

Tax filing for parents

BY Staff May 15, 2017



You're a parent and it's tax time. Congratulations, because there are significant tax advantages, particularly if you're a new parent, you have a child who's come to live with you, or if you have a child and you're a new Canadian resident.

Here's what to do.

Apply for and report benefits

Use the [RC66 Canada Child Benefits Application](#) to apply for the Canada Child Benefit (CCB) and the Child Disability Benefit, or apply online through CRA's My Account. You can also apply when you register a birth. Note that:

- The CCB is worth a maximum of \$6,400 per year for each child under the age of six and \$5,400 per year for each child aged 6 to 17. These amounts start being reduced when the adjusted family net income is over \$30,000.
- For heterosexual couples who live in the same home as the child, CRA considers the mother the primary caregiver, so she'll receive all social benefits. However, the lower-income parent must report the income on his or her return, says Cheryl Mont, accountant at Harris and Wright LLP.
- Same-sex parents can designate a primary caregiver in their application.

Here's a tip: Although regular payments for the Canada Child Tax Benefit, the National Child Benefit Supplement, and the Universal Child Care Benefit are no longer being issued after June 2016, you can still request an adjustment for prior years.

Claim expenses and credits

Consider this tip: You may be able to transfer any unused amount to your partner. Complete [line 326](#) of the return and [Schedule 2, Federal Amounts Transferred from Your Spouse or Common-Law Partner](#) , to determine the amount.

For childcare reporting on line 214:

- Claim the expenses you or your partner paid for childcare while at work, school or doing research.
- The child must be under 16 at some point during the year. (If he's disabled, the age limit does not apply.)
- Attach [Form T778 Child Care Expenses Deduction](#) to the return.
- The lower-income partner must claim expenses, unless that partner is in school (full- or part-time), suffering a long-term illness, in prison, or you and your partner were temporarily separated.

Another tip: Mont says advertising expenses and placement agency fees incurred to locate a child care provider and mandatory registration fees may also qualify as child care expenses.

Children's fitness and arts

Next, claim the Children's Fitness Amount (Schedule 1, line 458) and the Children's Arts Amount (Schedule 1, line 370).

Be aware that both credits will be eliminated for the 2017 tax year. And, note that:

- You can claim up to \$500 per child in fees for sports and \$250 for art programs paid in 2016.
- The children's fitness tax credit is a refundable credit; the children's arts amount is a non-refundable credit.
- The child must be under 16 (18 if disabled) at the beginning of the year.

A tip: Parents may claim the fitness and arts credits for fees paid in 2016 even if the programs start in 2017, says Mont.

Disability Amount

If your child is disabled, transfer the child's unused disability amount to your client's return.

- Use line 316 of the [federal worksheet](#) to calculate the child's transferable disability amount.
- Then, use line 318 in the worksheet to calculate how much to transfer.
- Enter the total on [line 318](#) of Schedule 1.

File for the Family Caregiver Amount

If your child has a long-term illness, claim the Family Caregiver Amount. You're eligible if your child is infirm but not necessarily disabled. Note that CRA requires a signed doctor's statement that includes:

- when the impairment or illness began;
- the expected duration of the impairment; and
- that the illness makes the child more dependent on personal assistance than other children of the same age.

To claim it, enter the number of children for whom you are claiming the family caregiver amount in box 352, and multiply by \$2,121. Claim the result of the calculation on line 367.