

## Many happy returns

COMMUNITY AGENCY'S LONG-RUNNING FREE TAX PREPARATION SERVICE FINDS MILLIONS OF DOLLARS FOR LOW-INCOME MANITOBANS WHO OFTEN WOULDN'T FILE OTHERWISE

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MIKAELA MACKENZIE / WINNIPEG FREE PRESS Rose-Marie Rose, who has used the CFCS free tax program for many years, poses for a portrait in her home in Winnipeg on Friday, Feb. 25, 2022. For Joel Schlesinger story. Winnipeg Free Press 2022.

Rose-Marie Rose bought a toaster with her tax refund last year, among an assortment of other much-needed items for her small apartment.

This year, the Winnipeg retiree living on a tight budget has bigger plans for her tax refund.

"I am really hoping I will receive enough to finally buy a carpet cleaner," says Rose, a grandmother relying mostly on Old Age Security and Canada Pension Plan for income.

Rose is also among thousands of Manitobans who turn to a long-running free tax preparation service every tax season run by a non-profit organization.

Community Financial Counselling Services (CFCS) is well-known for helping individuals in debt trouble, but it has run a tax preparation and filing service for low-income individuals and families for several years.

"We usually have held a big in-person tax clinic at the Norquay Building doing about 10,000 tax returns per year, but we haven't been able to do that during the pandemic," says John Silver, executive director of CFCS.

"So we've been doing people's taxes 'virtually' by telephone."

That's led to a drop in use among low-income Manitobans. CFCS helped 5,113 individuals file for the 2020 tax year. The hope is more will use the service for the coming 2021 tax filing season when the program launches on February 28, Silver says.

After all, a good many low-income individuals and families could benefit from it — especially those with little to no earned income — or those, who didn't file in past years, fearing they may owe taxes on pandemic benefits, for example.

That's because rather than owing money to the government, it's more likely they are missing out on receiving money from the government, Silver says.

At one time, Kori-Lynn Hardisty was among those missing out. The 21-year-old, who recently finished her high school diploma, used to believe she did not need to file a tax return because she had no income.

"But family members told me to file my taxes with CFCS even if I didn't earn income."

It's a good thing she did.

Hardisty was missing out on government benefits, like the GST rebate.

Another plus was the program boosted her overall tax literacy.

"At first I didn't understand much about taxes other than the need to file, but now I understand why I am filing my taxes and how to prepare to make sure I get the benefits I am eligible for," says Hardisty, who has used the CFCS program since she was 18.

Rose has been using the tax program for much longer — to the point she knows her tax preparer by name.

"I've been using him for years," she says, adding they often chat about topics other than taxes.

"It's like I've made a friend over the phone."

And when Rose forgets a receipt or slip, CFCS will delay filing until she finds the missing pieces.

It's worth the effort, she adds.

Last year, Rose received a \$600 refund — a big boost to her budget amid rising costs, including rent.

Of course, the program isn't for everyone, Silver says.

"It's limited to people whose individual income is under \$35,000 and whose family income is under \$45,000, plus \$2,500 per child."

For those who meet the threshold, the impact on their lives can be very meaningful.

"We've done income taxes going 10 years back for people who have been homeless and got like \$16,000 back in refunds (apiece) — and they were no longer homeless after that," Silver says.

Even with the program's reach cut in half last year, its impact was meaningful all the same, helping low income Manitobans receive about \$13.7 million in benefits.

"It helps a lot," Rose agrees. "They know where to look so you get every penny that should come to you."

To book an appointment, go to [cfcstaxes.com](https://www.cfcstaxes.com); or call 204-989-1913 or 1-833-215-3359.

Get ready to file

The 2021 tax filing season officially got underway Feb. 21 — the first day Canadians can file their returns to CRA (Canada Revenue Agency) to get their refund as soon as possible, says Josee Cabral, senior tax specialist with H&R Block in Montreal.

Other important dates are March 1 for last-minute contributions to RRSPPs for 2021.

Another is the filing deadline April 30. It falls on a Saturday this year, so filers have until May 2 to get their returns to CRA, she adds.

While not a bad idea to file early, individuals with non-registered investments (not held in a TFSA or RRSP, for example) should wait until April before filing to ensure they have all their tax slips (for instance, a T5 for dividend income).

As for notable changes:

- The work-from-home claim has increased from \$400 in 2020 to \$500 for 2021. Created for the pandemic, CRA created the temporary flat rate method so you do not have to keep receipts, calculate a percentage of home costs to be deducted from income, and have your employer sign a T2200 form for your tax return. Instead you simply claim \$2 a day for up to 250 days in 2021. (For the 2020 tax year, you could claim up to 200 days.) To qualify you must have worked more than 50 per cent of the time from home for at least four consecutive weeks.

- You can now claim personal protective equipment (PPE) costs paid for out of pocket to work. In this case, you do need to have a T2200 form signed by your employer, Cabral says.
- Manitoba teachers can now claim a provincial expenses credit for \$1,000 spent out of pocket on supplies last year, for maximum tax savings of \$150. That is in addition to the federal credit of the same amount, she says.

For more information on this year's return, check out the Manitoba 2021 income tax package on the Government of Canada website.