

THE BALANCE SHEET



SMITH | SYKES | LEEPER | TUNSTALL LLP
CHARTERED PROFESSIONAL ACCOUNTANTS



A NOTE FROM THE PARTNERS

Happy March! If you missed any previous issues of "The Balance Sheet" you can catch up on our website.

Personal tax season is upon us. Be sure to reference the **[2022 Personal Tax Planning Checklist.](#)**

When gathering your 2022 tax items don't forget receipts for the [Staycation Tax Credit.](#)

In this issue, our feature article discusses the new Anti-Flipping Rule.

Be sure to get your [tax items](#) in sooner rather than later to allow for preparation time. We look forward to seeing you.

George, Bryan, Dale, Trent, Brad, David, Paul & Brennan

IN THIS ISSUE

Anti-Flipping Rule: An Overview

Key Dates & Reminders

Articles of Interest

Accounting Funny

ANTI- FLIPPING RULE



The housing market has been climbing rapidly for many years and homeownership is increasingly out of reach for many Canadians. In an effort to cool down rapid price increases, the federal government has introduced an anti-flipping rule.

This new tax will be applied to any property sold after January 1, 2023.

Flipping a property refers to purchasing and then selling a residential property within a short amount of time, for a higher price. Frequently, the property is renovated before the sale.

This new rule will tax the profit from the sale of the flipped residential property as though it were a business. In addition to increased tax revenues, the intention is also to reduce the speculative demand of the housing market.

Any personal residence sold within a twelve-month period is considered 'flipping' and will be taxed as business income. The profit of the sale is subject to full taxation; therefore, the property will not be eligible for capital gains treatment, (which is 50% of the gain). The property will also be ineligible for the principal residence exemption.

In addition, the Fall Economic Statement proposed to extend this rule to assignment sales. Therefore, profits arising from an assignment sale would be deemed business income if the rights to purchase a property were assigned after having been owned for less than 12 months.

The rule is not intended to be punitive for people buying and selling a home for personal reasons. Exempt from the anti-flipping rule are life-changing events that otherwise explain the quick turn-over of the property. These include the birth or death of a family member, someone joining or leaving the family unit, separation, divorce, illness, disability, insolvency, change in work, a threat to safety, involuntary disposition, or other significant changes.

Contact us or visit www.canada.ca for more information.

KEY DATES

A few key dates to keep in mind:

March 15, 2023: First tax instalment due

March 31, 2023: Deadline to apply for the One-Time top up to the Canada Housing Benefit

March 31, 2023: Deadline to apply for the Catch-Up Payments for students in school

March 31, 2023: General trust return deadline
Partnership information return deadline

May 1, 2023: Individual tax return deadline
Self-employed GST balance due

June 15, 2023: Self-employed individual tax return filing deadline (taxes payable due April 30)
Second personal tax instalment due.

Q. Why don't skunks have to pay taxes?

A. Because they have only one scent!

ARTICLES OF INTEREST

Target-date funds in Canada: Investing for the year you plan to retire.

[Read here for more info](#)

When does the “plus 1” rule apply to a principal residence?

[Check out this article to learn more.](#)

Selling a home? How to know if you qualify for a capital gains exemption:

[Find out more.](#)

9 things you need to know about filing your taxes in Ontario this year according to the CRA

[What to know](#)

Life in the Tax Lane - video

[An overview of all the latest in tax news.](#)

