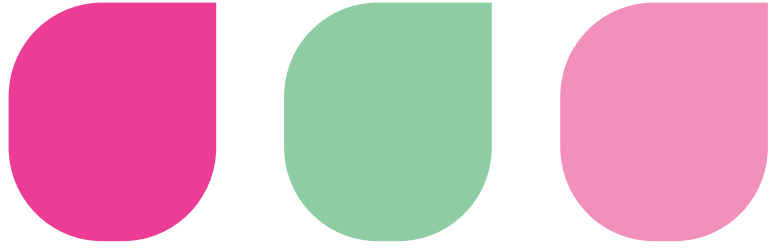


**British  
Columbia**

**2023 Year-end  
tax tips for  
RTOERO members**



**RTO  
ERO**



# Contents

Income tax rates	3
Age amount tax credit	3
B.C. caregiver credit	3
Charitable donations tax credit	3
Other non-refundable tax credits	4
B.C. Renter's tax credit	5
Home renovation tax credit	6
Climate action tax credit	7
Political tax credit	7



## Income tax rates

Effective calendar 2023, the British Columbia income tax rates and income thresholds are as follows:

- 5.06% will apply to income up to \$45,654.
- 7.7% will apply to income over \$45,654 up to \$91,310.
- 10.5% will apply to income over \$91,310 up to \$104,835.
- 12.29% will apply to income over \$104,835 up to \$127,299.
- 14.7% will apply to income over \$127,299 up to \$172,602.
- 16.8% will apply to income over \$172,602 up to \$240,716.
- 20.5% will apply to income that exceeds \$240,716.

## Age amount tax credit

If you are 65 or older, you may be eligible to claim an age tax credit in the province of British Columbia. The base amount of the credit is a maximum of \$5,373 and is based on your income level. The credit is reduced when income exceeds \$39,994. This credit can be transferred between spouses or common-law partners.

Entitlement to this credit is based on individual income, so you should talk to your tax advisor about ways to keep your income below the threshold.

## B.C. caregiver credit

This credit is for a spouse, eligible dependant or eligible relative age 18 or over who is dependent on you because of a mental or physical impairment at any time of the year. The B.C. caregiver amount is a maximum of \$5,243 and is reduced by the dependant's net income in excess of \$17,742. Any claim for a spouse or eligible dependant must be deducted from this claim.

## Charitable donations tax credit

British Columbia provides a tax credit for charitable donations. This credit for the first \$200 of donations is calculated at 5.06%, and the credit for donations in excess of \$200 is calculated at 20.5% on the lesser of:

- The amount in excess of \$200, and
- The portion of taxable income above \$240,716



## Other non-refundable tax credits

### B.C. renter's tax credit

Budget 2023 introduced an annual income-tested renter's tax credit that will give \$400 to low- and moderate-income renter individuals and families with an adjusted income of \$60,000 or less. Individuals and families with an adjusted income greater than \$60,000 and less than \$80,000 may receive a reduced amount.

For the 2023 and subsequent tax years, you can claim the renter's tax credit if you meet the following criteria:

- During the year:
  - You occupied an eligible rental unit in B.C. under a tenancy agreement, licence, sublease agreement or similar arrangement for at least six one-month periods.
  - Rent was paid for that rental unit.
- On December 31 of the tax year, you were a resident of B.C., and you were:
  - 19 years of age or older, or
  - A parent, or
  - Cohabiting with a spouse or common-law partner

You cannot claim the renter's tax credit if you:

- Are the cohabitating spouse or common-law partner of a renter who has already claimed the credit for the tax year
- Were confined to a prison or similar institution on December 31 of the tax year

and were confined for periods totalling more than six months during the year

- Were an employee of a foreign country or a family member or a servant of the employee of a foreign country
- Die before the end of the year

Rent must be paid on the rental unit. Rent does not include amounts paid:

- To non-arm's-length landlords, such as parents, siblings or relatives
- Under a rent-to-own plan
- By your employer for accommodation that is not required to be included in your income
- For a campsite, moorage or manufactured home site
- For the 2023 tax year, the maximum renter's tax credit you may receive is \$400. The credit is reduced by 2% of the amount by which your 2023 adjusted income exceeds \$60,000. The credit is reduced to zero at \$80,000.
- The adjusted income threshold amount of \$60,000 will be indexed to inflation each year. Each year, the adjusted income threshold for this tax credit will be automatically increased based on cost-of-living increases.
- Your adjusted income is the total of your net income and your spouse or common-law partner's net income (if applicable) with certain adjustments. These adjustments are the same as those used in the calculation of adjusted family net income used for determining other tax credits. You must include your spouse or common-law partner's net income for the year, even if they are not eligible for the credit.



