



***William Stevenson, CPA
MP for Yellowhead***

SAVING YOU MORE

Read this guide before completing
your 2025 tax return!

TAX GUIDE



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Dear friends,

Many people I speak with are feeling the pressure of the rising cost of living. At a time when families and businesses are already struggling with higher prices, several federal taxes and payroll deductions are increasing.

CPP contributions for both employees and employers are rising, as are EI premiums. Some programs for small businesses have been eliminated by the Liberal government, and many Canadians are concerned about how continued tax increases will affect their budgets and the ability of businesses to grow.

As the only CPA with public practice experience in Parliament, I wanted to provide you with this Tax Guide to help you keep more of your hard-earned dollars in your pocket.

I hope you find it helpful, and please take a moment to complete the questionnaire included inside.

Sincerely,

William Stevenson, CPA
MP for Yellowhead



KEY DATES

February 23 is the earliest you are able to file your taxes online.

April 30 is the deadline to file your taxes and pay any taxes still owed, regardless of your employment situation.

June 15 is the deadline to file your taxes if you or your spouse or common-law partner were self-employed in 2025.

Basic Personal Amount

The basic personal amount is the amount of money you can earn before being required to pay income tax. For the 2025 tax year, residents of Alberta can claim **\$22,323** as their basic personal amount provincially and **\$16,129** federally.

To learn more, visit www.canada.ca/en/revenue-agency.



Tax Brackets

In Canada, residents are taxed using "marginal tax rates." This means, if you earn more, your additional earnings are taxed at a higher rate. A common misconception is when your income enters a higher tax bracket, your entire income will be taxed at a higher rate. In reality, only the portion of your income over the lower tax bracket will be taxed at the higher rate. For example, if you earned \$50,000 in 2025, you will not be taxed 14.5% of \$50,000, you will be taxed 14.5% of the amount over your basic personal amount (in this case, \$27677, meaning you would pay \$4,013.17 of federal tax).

Here are the tax brackets for the 2025 tax year:

Federal:

- 14.5%** up to **\$57,375**, *plus*
- 20.5%** over **\$57,375** up to **\$114,750**, *plus*
- 26%** over **\$114,750** up to **\$177,882**, *plus*
- 29%** over **\$177,882** up to **\$253,414**, *plus*
- 33%** over **\$253,414**.

Provincial:

- First **\$60,000** — **8%**,
- Up to \$151,234** — **10%**,
- Up to \$181,481** — **12%**,
- Up to \$241,974** — **13%**,
- Up to \$362,961** — **14%**,
- Over 362, 961** — **15%**.



SAVINGS FOR ALL CANADIANS

Here is a list of some tax benefits you can claim:

Canada Groceries and Essentials Benefit (formerly the GST/HST credit)

Four times a year, this tax-free payment helps individuals and families with modest incomes offset all or part of the GST they pay. Starting in July 2026, this benefit will be increased by 25% for five years.

If you have a spouse or common-law partner, only one of you can receive this credit. When you file your tax return, CRA will determine your eligibility and will advise those who are eligible to receive the credit.

Medical Expense Deductions

This credit applies to a number of eligible expenses – from home care services, to laser eye surgery, to orthopedics. The list of expenses include costs associated with certain types of service animals (e.g. diabetes alert dogs). The amount you can claim is the total of your expenses, minus \$2,759 for 2024, or 3% of the claimant's income (whichever is less). There is no limit on the amount of eligible expenses a taxpayer can claim for himself or herself, a spouse or common-law partner, or a child under 18.

Carbon Tax (Canada Carbon Rebate)

The independent Parliamentary Budget Officer confirmed what Canadians already knew. You paid more in the carbon tax than you get back in the rebate. Fortunately, after years of pressure, the federal consumer carbon tax has been removed. While we have seen prices come down since then, there is still work to be done with the industrial carbon tax, which continues to keep prices high. With the removal of the carbon tax, the Canada Carbon Rebate has also ended. If you have not filed your 2021-



SAVINGS FOR ALL CANADIANS

2024 returns, you may still be able to claim the CCR. Learn more at the www.canada.ca/en/revenue-agency.

Canada Training Credit

The Canada Training Credit (CTC) is available for eligible tuition. Beginning with the 2019 tax year, an eligible individual can accumulate \$250 in each year toward their CTC limit, up to a maximum of \$5,000 in a lifetime, which can be accessed to help cover up to half of eligible tuition and fees associated with training. Contact CRA to check eligibility.

SAVINGS FOR FAMILIES



Here is a list of some tax benefits you can claim:

Child Care Expense Deductions

You can claim payments you have made to someone who has looked after your child while you either earned an income from employment, operated a business or, attended school or conducted research.



