EP110 - Essential Tax Tips to Complete your 2024 Tax Returns

V/O: Welcome to the Empowered Investor Podcast. Have you ever felt overwhelmed by the sheer volume of choices and voices telling you how to plan or invest for your future with a straightforward approach host, Keith Matthews of Tulett, Matthews & Associates cuts through the noise to help you create a winning action plan for you and your family.

The decision-making framework discussed in this show can transform you and your investment experiences and will increase your odds of becoming financially secure. Learn more and subscribe today at TMA-Invest.com

Keith: Welcome to the Empowered Investor. My name is Keith Matthews, and I'm joined by my colleague, **Andrea LeRoy** today. Andrea, welcome to the show.

Andrea: Thanks, Keith. I'm so happy to be here.

Keith: Today, we talk about tax. We're in tax season right now, getting ready to complete the 2024 tax season. In a sec, we'll introduce Andrea, but today's show covers five key points. So, we're going to review what are they, critical dates that individuals need to be aware of.

We'll go over what slips and information you need to get from institutions or employers or the government. We'll review what invoices you can go look for to provide tax relief. We'll then discuss personal information that must be disclosed, whether you're doing your taxes on your own, whether you're working with a preparer or an accountant.

And then finally, we'll discuss and review. All major changes that are in this year's tax return or tax process versus last year's. So that's it. That's the show. We'll try to make it as informative as possible.

But before we get into any tax information, Andrea, let's get a little bit of feedback from you in terms of your background. I'll start by saying Andrea is a new team member at Tulett, Matthews & Associates. She's got a fantastic background. She fits in the team. She's actually balanced the team out in our firm to the extent that we now have seven women in the firm and seven men. So, we've got perfect equilibrium on that front.

But Andrea, welcome. And this is your very first podcast.

Andrea: It sure is and I'm super excited for it. So, as you said, Keith, I'm a new member here at TMA. I've only been here since the end of January. About my background, I have a BCom from Concordia. I majored in finance. From there I worked at RBC as an investment specialist.

Then I took a few years off and I was at home. Raising my kiddos. Then from there, I went into the tax world a little bit. I started my own tax practice and when it came time to want to grow a little bit more professionally, I decided I wanted to find a place where I could combine that passion and knowledge that I have for finance as well as taxes.

And what better place than a wealth management firm, you know, where we do investments, financial planning and tax preparation services.

Keith: I remember the first day you reached out and you said in your email, I'm applying to help out in the tax department. That's right. And it's tough to find individuals in tax and tax preparation.

You've been a phenomenal addition to the team. Clients are going to get to know you. I'm looking forward to today's show. You've put together a really nice framework in terms of how individuals can think about tax returns. Where do they go get information? What are the different categories? So, I think you've done a fantastic job.

I'm looking forward to this show today. Let's jump right in with key dates.

Andrea: Okay. So, the first date you want to keep in mind is April 30th. That is the filing deadline for individuals. However, if you are reporting a taxable capital gain or a net capital loss this year, there is something a little bit different.

So the CRA and Revenue Quebec. We'll grant a relief in respect to late filing penalties and interest up until June 2, 2025. And that is because of the back and forth with the increase in the taxable capital gains inclusion rate.

Keith: So, let's just remind our listeners, this is just a relief. We encourage all Canadians and especially our clients to make sure that they get all the information in because we feel that we can complete everyone's tax returns for April 30th.

Andrea: Right. And it really is specific to people who are incurring capital gains and losses.

Keith: Perfect. The next date that's important are for individuals that are self-employed.

Andrea: That's right. So, for this year, the deadline is June 16th. Normally it is June 15th, but that falls on a Sunday. So, this year it's the Monday, June 16th, the deadline.

Keith: So that covers off the key dates that individuals need to know about. Let's go into now what pieces of information are sort of the first layer, the layer of information that typically comes to every Canadian.

Andrea: So, these are things that you're going to receive in the mail, whether it's by Canada Post, whether it's in your email. These are things like slips, T4s, T4As, T4RIFs, things like this, you've got your T3s, your T5s, these are the slips that will come to you.

Keith: And essentially what that is, is all income slips.

