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What's new for 2018

The CRA list the service enhancements and major changes below, including announced income tax changes that were not law. If they become law as proposed, they will be effective for 2018 or as of the dates given.

Individuals and families

For residents of Manitoba, New Brunswick, Ontario, and Saskatchewan - The **Climate Action Incentive** is a new refundable credit available as of January 1, 2018. For more information, see Schedule 14, Climate Action Incentive.

Employee home relocation loan deduction (line 248 of the return) – As of January 1, 2018, this deduction has been eliminated.

Medical expenses (lines 330 and 331 of Schedule 1) – Eligible medical expenses have been expanded to include a variety of expenses relating to service animals specially trained to perform specific tasks for a patient with a severe mental impairment.

Donations and gifts (line 349 of Schedule 1) – As of January 1, 2018, the first-time donor's super credit has been eliminated.

As of February 27, 2018, registered universities outside Canada will no longer need to be prescribed in Schedule VIII of the Income Tax Regulations. For more information on qualified donees, see Pamphlet P113, Gifts and Income Tax.

Tax on split income (TOSI) (line 424 of Schedule 1) – As of January 1, 2018, in addition to applying to certain types of income of a child born in 2001 or later, TOSI may now also apply to amounts received by adult individuals from a related business. Where TOSI applies, the disability tax credit can now be used to reduce the individual's tax payable for the year. However, income that is subject to TOSI must now be added to the individual's net income for the purpose of calculating various deductions, credits and benefits. For more information, see Form T1206, Tax on Split Income.

Accelerated Investment Incentive

The Fall Economic Statement 2018 introduced an accelerated deduction for Canadian development expenses (CDE) that a flow through share (FTS) investor receives from a principal business corporation (PBC). This tax measure applies to FTS agreements entered into after November 20, 2018 in regards to CDE incurred after the agreement date.

If you have invested in a FTS after November 20, 2018 and have received a statement of resource expenses from a PBC, you may claim CDE at the rate of 45% in the tax year in which such CDE is renounced to you and, thereafter, at a rate of 30%. See Form T1229, Statement of Resource Expenses and Depletion Allowance.