SAVINGS FOR FAMILIES

The previous Conservative government increased the dollar limits that parents can claim up to \$8,000 per child who is under the age of seven, up to \$5,000 for each child aged 7 to 16 (and for infirm children over the age of 16), and \$11,000 for any children who are eligible for the Disability Tax Credit.

Canada Caregiver Credit

You can claim \$2,687 on your 2025 tax return under the Canada Caregiver Credit if you support a spouse, a common-law partner or a dependent with a physical or mental impairment.

If you are eligible for the Canada caregiver amount for your spouse or common-law partner, or an eligible dependent 18 years of age or older, and their net income for 2025 was between \$8,624 and \$28,798, you may be able to claim an additional amount up to a maximum of \$8,601. Please contact the CRA to verify your eligibility requirements.

Disability Tax Benefit

This non-refundable tax credit, in some cases, may be claimed by a person with severe and prolonged impairment, or their caregiver. Where eligibility is approved, the federal amount in 2025 for an adult over 18 is \$10,138. For a child, the total amount is \$16,052.

Child Disability Benefit

If your child is eligible for the disability tax credit, they may also be eligible for the Child Disability Benefit in recognition of the additional costs that can add up when caring for a child with a severe disability. It is an amount of up to \$3,411 per eligible child.

Registered Disability Savings Plan

The Registered Disability Savings Plan (RDSP) ensures long-term financial security for Canadians and families who are

SAVINGS FOR FAMILIES



dealing with severe disability. A grant from the Canada Disability Savings Grant may also be available, and for low and modest income individuals, Canada Disability Savings Bond may apply.

Adoption Expense Tax Credit

This credit is a 15% non-refundable tax credit that allows adoptive parents to claim eligible adoption expenses relating to the completed adoption of a child under the age of 18. The previous Conservative government created this initiative. For the 2025 tax year, the maximum federal claim for each child is \$19,580.

Multigenerational Home Renovation Tax Credit

Many older adults would like to stay in their own home and live as independently as possible. For some families, a home may be renovated to create a "granny suite," or an area within the home of adult children where an elderly parent can live. This is one type of situation where the proposed Multigenerational Home Renovation Tax Credit (MHRTC) could help.

The MHRTC is a refundable credit available to assist with the cost of renovating an eligible dwelling to establish a secondary unit that enables a qualifying senior or adult to live with a qualifying relation. The MHRTC is calculated as 14.5% of eligible expenses for a qualifying renovation, to an upper limit of \$50,000. Only one qualifying renovation is permitted during the lifetime of a qualifying individual.

Tax-Free First Home Savings Account (FHSA)

The Tax-Free First Home Savings Account offers prospective first-time home buyers the ability to save \$40,000 tax-free. Like registered retirement savings plans (RRSP), contributions to an FHSA are tax deductible. Like tax-free savings accounts (TFSA), income and gains inside an FHSA as well as withdrawals would

SAVINGS FOR FAMILIES



be tax-free. You are allowed to contribute a total of \$8,000 annually, up to a maximum account value of \$40,000 total.

First-Time Home Buyers' Tax Credit

There is currently a non-refundable tax credit available to first-time home buyers of \$10,000 for the purchase of a qualifying home in 2025, which equates to \$1500 in your pocket.



SAVINGS FOR SENIORS



Here is a list of some tax benefits you can claim aimed at seniors:

Home Accessibility Tax Credit

Seniors and persons with disabilities who are eligible for the Disability Tax Credit can qualify for tax relief of 15% on up to \$20,000 in eligible expenses. To be eligible, expenses must be incurred in relation to a renovation allowing for better mobility and functionality or reducing the risk of harm.



SAVINGS FOR SENIORS

The Age Amount

In 2025 the Age Amount allows seniors to claim up to \$9,028 on their 2025 tax return