Andrea: That's right.

Keith: So, its income coming from your employer, income coming from financial institution, RIF payments, RSP withdrawal

Andrea: Employment insurance benefits, pensions, things like this.

Keith: Beautiful. And that includes obviously also all the investment income.

Andrea: That's correct. The second thing that generally comes to you, but it comes to you months before tax season, that is your notice of assessments. So, this is something that you will have received last year, probably mid 2024.

Keith: So those come in May, June, July.

Andrea: Right after you file your taxes of the previous year.

Keith: Notice of assessment.

Andrea: That's right. So, you need your Federal Notice of Assessment. If you're in Quebec, you need your Revenue Quebec Notice of Assessment. And the reason for this is because there's a lot of important information that is contained on those Notice of Assessments.

Such as, you know, our RSP, Contribution Room, FHSA Contribution Room, information regarding your Home Buyer Plan, if you're a part of that, Capital Loss. And tuition credits carry forwards, as well as, you know, alternative minimum tax carry forwards. For your Quebec notice of assessment, there is information regarding if you're part of the prescription drug insurance plan.

And that is a medical expense on the federal side, so that's something we want to have as well.

Keith: I like to think of the notice of assessment as this document that gives you and your tax preparer, it's sort of like the guardrails, it lets you know what you're allowed to do. Here's a perfect example, sometimes individuals think they're allowed to make an RRSP contribution, and if they're not following their RRSP limits, they run the risk of over contributing.

[00:06:40] Which is something that you can be penalized for. So, this notice of assessment gives you the guardrails in terms of what you're allowed to do on certain things.

Andrea: That's a great way to explain it. The last thing that normally does come to you is installment payments. So, there is a summary form that you will receive normally in February or March. And that is something that we will need as well.

Keith: So that's for individuals that are paying installment payments throughout the year. You want that document to be proof that you've made the payments.

Andrea: Yeah, and you've got to enter it into the system so that, you know, when it's calculating, it knows you've already made those payments.

Keith: Because if you don't put it in, you'll end up overpaying and then you'll just get a bigger refund. So, you need to get that information out.

Andrea: You definitely want that information in. Yeah.

Keith: Okay, so that's the summary of all the documents that are going to come to the individual.

Andrea: Correct.

Keith: Let's go to the next area. So the next area is once we've got the income and the guardrails put together, we need to look for what possible relief do individuals have. So, deductions, and these things don't get mailed to you. These things typically, as an individual, you actually have to go and get from different groups and I'm going to just highlight that the tax code provides relief for certain individuals.

That would be individuals that have young children, individuals who have young adults that go to university, individuals that are seniors, individuals that may have medical conditions, individuals that may qualify for disability tax credit, and then finally there's a bit of relief for individuals that work from home.

Andrea: That's correct. And that's a great way to put it, you know, it's this relief that we're looking for this way to decrease your taxes owing on your tax return.

Keith: So, there's a little bit of detail coming up here, folks, but it's great because Andrea has done a fantastic job of breaking down each category. We're going to give you the summary points.

The goal here is to just make sure that you're aware that this relief exists. So, let's start with the first relief. If you have children, what are the things that you can possibly look to get deductions on?

Andrea: If you have kids, you can claim childcare expenses, certain childcare expenses. For instance, if your child goes to daycare, or if you have day camp expenses, that's something that you're going to want to collect the receipts for, or the Relevé 24s if you're in Quebec, okay, and you're going to want to put those together to help you file your tax return.

There's also something called the tax credit for children's activities. This is a Quebec specific credit. And you know, when you're thinking of this, you think soccer, gymnastics, scouts, if your child is in anything of that sort, you're going to want to get those receipts together as well. There's a nice credit that you'll be able to claim.

Keith: And the maximum dollar amount on that?

Andrea: You can claim up to $500 and you get a 20% credit for that and that's refundable. So even if you don't have taxes owing, you can still get money back in your pocket.

Keith: So that takes care of a parent has young kids and I'm assuming that's up to 18 years of age.

Andrea: Up to about 17.

Keith: 17, Okay. Let's go to individuals that have young adults in university or post-secondary education.

