



CARRICK ON MONEY

## Are you blowing these tax-saving opportunities?



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With the April 30 deadline for filing your income taxes approaching, we have reached the peak days of tax season. If you're feeling a bit resentful about the taxes you pay, here's an essay by a history professor that you should read. "As a historian of tax in 20th century Canada, I have read thousands of letters to ministers of finance, and they are often ferociously angry," Shirley Tillotson writes.

Prof. Tillotson makes a great point about tax anger – she says debate about taxes “draws in free-floating anger and focuses it.” But you can do more than just complain about taxes. There are many opportunities to reduce the amount you pay the Canada Revenue Agency, including a variety of tax credits. To help make sure you're making maximum use of these tax breaks, check out these two lists:

1) The Chartered Professional Accountants of Canada provided this list of commonly missed chances to lower personal taxes:

- **Make sure you file a tax return:** If you don't file a return, you can miss out on tax benefits such as the GST credit, the Canada Child Benefit or provincial tax credits. Also, where you have earned income but aren't taxable, you can still accumulate RRSP room for the future.

- **If married or if you have children, make sure you take full advantage of transfers of income or credits:** There are many amounts that can be transferred between tax returns. Seniors can generally transfer up to 50 per cent of their eligible pension income to a lower-income spouse (who may be taxed at a lower rate). Or, if you have a child at college or university, they may be able to transfer some of their tuition credit to you rather than carrying forward an unused credit.

- **If you missed a credit or deduction in a prior year, you can still claim it:** If you find receipts or other information for prior years when doing this year's return, ask CRA to adjust your prior year's return. There are exceptions, but you generally cannot just claim the amount this year.



Couple who are moving, sitting on floor together. WARRENGOLDSWAIN/ISTOCKPHOTO.COM

2) The TurboTax tax software people offered this list of tax credits you may have overlooked.

- **Medical expenses:** Whether it's a cleaning at the dentist or prescription refills, you may be eligible for a credit. You can also claim expenses for immediate family or other dependents. Also, if you've travelled more than 40 kilometres one way to seek medical care, you may be able to claim the travel expense as well.
- **Union/professional dues and licensing-exam fees:** If you've paid any other amounts to a union or professional organization on top of those deducted directly from your paycheck, keep the receipts for tax time. If you're required to pass a certification or licensing exam for your profession, that cost may qualify as a tuition expense as well.
- **Moving expenses:** If you move to a location at least 40 km closer to your new place of employment, you can claim related moving costs. Overlooked expenses include vehicle expenses, accommodations and meals, fees for changing your address on documents or IDs and utility hookups.
- **Student loans/interest:** Interest paid on a student loan is a commonly overlooked credit. This non-refundable credit applies to interest paid on eligible loans. Student loan interest can be carried forward for up to five years.

• **Employment expenses:** If you have expenses related to your job, you may qualify for a deduction on expenses such as home office costs and trades person's tools. You'll need a signed form T2200, which is completed by your employer and outlines exactly what types of expenses you can claim, as well as any reimbursements you've received.

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## **Rob's personal finance reading list...**

### **When the CRA won't answer your call**

The Canada Revenue Agency was called out last fall for bad service at its call centres. A report by the auditor general said more than half the calls to CRA call centres resulted in a busy signal. Here are some great suggestions from a tax specialist on how to [get through to CRA](#) and on making sure you get accurate information.

### **How recent CPP changes hurt women**

The expanded Canada Pension Plan that comes into effect next year will eventually increase retirement benefits significantly for future retirees. But a post on the Golden Girl Finance website says the changes [negatively affect](#) women who temporarily step away from the workforce to have children or care for a family member.

### **Best housing markets for buying a home on one income**

Quite a few east coast cities on [this list](#), which was compiled by comparing house prices to median income levels.

### **Stop saying "but" so much**

According to this Fast Company article, using the word but can be [damaging to your brand](#) and your reputation because it makes you sound negative.

### **Today's featured financial tool**

Never buy junk again – that's the motto for [Wirecutter](#), a review website covering electronics, kitchen equipment and more.

### **In case you missed these Globe and Mail personal finance stories**

- How [students](#) can put more money in their pockets at tax time
- This [young saver](#) and investor is wondering how she can achieve her many goals

- John Heinzl's model dividend growth portfolio as of March 31, 2018 (for Globe Unlimited subscribers)

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