

2021 Federal Budget Special Edition



NATIONAL EARLY LEARNING AND CHILD CARE SYSTEM

Budget 2021 proposes to establish a Canada-wide early learning and child care system. The federal government's intention is for parents to have access to regulated child care nationwide for an average of \$10 per day by 2025-26.



TAX ON SELECT LUXURY GOODS

Budget 2021 proposes to introduce a luxury tax on the retail sale of select automobiles, planes, and boats. The tax will be effective as of January 1, 2022 and will apply to most automobiles and planes priced over \$100,000, and most boats priced over \$250,000.



COVID-19 BUSINESS RELIEF MEASURES

Budget 2021 proposes to extend the Canada Emergency Wage Subsidy (CEWS) and Canada Emergency Rent Subsidy (CERS) until September 25, 2021, and introduces the Canada Recovery Hiring Program (CRHP).



ACCESS TO THE DISABILITY TAX CREDIT (DTC)

Budget 2021 proposes to update the list of mental functions of everyday life that is used for assessment for the DTC. Using terms that are more clinically relevant will make it easier to be assessed, reduce delays, and improve access to benefits. These proposed changes will apply to the 2021 and subsequent taxation years.



INTEREST-FREE LOANS FOR HOME ENERGY RETROFITS

Budget 2021 proposes to provide homeowners and landlords interest-free loans of up to \$40,000 for undertaking certain deep home energy retrofits identified through an authorized EnerGuide energy assessment. These loans are intended to help finance more costly retrofits such as replacing windows and doors, installing high-efficiency furnaces and water heaters, or making insulation improvements.



VACANT PROPERTY OWNED BY NON-RESIDENTS

Effective January 1, 2022, Budget 2021 proposes to introduce an annual 1% federal tax on the value of vacant or underused non-resident, non-Canadian owned residential real estate. Beginning in 2023, owners who are not Canadian citizens or permanent residents will be required to file an annual declaration as to the property's use and value.