Andrea: So, if you have a student who's in CEGEP or in university, you're going to want them to go into their student portal, and you're going to want them to get their slips, their T 2202A or their Relevé 8, and that's the way that you're able to claim tuition expenses.

Keith: And can a parent get into that portal?

Andrea: Normally, it's the student that would have to go. You know, they have a name, a password, it's their own private username. So, I would say you have to ask your students, your child.

Keith: I know that question because I had to always ask my kids, all three who went to university, I said, go into your portal. And at the beginning, they always used to say, well, what do I have to do that for? And it's like, well, because there's a credit, there's a bit of a relief here. And part of the relief, I guess it could be in their name, if they've got decent income. And if they don't have decent income. It can be transferred to the parent.

Andrea: And if it's not needed, it can also be carried forward.

Keith: So that's the university student. Before we go to the next category, I know you wanted to mention something about RRSP contribution slips.

Andrea: So sometimes those will make their way to you in the mail or electronically. However, sometimes you really do have to go get them. You have to log in to your financial institutions, your account there, and you're going to have to go download slips, print them off and put them in your file.

Keith: Okay, so that's another way of getting relief, which is a deduction. So next area, medical expenses.

Andrea: Medical expenses. So that's something that you're going to want to collect throughout the year as you incur those medical expenses.

If you go to the dentist and you have a bill, you're going to want to put that aside. Glasses, optometrists, things like this. You're going to want to keep those receipts because we can add those together to claim a medical expense when we're preparing your tax return.

Keith: And so, could you give us a bit of a debrief with regards to medical expense versus the income? What's the 3% rule?

Andrea: So, it differs whether it's a federal medical expense or Quebec, so federally it has to be 3%, the expense has to be over 3% of your income.

Keith: The group of expenses together.

Andrea: Yes.

Keith: Okay.

[**Andrea:** Has to be over 3% of your income. Quebec, it's 3% of your family income. So, it's a little bit different there.

Keith: In other words, you get relief if your medical expenses are more than 3%.

Andrea: That's correct. But federally as well, if you have a very high income, it only has to be over 2,700 or so

Keith: Okay, fair enough. Now, there's something I learned in reviewing the notes prior to this show, and it had to do with Insurance coverage summaries. You highlighted a really interesting point here. You want to share with our listeners what that is.

Andrea: I would say it's really important just to download your insurance summaries, just so that we can see the difference between what you paid, what was covered by the insurance company, and what amount you're actually able to claim as a medical expense.

For example, if you had a $300 expense at the dentist. But insurance cover $200, we will only put $100 as a medical expense on your tax return.

Keith: In essence then, anybody doing tax preparation, or if you're a Canadian attempting to do your own tax return, you need to be conscious of not just your expenses, but what your insurance covered picked up. And you only get to really deduct the difference, what they didn't pick up.

Andrea: That's correct. But on the flip side, you also get to claim your premiums paid to insurance companies. That also counts as a medical expense. Another little note I can say is go to your pharmacy if you have a lot of prescriptions and they're able to print out a summary for you there so that you have the whole list of expenses that you incurred at your pharmacy. You know, you have the total there or you hand it to us, and we have the total. That would be very helpful.

Keith: The next area of relief is those that are individual Canadians making donations. They're generous and they provide financial donations, either cash or securities in kind. But can you speak a little bit about that relief and then importantly, there's a bit of a time break here that the Canadian government has provided.

Andrea: So, this year, there was a little bit of an extension in when an individual can make donations to a charity. Normally it's by the end of the year. This year it was until the end of February. So, they extended it until February 28th for cash donations or checks, credit cards, things like this, et cetera. And the reason for that was because of the Canada Post strike.

Keith: So, if you made a donation, a cash donation in January, in previous years, that wasn't eligible to fit in the Earlier tax year. Now it's eligible.

Andrea: Now it's eligible. And you actually have a choice. You can either claim it for 2024 or you can actually keep it for 2025 if that looks better on your return.

Keith: So, the next area is a little bit more complicated 'cause there's a few subdivisions of this area, which is relief for those Canadians working from. So, what are the three categories?

Andrea: So, for those individuals that are working from home, there are three categories. It's employees, employees who earn commission, and self-employed.