An eligible rental unit is a living accommodation in British Columbia. This could be a rental unit in a:

- Single-family dwelling
- Apartment
- Condominium
- Townhouse
- Basement suite
- Detached suite
- Carriage house

A rental unit in the following types of accommodations may be considered an eligible rental unit if the unit is rented for at least six one-month periods in the year and rent was paid for that rental unit:

- Co-operative housing
- College and university dormitories
- Long-term care facility
- Shared housing (roommates)



## Home renovation tax credit

The home renovation tax credit for seniors and persons with disabilities assists eligible individuals 65 and over and persons with disabilities with the cost of certain permanent home renovations to improve accessibility or be more functional or mobile at home.

The program for seniors (and family members living with seniors) started April 1, 2012. Effective February 17, 2016, the program was extended to persons with disabilities (and family members living with those individuals) and renamed the home renovation tax credit for seniors and persons with disabilities.

You are eligible to claim the credit for the year if on the last day of the tax year you are:

- A resident of B.C., and
- A senior or a family member living with a senior, or
- A person with a disability or a family member living with a person with a disability (for 2016 and later tax years)

If you qualify for the disability tax credit, you are eligible for this credit. If you aren't claiming the disability amount because you are claiming fees you paid for an attendant or care in a nursing home, you may still be eligible.

For seniors and family members living with seniors, your renovation expenses must happen on or after April 1, 2012. Expenses made or incurred under an agreement entered into before this date don't qualify.

For persons with disabilities and family members living with them, renovation expenses must happen on or after February 17, 2016. Expenses made or incurred under an agreement entered into before this date don't qualify.

**Note: An eligible expense is deemed to have been paid on the earlier of the date on which the expense was paid or the date it becomes payable.**

The credit can be shared between eligible residents of the home to a maximum amount of the credit. The maximum amount of the credit is \$1,000 per tax year and is calculated as 10% of the qualifying renovation expense (maximum \$10,000 in expenses). The credit is a refundable tax credit, which means if the credit is higher than the taxes you owe, you'll receive the difference as a refund.

Please see the British Columbia tax website for a full list of eligible expenses that qualify for the tax credit.



## Climate action tax credit

The B.C. climate action tax credit is a quarterly payment that helps offset the impact of the carbon taxes paid by individuals and families.

You don't need to apply separately for the B.C. climate action tax credit. When you file your T1 income tax and benefit return, the Canada Revenue Agency (CRA) determines your eligibility and automatically calculates your credit amount.

You are eligible to receive the credit if you are a resident of B.C. and you:

- Are 19 years of age or older, or
- Have a spouse or common-law partner, or
- Are a parent who resides with your child

Only one person can receive the credit on behalf of a family.

The current benefit year for the climate action tax credit is based on your 2022 T1 income tax and benefit return, with payments in:

- July 2023
- October 2023
- January 2024
- April 2024

The maximum you can receive from these four payments combined is:

- \$447 for you
- \$223.50 for your spouse or common-law partner (or for the first child in a single-parent family)
- \$111.50 for each child (except the first child in a single-parent family)

- The income thresholds used to calculate your payment are:
- \$39,115 for individuals
- \$50,170 for families

This means that if your adjusted family net income for the 2023 tax year is below the threshold, you'll receive the maximum amount based on the size of your family.

If your income is higher than the threshold, the credit is reduced by 2% of the income above the threshold until the credit becomes zero. For families, the point where the credit becomes zero will change depending on your family configuration.

## Political contribution tax credit

The political contribution tax credit is for individuals who make eligible contributions to registered B.C. political parties, registered B.C. constituency associations or candidates for an election to the Legislative Assembly of B.C.

The credit is calculated as the lesser of:

- The total of:
  - 75% of contributions up to \$100
  - 50% of contributions between \$100 and \$550
  - 33.33% of contributions in excess of \$550
- \$500



## CAUTION:

The information contained in this document comprises of tax tips only and should not be considered as tax advice. RTOERO assumes no liability for the outcomes that may result from persons using the contents of these tips in their tax planning. Persons using this information for tax planning are cautioned that the full application of these tax tips is best done with the advice of their tax advisor. Neither RTOERO nor its employees or agents are tax advisors.

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