

# THE BALANCE SHEET

SMITH | SYKES | LEEPER | TUNSTALL LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS



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## A NOTE FROM THE PARTNERS

Happy Spring! Happy personal tax season!

A reminder that we need all your tax documents by **April 16th** to ensure we are able to e-file your return by 5 pm on April 30th.

*If you are unsure what is required please refer to our [2023 Personal Tax Checklist](#).*

Keep in mind that CRA's interest rate on overdue balances and unpaid instalments has increased to 10%! Please ensure you are keeping up-to-date with your instalment payments.

As always, do not hesitate to [contact us](#) with any questions.

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

## FIRST HOME SAVINGS ACCOUNT (FHSA)

Beginning in 2023, Canadians planning to buy their first home may open a First Home Savings Account (FHSA). This is a registered savings plan for any Canadian, over the age of 18, who has not previously owned a home that they have resided in for the past four years.

The FHSA begins when you first open an account; it does not begin automatically. It is therefore important that you open your FHSA immediately if you plan on purchasing a home in the short-term, even if you don't have funds to contribute in the first year. And when you do open a FHSA, you must file your income tax return for that year. Accounts may be opened through a FHSA issuer, such as a bank, credit union, or a trust or insurance company.

You may carry forward up to \$8,000 of your unused annual contribution amount to use in a later year (subject to the \$40,000 lifetime contribution limit). For example, if you open an FHSA in 2023 and contribute \$5,000, you can contribute up to \$11,000 in 2024. Carry-forward amounts do not start accumulating until *after you open an FHSA*.

Don't have \$8,000? No problem. You can transfer amounts from your RRSPs to your FHSAs without any immediate tax consequences, as long as it is a direct transfer. These transfers are subject to FHSA annual and lifetime contribution limits and are not deductible from income. Transfers from an RRSP to an FHSA do not restore your RRSP contribution room.

# FIRST HOME SAVINGS ACCOUNT (FHSA)

*continued ...*

First Home Savings Accounts can be used to invest in Stocks, ETFs, options and much more just like a TFSA or RRSP. In essence, the FHSA is similar to TFSA and RRSPs, but specifically for people looking to buy their first home. You can also continue to contribute until you've reached the lifetime limit, or 15 years after the account's initial opening.

The FHSA is different from an RRSP Home Buyers' Plan which allows you to withdraw up to \$35,000 from your RRSP to help you buy your first home. The money must be repaid to your RRSP within 15 years, otherwise, it is included in your income. For details visit our [Home Buyers' Plan page](#).

To be eligible, you must not have owned real property including a condominium or house solely or jointly with a spouse or common-law partner within the last four years. Your spouse or common-law partner also may not own your current primary residence.

*For more: [Visit Revenue Canada](#)*

## KEY DATES

A few key dates to keep in mind:

**April 2, 2024:** General Trust return deadline; Partnership information return deadline

**April 30, 2024:** Individual tax return deadline; Self-employed HST balance due

**June 17, 2024:** 2nd personal tax instalment

**July 2, 2024:** Contract payment reporting information return deadline (or six months after your reporting period if it is not December 31)

## ARTICLES OF INTEREST

***What to do if you've overcontributed to your RRSP***

[Get the scoop](#)

***Work-from-home tax credit: What Canadians can claim for 2023***

[Find out more](#)

***Life in the Tax Lane - video***

[Catch up on all the latest in tax news.](#)

***New tax rules have many Canadians in a bind: It's hard to find an accountant but risky to DIY***

[Find out more](#)

**Why don't  
skunks have  
to pay taxes?**

Because they  
only have  
one scent.