Now, if you're an employee who works from home, and I'm talking not necessarily by choice, but your employer has told you, you must work from home. Then there are some expenses that you might be able to claim. And in this situation, you actually need to ask your employer to fill out a form. It's called the Declaration of Conditions of Employment.

And if you're in Quebec, you know there's an equivalent form as well. You would need both. The Quebec form is called General Employment Conditions. And we need this information in order to make those claims.

Keith: In today's episode, what we're trying to do here, is bring all the major points to our listeners. If you do qualify in terms of working from home in any of the three categories, you're really going to have to talk to your accountant and your tax preparer to make sure exactly what you're allowed to deduct.

Andrea: What you're allowed to deduct and what kind of information they need from you as well.

Keith: Fair enough. Next big area of relief is for those individuals that are seniors. There are multiple sections within this category in terms of being able to get some relief. So, let's start with seniors in general, but seniors that may be in a senior's residence.

Andrea: So if you yourself are a senior living in a senior's residence, or if you have a parent who's living in a senior's residence, you're going to want to make sure to get a tax letter or a lease from the residents to bring to your tax preparer because there's some vital information that we can use on those documents that we can use.

Keith: So, depending on what quality of care you're getting in senior residents, once you start getting into medical care, typically you're able to get deductions and relief for that care. But the only individual, the only group that will give you that information is the actual residents in the home themselves.

Andrea: Yeah, that's right.

Now what about individuals that are over 70? There's some extra relief that's available. Can you explain that a little bit?

Andrea: If you're over 70 and you live in Quebec, there are certain credits that you might be eligible for. It's called the Tax Credit for Home Support Services. So, the information that you need to provide really depends on whether you're living in an apartment, in a condo, in your own home.

You really want to talk with your accountant or your tax preparer to know exactly what to provide them. But to give you an example, you know, if you're a senior over 70, you're living in your own home and you're paying for snow removal, you're paying for lawn care, you know, window cleaning, grocery delivery, things like this. There are some credits that you might be able to claim.

Keith: Now next area in this relief area is private caregiver's receipts. I'm assuming what you're alluding to here is if you're living in your current home and you receive individuals come into your home to help.

Andrea: So, if you're living in your own home or if you're living in a residence and you require extra care above and beyond what that residence is able to provide, you're going to want to keep those receipts together.

You need, you know, the personal information of the caregiver who is providing you those services just to make sure your application is complete.

Keith: When you look at the tax code, you look at all these different instruments, everything's got a nickname to it. So, this is the Multi-Generational Renovation Credit.

Andrea: Yes. So, that is if you are making large renovations to your home in order to create, you know, a secondary self-contained unit. And there is a nice credit that you might be eligible to claim if the expenses are up to $50,000. The credit is 15% of your costs, so you know, that's a nice amount of $7,500 that you could be able to claim.

Keith: And I noticed the acronym you have here is MHRTC.

Andrea: Yeah.

Keith: That's what I meant by everyone's got a specific name. That's right. Okay, so you've got to have a self-contained secondary unit and it's going to be for a senior or an adult who's eligible for the disability tax credit.

Andrea: That's correct. And a quick note, this is refundable. So even if you don't have that much taxes owing, it's worthwhile to claim.

Keith: So, Andrea, just take a moment here. It's a bit of a side note. What's the difference between a non-refundable tax credit and a refundable tax credit?

Andrea: So that's a great question. It's a question for a lot of people. They don't really understand the differences. A non-refundable tax credit reduces your taxes owing. So that means in order to get that benefit, you really have to be owing taxes.

Keith: Fair enough.

Andrea: Okay, a refundable tax credit, you get that return even if you don't have that much taxes.

Keith: So, they'll send you back money. If you don't have a lot of income tax and you get a large refundable, they will send you back money.

Andrea: That's right.

Keith: That's great, because this kind of pops through in various different scenarios throughout the tax system. Okay, so we've got one or two more things left in the senior category. The next one is home accessibility. Tax credit, and I know that's not just, is that just for seniors, or is that for an individual that may have a disability?

