

What you need to know for the 2015 tax year

Dividend Tax Credit - Gross Up and Tax Credit not changing for 2015

The eligible dividend gross-up and enhanced federal Dividend Tax Credit will remain at their current levels of 38% of the dividend paid and 6/11 of the eligible dividend gross-up, respectively.

As a result, the effective enhanced federal Dividend Tax Credit, expressed as a percentage of the taxable amount of the eligible dividend, will remain at the current rate of 15.02%. Similarly, the Quebec Dividend Tax Credit will remain at the current rate of 16.42%.

TFSA - Annual Contribution Limit Increase

The TFSA annual contribution limit has decreased from \$10,000 to \$5,500, effective for 2016. The annual limit will be indexed to inflation in future years. We recommend that clients confirm their contribution room with the CRA or their tax advisor prior to making contributions.

Minimum Withdrawal Factors for Retirement Income Funds (RIFs) Reduced

The new RIF factors will range from 5.28% (down from 7.38%) at age 71 to 18.79% (down from 20%) at age 94. The percentage that seniors will be required to withdraw from their RIF will remain capped at 20% at age 95 and above.

Re-contributions will be permitted until February 29, 2016 to accommodate RIF holders who, at any time in 2015, withdrew more than the reduced 2015 minimum amount, which will be deductible for the 2015 taxation year. A 2015 60L(V) receipt will be issued to clients who re-contribute.

Foreign Account Tax Compliance Act (FATCA)

On February 5, 2014, the Canada Revenue Agency (CRA) entered into an Inter-Governmental Agreement (IGA) with the United States that requires financial institutions to identify and report certain financial accounts for U.S. persons and specific U.S. owners of non-U.S. entities. TD Waterhouse Canada Inc. submits FATCA reporting to the CRA, who in turn forwards the information they receive to the Internal Revenue Service (IRS) under the terms of the IGA. The information provided to the IRS includes client name, address, account balances at year end, and income received by the account in the reporting year.

T1135 - Streamlining Foreign Verification Reporting (Form T1135)

Canadian investors who own specified foreign property with a total cost of more than \$100,000, at any time in the year, are currently required to file a Foreign Income Verification Statement (Form T1135) for that year. The [2015 Federal Budget](#) proposed changes, beginning for the 2015 tax reporting year. Namely, if the total cost of a taxpayer's specified foreign property is more than \$100,000 but less than \$250,000 throughout the year, the taxpayer will be able to report these assets to the CRA under a new simplified foreign asset reporting system. The current T1135 requirements would apply to taxpayers with specified foreign property that has a total cost of \$250,000 or more at any time during the tax year.

This revised form is currently being developed by the CRA and would be effective for taxation years beginning after 2014.

For more information on what property needs to be reported, as well as FAQs, please access the Canada Revenue Agency (CRA) website at <http://www.cra-arc.gc.ca/E/pbg/tf/t1135/> or contact your tax advisor.

TurboTax Online Tax Service

We have made the 2015 TurboTax® online tax service available to our clients, at a discount, to complete your T1 tax return. You can access the TurboTax solution at td.com/ca/products-services/investing/turbotax.jsp or on WebBroker® after February 15, 2016.