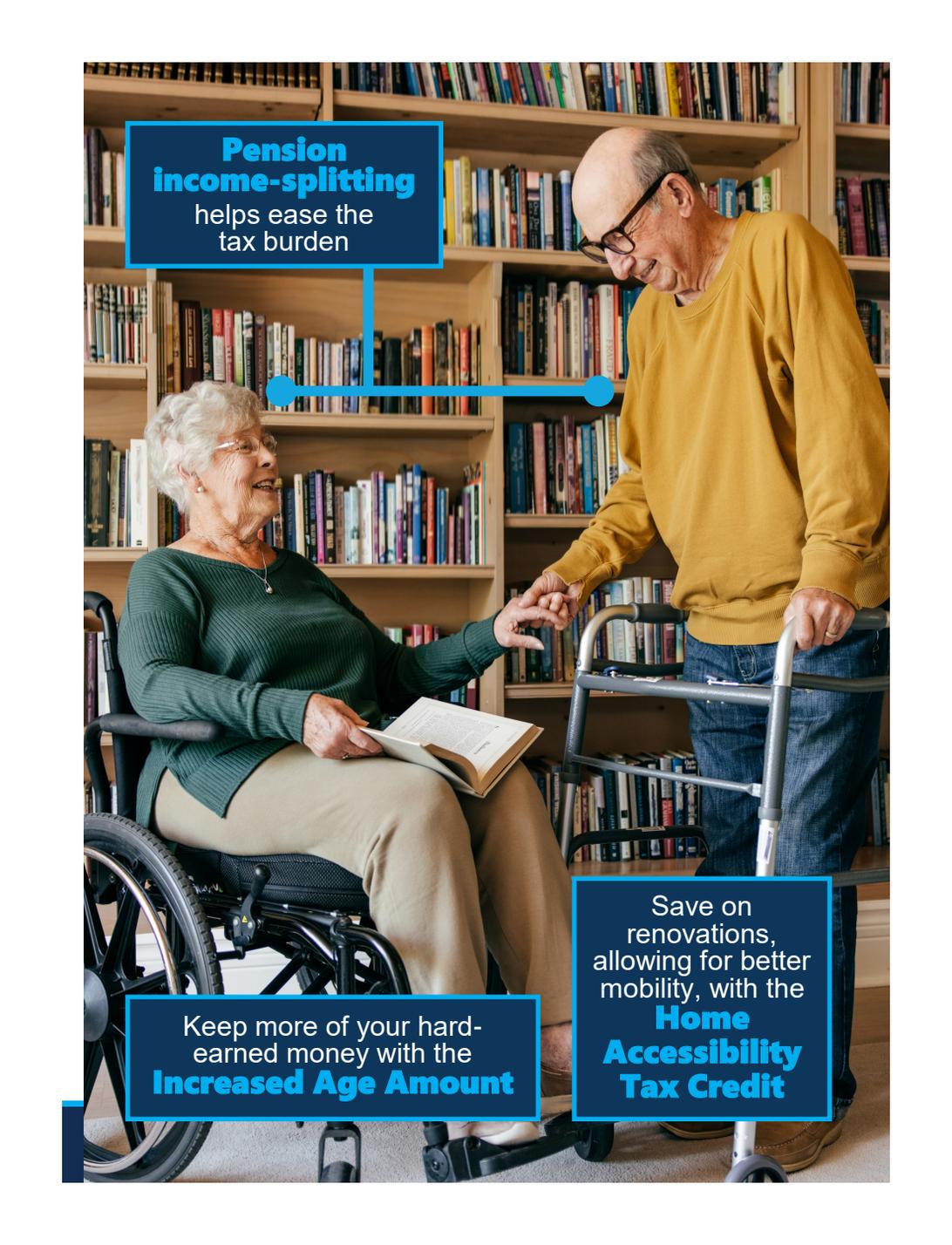
Pension Deduction. If you have qualified pension you will get a \$2000 reduction of your taxable income.

Pension Income-Splitting

Pension income-splitting allows any Canadian resident who receives qualifying pension income to allocate to their spouse (or common-law partner), with whom they reside, up to one-half of that income. By doing so, a pensioner and their spouse can dramatically reduce their tax load. Most tax professionals will offer assistance with this ability to split pensions.

Converting RRSPs to RRIFs

Registered Retirement Savings Plans (RRSPs) provide one of the best opportunities for Canadians to save for the future. RRSP contributions within your RRSP deduction limit reduce your taxable income today. It is required to convert your RRSP into a Registered Retirement Income Fund (RRIF) and which force you to begin making structured taxable withdrawals adding to your taxable income.



**Pension
income-splitting**

helps ease the
tax burden

Keep more of your hard-
earned money with the
Increased Age Amount

Save on
renovations,
allowing for better
mobility, with the
**Home
Accessibility
Tax Credit**



SAVINGS FOR WORKING CANADIANS



Here is a list of some tax benefits that you can claim:

Canada Workers Benefit

This benefit, introduced by the previous Conservative government in 2007, is a refundable tax credit that supplements the earnings of low-income workers to ensure they aren't penalized for getting a job. For 2025-26 this Benefit will provide up to \$1,633 in total for eligible single workers, and up to \$2,813 for an eligible family.

Low-income working Canadians with a disability who face even larger barriers to workforce participation may qualify for an additional supplement.

Canada Employment Amount

The Canada Employment Amount provides most employees (excluding the self-employed) with help to offset the cost of work-related expenses such as home computers, uniforms and supplies. If you qualify for this amount, you can claim up to \$1,471 on your 2025 tax return.

Apprenticeship Job Creation Tax Credit

Businesses who employ an eligible apprentice in a skilled trade in the first two years of an apprenticeship contract (registered with the federal, provincial, or territorial government) may be eligible to receive a non-refundable tax credit equivalent to 10% of the salaries and wages paid to the apprentice. Introduced by the previous Conservative government, this could translate into tax savings for an employer of up to \$2,000 per eligible apprentice.

