

A group of people in business attire are clapping and smiling at a breakfast event. The scene is set in a room with wooden paneling, likely a chamber or a formal meeting space. The people are dressed in suits and blouses, and the atmosphere appears to be celebratory.

Sherwood Park & District Chamber of Commerce Budget Breakfast

Presented by:
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Investing in the Middle Class

BUDGET 2019



Pre-Election Budget – Giveaways and Goodies

- \$22.8 billion in new spending over six fiscal years;
- 2018-19 deficit projection: \$14.9 billion, down slightly from the fall
- 2019-20 deficit projection: \$19.8 billion, with \$3 billion risk adjustment;
- Debt: \$685.6 billion, projected to rise to \$761.7 billion by 2023-24;
- Debt to GDP ratio: Projected to be 30.8% falling to 28.6% by 2023-24.

Pre-Election Budget – Giveaways and Goodies

Spending Highlights:

- \$1.25 billion over 3 years on a shared-equity mortgage program for first-time home buyers;
- RRSP withdrawal limit for first time home buyers rises to \$35,000 from \$25,000
- \$2.2 billion for one-time doubling of Gas Tax cash for cities' infrastructure;
- \$1,2 billion over 5 years for border security and modernization and for the asylum system;
- Personalized Canada Training Credit of \$250 per year (up to \$5,000 lifetime) for job retraining

Other Key Measures:

- A credit of up to \$5,000 for purchase of electric vehicles;
- Interest on Canada Student Loans lowered to prime & will be interest-free for 6 months after graduation;
- Creation of a Canadian Drug Agency for bulk-buying of drugs and a national strategy on high-cost drugs;
- CATSA to become an arm's-length agency with additional funding of \$597 million over 2 years;
- \$553 million more over the next 3 years - \$374 million of it by next April – to fix the failed Phoenix pay system;
- Low-income seniors can earn more without giving up GIS benefits;
- \$595 million to support journalism will include 15% tax credit for digital news subscriptions;
- Promise of high-speed internet for all Canadians by 2030



Business Income Tax Measures

Corporate Tax Rates

- No changes to the General or Small-Business corporate income tax rates;
- Reduction of the Small Business rate was announced previously by the Department of Finance;
- The rates for 2019 are as follows:

	2018	2019
General corporate rate	15.0%	15.0%
Small business rate	10.0%	9.0%

Refundable Labour Tax Credit:

- Announced initially as part of the 2018 Fall Economic Statement;
- To support Canadian journalism, Budget 2019 commits to:
 - Allow journalism organizations to register as qualified donees for charitable donations tax purposes;
 - Introduce a refundable labour tax credit for qualifying journalism organizations;
 - Introduce a non-refundable tax credit for subscriptions to Canadian digital news.
- The government will form an independent panel to recommend eligibility criteria for these measures.

- Budget 2016 – eliminated SBD multiplication opportunities;
- Income paid to a co-operative by a farm or fishing operation was excepted from these changes;
- Budget 2019 enhances the exception to include income paid to ANY arm's length corporation;
- Exception does not include “patronage” dividend allocations.

Accelerated CCA & Investment in Zero-Emission Vehicles

- Budget 2019 confirms three CCA acceleration measures announced in 2018 Fall Economic Statement:
 - 100% write-off of M&P machinery & equipment on a temporary basis;
 - 100% write-off of specified clean energy equipment on a temporary basis;
 - A temporary accelerated investment incentive
- Full write-off for businesses that purchase zero-emission vehicles:
 - For vehicles purchased after March 19, 2019 and before January 1, 2024;
 - Class 54 – limit of \$55,000
 - Class 55 for vehicles otherwise included in Class 16

- Prior to Budget 2019 CCPC's could access the enhanced SR&ED tax credit rate for expenditures up to \$3 million per year;
- Limit impacted by prior year taxable income and/or taxable capital of the associated group;
- Budget 2019 eliminates use of prior year taxable income as a factor in determining a CCPC's expenditure limit for the purpose of accessing the 35% rate;
 - Effective for taxation years that end on or after March 19, 2019.



Personal Income Tax Measures

Personal Income Tax Rates

- No changes to previously announced personal income tax rates for 2019;
- The federal rates for 2019 are as follows:

	2019
Up to \$47,630	15.0%
\$47,631 to \$95,259	20.5%
\$95,260 to \$147,667	26.0%
\$147,668 to \$210,371	29.0%
Over \$210,371	33.0%

Personal Income Tax Measures

- Canada training credit;
- Registered plans – permitting additional types of annuities;
- Home buyers' plan;
- Tax measures for “kinship care providers”;
- Medical expense tax credit;
- Digital subscription tax credit;

Improving Tax Compliance:

- \$50 million over 5 years to CRA to enhance audit teams dedicated to residential and commercial real estate transactions in high-risk regions (Ont. & BC).
- Joint & several liability extended to TFSA holders where a business is carried on in the TFSA;
- Focus on character conversion transactions;
- \$150.8 million committed to help CRA improve enforcement in digital economy, data quality examination and offshore non-compliance.

QUESTIONS?

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