Andrea: So that is for seniors who are 65 years and older, and also people who qualify for the disability tax credit are eligible for this tax credit as well. This credit really is for people who need to make renovations to their home to make it more accessible for them to move around within the home.

Keith: I got you. So, we were talking about ramps, perhaps for a wheelchair or elevators to help individuals get from one floor to another, if that's something that individuals will do or widening corridors so that you can have easy access within a home.

Andrea: That's exactly right.

Keith: Talk about disability tax credit.

Andrea: So, the disability tax credit, we want to mention it just because it really is a very worthwhile tax credit to look into.

If you incur extra living costs related to having a physical or mental disability, okay? And I know that TMA has done a podcast on this recently, I believe.

Keith: It actually was podcast episode 100. It was entitled Maximizing your Disability Tax Credit: Key Insights for Canadians. And this had to do mostly with how you actually apply and get the disability tax credit because there's an application process that individuals need to go through.

Andrea: That's right. It used to be quite complicated. It's become a little bit easier over the years. Now you're even able to do it online, where you can fill out your portion online, your doctor can fill out his portion online, so you don't necessarily have to be there in office with them. So, in that sense, it's become easier.

It's also grown to include more things. Somebody who might not have been eligible before might now discover that they are eligible. So, it's something that's worthwhile to look into if you believe you might fall into this category, or if you are living with somebody who might fall into this category where, you know, there's a physical or mental disability or trouble performing daily living activities.

Keith: Perfect. Thank you so much. That pretty much wraps up this entire what we call relief section, which is how do you reduce income taxes owed? You do it by getting the access to relief on whether you have children, whether you have individuals at university, whether you're a senior. Whether you have medical conditions, whether you might have, qualify for a disability, or whether you work from home.

Andrea: Right.

Keith: So, that's a lot to cover right there, Andrea. Thank you so much. Let's go to the next section right now. The next section essentially is, you know, what information should every Canadian provide their tax preparer, their accountant, or have to disclose if they're doing their own income tax.

Andrea: So, this isn't an exhaustive list, but it's a good place to start. So, one of the things I would say is that if your relationship status changed throughout the year, that's something that you're going to want to let them know. If you went from single to common law, common law to married, if you divorced, you know, things like this, that can really affect.

Keith: So, let's talk about that for a second, because often individuals say, well, maybe I'm common law, but do we really have to file our income tax?

And that's typically individuals sort of after the first year, they kind of go. Do we really, like, tell us the rules here. What are you supposed to do?

Andrea: You really do want to let them know.

Keith: You're a common law. How long does it take? You're living together in the home.

Andrea: 12 months.

Keith: 12 months. You're in there for a year. After that, you must file jointly your income tax.

Andrea: That's correct. And it's 12 months or if there is a child between the two of you, you know, if you've only been living together for three months, but a baby is born, that is something, you know, you have to file common law.

Keith: So that covers that area. What's the next area to make sure you disclose?

Andrea: If there's a new dependent in your family, either you've had a baby or a dependent parent has come to move in with you, that is something you'll also want to let your tax preparer know. If you've moved during the year, you're going to want to let them know your change of address. Also, if you were renting and you've bought or you've bought and you've sold your house, we just need to know exactly what is going on in that respect.

Keith: Well, for sure. I mean, there's a new declaration that came through a few years ago, which says that if you sold your house, even if it was your principal residence, you need to notify the government that that happened.

Andrea: That's right. You still have to fill out the schedule three. There are no capital gains or anything. You have your primary residence exemption, but you still have to let them know.

Keith: And then back to the initial point, just prior to that, if you're renting and you just change address and you're still renting, you need to notify the government and that's part of just making sure they know where you live.

Andrea: Exactly. You need to be able to receive everything that they're going to be sending your way.

Keith: And the last thing in terms of notification, and this is very important.

Andrea: Yes, this is very important. So that's if you own foreign assets with a cost of over a $100,000, that's definitely something you're going to want to mention.

There's an information return that needs to be completed. So let your tax preparer or your accountant know. Now, foreign assets, that is investment property that is outside of Canada or Bank accounts that all add up to more than $100,000 Canadian cost.

Keith: This is the famous T1135.

