

## **Back to school can mean time for some tax savings**

### **Tuition, sport registration fees can all become tax credits**

Tax Help Plus

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Published Tuesday September 4th, 2007

Appeared on page C2

Up through last week the past couple of months have progressed with the leisurely enjoyment of what is often referred to as the summer doldrums. But virtually overnight, many of us have enjoyed a renewed sense of industry and vigour with the flipping of the calendar. As we get the kiddies, young and not so young, ready to return to school this week, it's a good time to point out the relative tax savings, new and not so new, that can be had at this time of year.

Back to school often means a new registration in a sports activity. While the 2006 federal budget introduced a sports tax credit for registrations of up to \$500, it was effective only on January 1 of this year. Many Canadian kids participate in athletics all year long, but certainly there are a significant number that register only in the fall, which means that this is the first opportunity for those affected. Hockey and basketball seasons will be cycling up in the next few weeks with inscriptions happening throughout the country during the month of September.

The Children's Fitness Tax Credit doesn't name the activities that qualify but guidelines meant to clarify were released at the end of last year. The activity must occur at least once a week over at least eight weeks, while recent summer camps needed to be five consecutive days in length. At least half the time is required to be dedicated to physical activity. Memberships may also count. While cardio is important, the activity also must have either strength, endurance, flexibility or balance benefit. All children under the age of 16 qualify (under 18 for those who qualify for the Disability Tax Credit). The benefit is worth just under \$80 in actual additional refund.

All the talk of the new school year also motivates many to peruse both the full and part-time offerings at the various institutions. Night school is a common phenomenon that has been around forever. If the course helps you improve your skills, it may qualify for the T2202 Tuition, Education and Textbook Tax Credit.

Provided the tuition is in excess of \$100, a student may make a claim on his or her tax return. In addition to the direct tuition, a student may also claim \$400 for every month they are in full-time attendance or \$120 a month for every month they are in part-time attendance. There is also a textbook claim worth \$65 or \$20 a month depending on the enrolment status.

And sometimes even the part-time courses pay off! Take the tax business as an example. In Saint John we offer a tax preparation course at NBCC that allows one not only the opportunity to learn more about the tax system but to possibly enjoy an opportunity for employment with us (or one of the other firms around town).

In other places, firms like H&R Block offer tax courses to the public where we refund the tuition the student pays, if they subsequently come to work for us the following tax season. Finally, there are the other colleges and universities that offer courses on tax that provide people with marketable skills.

Companies like ours are not alone. You may have an interest in some hobby that provides a financial payoff. Sometimes people take something like a photography course (as a singular example), and then go to work taking baby pictures at the local store studio at Christmas.

Like in our case, the student gets the tax deduction and then turns around and puts the training to good, practical, financially rewarding use. As a result the training doesn't cost -- it pays! And it always makes for interesting discussion at the kitchen table when a parent sits to do homework -- just like junior.

Call the office if you're curious in how someone goes about making this claim or if you have an interest in coming to work with us.

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