is now the lowest it has been in half a century. The savings from these tax programs and credits contribute to Canada's economic stability and improve the standard of living.

We know that Canadian families want to be able to raise their children and have enough money at the end of the month to pay for their expenses. Thankfully, our Government has introduced a number of tax relief measures and credits geared toward families to make sure they are able to keep more of their hard-earned money.

These include the Children's Arts and Fitness Tax Credits, which encourages families to enroll their children in various arts and fitness programs. Families can claim a 15 per cent non-refundable tax credit on an amount up to \$500 per child per credit on their income tax and benefit returns. According to the 2012 Tax Expenditures and Evaluations publication, the Children's Fitness Tax Credit provided an estimated \$120 million to hard-working families in 2012 alone.

Additionally, the First-Time Home Buyers' Tax Credit provides tax relief to families and helps make the transition into home ownership more affordable. Taxpayers or their spouse or common-law partner who bought their first home this year, may be eligible to claim a 15 per cent non-refundable tax credit on an amount of \$5,000 on their income tax and benefit return. The amount only applies if they did not live in another home owned by them or their spouse or common-law partner in the year of acquisition or in any of the four preceding years. In its first two years alone, more than 550,000 Canadians claimed the First-Time Home Buyers' Tax Credit, which resulted in over \$2.5 billion claimed.

The Family Caregiver Tax Credit is available to help Canadians cope with the added responsibilities of caring for infirm parents or relatives. It provides a 15 per cent non-refundable tax credit on an amount of \$2,040 to caregivers of dependent relatives.

And finally, the Tax-Free Savings Account (TFSA) allows Canadians, aged 18 or over, to set money aside tax-free. Each calendar year, they can contribute up to \$5,500 to their TFSA. All income earned in and withdrawals from a TFSA are generally tax-free. By the end of 2012, over 9 million Canadians had opened a TFSA, and half of those TFSAs were held by Canadians with an income of less than \$40,000.

I encourage all Canadian families to visit the Canada Revenue Agency Web site at www.cra.gc.ca for more information about these programs and other tax savings they may be eligible for.

Remember, save your receipts for 2013, because you may be eligible to start claiming these credits on your income tax and benefit return when you file your taxes in 2014.

Our Government will continue to remain focused on creating jobs, economic growth, and long-term prosperity of all Canadian families.

David Tilson, M.P.