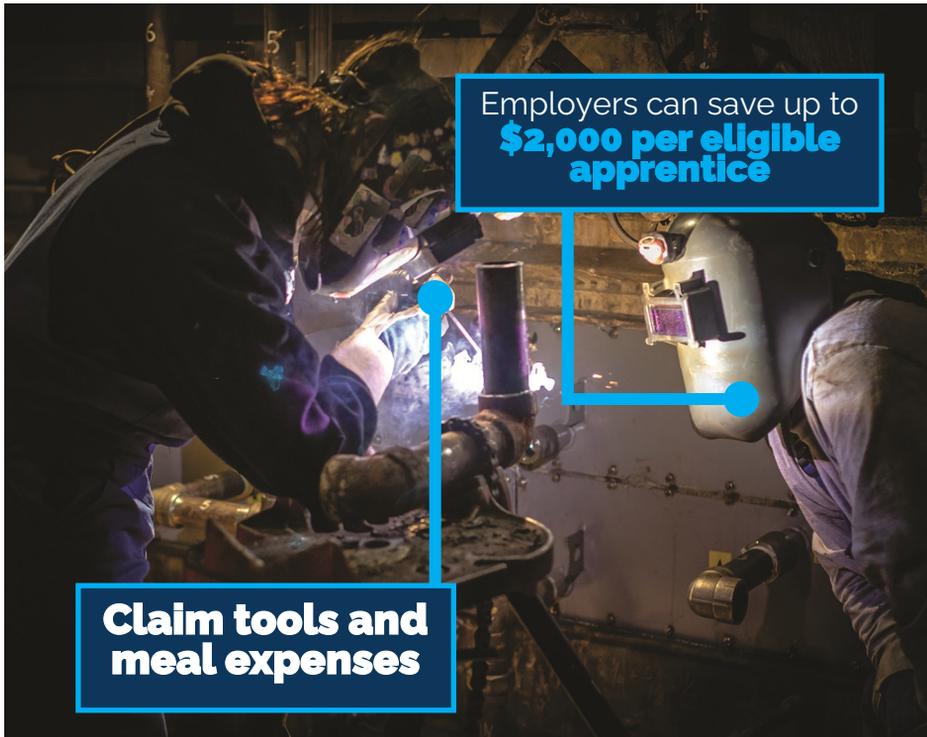
Lower Taxes for Local Business Owners, and Farmers

When an owner of a family farm, local business, or fishing enterprise passes from one generation to the next, the properties – or shares – are subject to a Capital Gains Tax.

For the 2025 tax year, the lifetime capital gains exemption limit is \$1,044,291 for qualified small business corporation shares. The exemption for qualified farm and fishing property is \$1,200,000.

Eligible Educator School Supply Tax Credit

Eligible educators can claim a 25% refundable tax credit on up to \$1,000 of eligible supplies purchased in a taxation year. Some examples include flashcards, art supplies, writing materials, books for the classroom and more.



Employers can save up to
**\$2,000 per eligible
apprentice**

**Claim tools and
meal expenses**

Firefighters' and Search and Rescue Volunteers' Tax Credit

This is a 15% non-refundable tax credit based on an amount of \$3,000 for volunteer firefighters who perform at least 200 hours of service per year.

Tradespersons' Tools Deduction

Providing a deduction of up to \$1,000, the employment tax deduction for eligible new tools was first introduced by the previous Conservative government. This deduction helps those tradespeople who pay for their tools as a condition of employment up front, out of their own pockets.

SAVINGS FOR WORKING CANADIANS



Meal Expenses of Long-Haul Truck Drivers

Long haul truck drivers have an enhanced deductible portion of meal expenses up to 80%. The Canadian tax system generally limits business-related meal expenses to 50% deductible.

Labour Mobility Expense Deduction

The labour mobility deduction provides a deduction of up to \$4,000 per year for eligible transportation, meals and temporary lodging costs at temporary work locations to eligible tradespersons and apprentices engaged in certain construction activities.



IS IT **REAL** OR IS IT A **SCAM**?



Beware of emails that create a sense of urgency or use emotional language.



Bank and shop online **only when connected to a secure network.**



Use passkeys or a password manager to keep login credentials secure.



Enable two-factor authentication for an added layer of security.



Check the URL that appears to ensure it isn't redirecting you to a suspicious site.

***ADDITIONAL TIPS:** CRA will not email you unless you are registered with MyAccount. Even then, the only email you will receive is a notice that there is a message in your MyAccount that you need to review.*

In the case of a phone call from a legitimate CRA agent, they must provide their badge number. It is recommended to record this number for every interaction with a CRA agent to verify the conversation.