CAREGIVER'S TAX SAVINGS

HOW CAREGIVERS CAN GET SOME RELIEF COME TAX TIME
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Canadians who financially contribute to the care of a loved one due to advanced age or illness are out of pocket an average of $430 per month according to a new poll out this week from CIBC. And while tax credits are available to help ease the financial burden for caregivers, the poll found that two in five taxpayers don't know about them, and only 12 per cent have used them.

Let's review the main tax credits available to Canadian taxpayers to help offset some of the financial costs of care.

Canada Caregiver Credit
The Canada Caregiver Credit (the "CCC"), which was introduced in 2017, consolidated and simplified three previous credits that were available to those caring for a family member. If rather than being the person receiving care, you are instead providing support to certain family members with a physical or mental infirmity, then the CCC may be available to you. Eligible family members include your spouse or common-law partner, child or grandchild, parent, grandparent, sibling or aunt or uncle.

The amount of the CCC depends on your relationship with the person you are supporting. The basic CCC amount is a maximum of $6,986, on which you can claim a 15 per cent non-refundable federal tax credit. If, however, you are otherwise eligible for the CCC, and you also claim the spouse or common-law partner amount, the amount of the CCC is limited to $2,182. Similarly, if you claim the amount for eligible dependents over the age of 18, and you are eligible for the CCC, the amount of the CCC is also limited to $2,182.
The CCC will, however, be reduced dollar-for-dollar by the dependent's net income over $16,405. Although only one CCC amount is available on behalf of each care recipient, in some cases the credit can be shared by multiple caregivers who support the same individual. Indeed, the CIBC poll found that two-thirds of current caregivers share the care responsibility with others (e.g. a spouse, child, sibling or friend).

Home renovations
If you will be living in your own home, or in a relative's home, and renovations are required to accommodate your needs, you, or your relative, may be eligible to claim the home accessibility tax credit (the HATC). This can be worth up to $1,500 per calendar year, per qualifying individual.

The renovation must allow you to gain access to, or to be more mobile or functional within the home, or to reduce the risk of harm to you either when gaining access to the home or within the home itself. The improvement must be of an enduring nature and be considered integral to the home. Typical examples of eligible expenditures include wheelchair ramps, walk-in bathtubs or showers and grab bars; however, the cost of household appliances and devices, the cost of a gardener, or interest charged on a loan to cover the renovation will not qualify.

The renovations must be made to accommodate someone who is either at least 65 years of age, or eligible for the DTC. If you meet these criteria, then you can claim the credit, as can certain other relatives such as your spouse or partner, your sibling, your child or grandchild or your niece or nephew.