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## **2010 Federal Budget Commentary**

**March 5, 2010**

### **What does the 2010 budget mean to our clients:**

#### **Personal tax**

- Medical expenses >>> forget the botox, teeth whitening and the and other cosmetic procedures. As of 2010, they are no longer considered a medical expense. Hopefully, you got the work done in 2009!!
- If you are a single parent receiving the Universal Child Care Benefit, you now have the option of having it taxed in your child's hands as opposed to yours.
- US social security payments >>>> for taxpayers who have received since prior to 1996, they will only be 50% (versus 85%) taxable in Canada.
- More benefits for disabled persons.
- Changes to stock option benefits and the taxes related thereto.

#### **Corporate tax**

- The budget has confirmed the government's continued commitment to cut the corporate tax rate to 15 percent by 2012, which the Minister noted will be the lowest corporate tax rate in the G7.

#### **GST/HST**

- The Budget proposes that all purely cosmetic procedures whether dental, surgical or otherwise will be subject to tax. Typical procedures will include: liposuction, hair replacement procedures, botox injections and teeth whitening. If a cosmetic procedure is paid for by a provincial health insurance plan it will continue to be GST/HST exempt.

#### **Charities**

- repeal the charitable expenditure rule;
- modify the capital accumulation rule; and
- strengthen related anti-avoidance rules for charities.

**The entire budget is on our website, enjoy!!**