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Here are a few tax changes that we can expect now that we're into 2023:

1. Increase in personal basic exemption;
2. Higher Canada Pension Plan ("CPP") contributions;
3. New anti-flipping rule introduced for real property;
4. Multigenerational home renovation tax credit; and
5. Old Age Security ("OAS") claw back limits.

## **Increase in the Personal Basic Exemption**

The Federal basic personal exemption, which is the amount of income you can earn before you pay tax, will be set at \$15,000 for 2023. Individuals who earn more than \$165,430 of net income will claim a reduced amount.

## **Higher CPP Contributions**

The CPP contribution rate for 2023 is 5.95% for employees, and an additional 5.95% for employers to a maximum amount of \$3,754.45. The new maximum pensionable earnings is \$66,600.

## **New Anti-Flipping Rule introduced for Real Property**

A new anti-property flipping rule has been introduced that essentially forces you to pay full income tax rates on properties that are sold after less than 12 months of ownership, with certain exceptions. This also means that CPP contributions may be payable on any profits.

## **Multi-Generational Home Renovation Tax credit**

You can now claim a tax credit for qualifying renovations that create a secondary dwelling that allows certain family members, like your parents or a disabled child, to live with you. The maximum expenses that you can apply towards the credit is \$50,000. Maximizing this credit saves approximately \$7,500 of income tax.

## **OAS Claw Back limit**

The OAS claw back limit for 2023 has been increased to \$86,912.