2009 Personal Tax Tips
Highlights

• For everybody:
  • Pay your tax owing on or before April 30, 2009
  • Develop a financial plan or get professional help
  • Maximize your tax deductions and credits
  • Consider RRSPs and other tax deferral plans
  • If possible earn Canadian dividends and capital gains before other income

• For taxable income under $40,000:
  • 1st tax Federal bracket (i.e. 15%) upper limit increased to $40,726
  • Consider paying down non-interest deductible debts first

• For taxable income over $40,000:
  • Consider options in investing into your RRSP or RPP
  • Consider options in investing in your TFSA $5000 per year but watch for fees
  • Get professional advice for all investments and understand your risks and fees

• For those who own their own personal residence
  • Consider Home Buyer withdrawal from RRSP of $25,000 plus credit of $750
  • Consider home renovation credit of 15% in excess of $1000 max $10,000

• If you are self-employed:
  • Arrange to be a consultant rather than employed
  • Write off your eligible home office expenses
  • Keep excellent records to support your deductions
  • Consider registering for GST and QST sales taxes
  • Consider the potential benefits of incorporating your business

• For investment and rental property owners:
  • Maximize your deductible interest

• If you have your own corporation:
  • Keep the corporation a small business corporation at all times
  • Consider $500,000 exemption of small business and family farming shares
  • Maximize capital dividend payments
  • Consider a tax-free repayment of capital
  • Caution on investment income in your active business corporation

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