Andrea: That's right.

Keith: So, the T1135 is a document, as you said, information document. Your financial preparer, or you as a Canadian, you must fill this. If you own assets over $100,000 Canadian, and that includes US stocks, international stocks. It includes property that you rent, not property that you use for personal use. But it does include land. We had a client once that had land in Indonesia that had to be declared.

Andrea: Yep, if the cost of that land is over a $100,000, even if you're not using that land for any sort of investment purposes, you do have to claim it. You do have to declare it.

Keith: Your condo that you use in Florida, that you use for pure personal pleasure does not have to be put on a T1135.

Andrea: That's right. So, those are the, the major things that you need to make sure you disclose to your tax preparer or that you make sure you take care of that yourself if you're doing your own taxes. We're now into the last section, Andrea, but this is about changes this year and some shows might have done changes right up front.

Keith: We decided to walk through the process of how do you complete your taxes? How do you get your head around a framework? So, these is now, let's talk about. What are the changes this year versus previous years?

Andrea: So, the first thing I'll mention is the capital gains inclusion rate, potential change, that they had been talking about.

There has been a lot of back and forth. It is not an effect. It had actually been deferred until 2026. But now with Mark Carney coming in, he's mentioned that, you know, it's going to be off the table. So, we have to wait and see for exactly what's going to happen with this. But I just wanted to mention it because it really has been in the news and on people's minds a lot.

Keith: Correct. This goes back even for us in the investment business. We put a podcast out both in English and French last year and spoke to a lot of our clients about this new inclusion rate. And it got a lot of people frustrated, upset. Long story short, there is nothing to do this year. It appears also that it will not be included in any future tax initiative, but it still has to, I think, effectively be canceled 100%. But nothing to do for this year.

Andrea: Nothing to do for this year.

Keith: Perfect. Short term rentals are the next area you wanted to talk about.

Andrea: So short term rentals, there's been some changes there. So, if you own a property that you are renting out on a short-term basis, and that means less than 90 days, you have to make sure that it is compliant.

It has to be compliant with municipal and provincial regulations, and if it is not, you cannot claim those expenses that you incur when you rent it out.

Keith: Does that refer to individuals that are trying to Airbnb their property or their rental property?

Andrea: That would be a good example. You know, if it's less than 90 days, that would definitely qualify as a short-term rental. And really, you have to make sure that you are following all the rules of your municipality and your province.

Keith: Just as a sidebar, we have a cottage in St. Donat and our municipality just recently went through, and this is happening all across the country right now, where municipalities are stepping up and saying, these are the rules of engagement now.

Andrea: Right.

Keith: So, what you're saying now is essentially if you're going to be renting less than 90 days, make sure if you want to claim your expenses, that you're following the rules of engagement in your local community.

Andrea: That's right. The next change is that there was an increase in the homebuyer plan withdrawal limit. It increased from $35,000 to $60,000 per person. So, if you're in a couple, you can now withdraw each up to $60,000 for a total of $120,000.

Keith: And to be clear that you withdraw, this is a classic program that's been around for a long time. Canadians are allowed to withdraw from their RRSP. That's right. RSP for a down payment on their first home.

Andrea: That's correct. Without any taxes being withheld.

Keith: And they have to repay that money back to their RRSP over a 15-year period.

Andrea: You used to have to start making the repayments two years after the withdrawal. However, now there is an extension on that period. You can start five years after that withdrawal. And that is if you're doing a withdrawal between 2022 and 2025. You now have five years to start repaying.

Keith: Okay, so what about if you're doing this in 2026, well, I guess we're

Andrea: Yeah, unless they extend it, if you do it in 2026, you would only have those two years.

Keith: The big takeaways here are the limits have now been increased from $35,000 to $60,000 and the repayment schedule, there's a little bit of relief on the repayment schedule.

Andrea: That's right.

Keith: Here's the next one. This is an interesting one from perhaps some in Canada. Home flipping, property flipping.

Andrea: Property flipping. Now that isn't new for 2024, but it's new for 2023 and it's new enough and affects enough people that I wanted to mention it. So, if you sell a house that you owned for less than 365 days, it's going to fall into the property flipping category now.

And that means that the gains don't count as capital gains. They will count actually as business gains. Income, so you'll be taxed at your marginal tax bracket. It means that you'll end up paying more taxes.

Keith: Perfect. That's pretty clear. Are there any exemptions?

Andrea: No. So even if it is your principal residence, it would not qualify for the principal residence exemption.

Keith: Yeah, but what I meant by exemption, are there any cases where if an individual does have to sell their house within a year, can they get some relief?

Andrea: So, there are exceptions. Yes, there are.

Keith: I said exemptions. Yes, exceptions.

Andrea: So, there are exceptions. For example, if there's been changes in your personal life, if somebody in your family is sick, if there's been a divorce or a new child, these are certain examples in which there would be an exception.

Keith: So, let's keep on moving along here. This is an interesting one. There's now a crypto reporting requirement, not for all Canadians, but I believe you're going to say for Quebec residents only.

Andrea: So, it's only for Quebec residents that you have to file this information return. And that is if you acquired, held, or used crypto assets at any point in 2024.

Keith: So, you're telling me if you're going to be a crypto investor, be outside the province of Quebec. And you don't have to.

Andrea: That's one way to put it.

Keith: You don't have to do this extra report.

Andrea: You don't have to file that information return. However, if you received any sort of gain from a sale, you still do have to report that.

Keith: Fair enough. That's a capital gain or capital loss. This is a reporting information document. So, this is very much like the T1135, which is foreign asset reporting.

Andrea: Yep, that's what I would compare it to. And also, in terms of fines, if you do not do the reporting, it's also up there as well.

Keith: So, what's up there? I think it's $2,500 per year.

Andrea: $2,500 per year.

Keith: By not doing the report.

Andrea: If you don't file it, that's right.

Keith: Okay. So, if you've owned crypto in the province of Quebec. Make sure you file this additional report.

Andrea: You really want to make sure to do that.

Keith: Last piece here in terms of a change, there's a small change in alternative minimum tax. And I'll start by saying, we are not going to go deep into this area. This affects very few Canadians. If you're in this category, you must make sure you're getting good professional advice.

Andrea: That's right. So, it's a very complex area. We're really not going to delve into it too much. I'll just mention that the Alternative Minimum Tax, also known as the AMT, it's really a secondary way of calculating a taxpayer's income.

So there have been big changes. It might affect a slightly larger amount of people. But if you feel like you might fall into this category, it's important to have a conversation with your accountant tax preparer if you want to understand it more.

Keith: And again, there's really just a small amount of individuals that are suspect or get caught into this, so again, check with your tax preparer.

Andrea, we're at the end here. Thank you so much. But before we go anywhere, we're going to talk about some final remarks. Your final thoughts for this year's tax season.

Andrea: I guess a final thought on something that could help people when they're reviewing their tax return, if they're wondering if they've forgotten anything or if there's anything that they're missing, I would recommend just comparing it with the previous year's tax return.

That's an easy way to see if there's some credits or slips that you had the previous year. That maybe you forgot to include this year if they still apply.

Keith: That's great. That's fantastic. The only thing I would add in there is, I'm going to say it this way, but embrace tax season. It's a time to make sure you've got your records in order.

Often there are times to make sure you actually save money by doing your tax returns correctly. So, use that opportunity to look for the relief. And to look for ways to save some taxes while always being compliant.

Andrea, thank you so much. First of all, you did amazing. Thank you. First podcast, you did fantastic, and you've really put a nice framework together here in terms of getting listeners to understand what's important about this year's 2024 tax season. Thank you.

Andrea: Thank you so much, Keith. I had a really great time and looking forward to the next one.

Keith: Beautiful, listeners, thank you so much. We look forward to seeing you next time.

V/O: You've been listening to the Empowered Investor Podcast hosted by Keith Matthews, please visit TMA-invest.com to subscribe to this podcast. Learn more about how his firm helps Canadian investors or to request a complimentary copy of the Empowered Investor. Investments and investing strategies should be evaluated based on your own objectives.

Listeners of this podcast should use their best judgment and consult a financial expert. Prior to making any investment decisions based on the information found in this podcast.