It’s the season for accountants to be jolly. But as tax-filing time approaches, the rest of us are feeling anything but festive.

So to keep spirits high, here are some easy, money-saving tips to consider as you prepare your income tax return this year.

**Investment carrying charges**

Most investment-related carrying and financial charges are deductible if they were used to earn income, including investment counsel and safety-deposit box charges. Check your bank statements for investment or business-related service charges such as certifications, overdrafts or new chequebooks for your investments.

AIso, make sure you’ve picked up all the expenses on your brokerage statements, such as interest on margin accounts or late payments on stock purchases.

A though brokerage fees themselves are not immediately deductible, they reduce your capital gains exposure when you sell.

A nother possibility is interest which became payable in 2012 on an investment or business loan – even if you couldn’t make the actual payments. If you regularly deduct interest in the year, it becomes payable.

**Objection expenses**

You can also deduct legal fees paid for advice to object to or appeal an assessment under the Income Tax Act, the Unemployment Insurance Act, the Canada Pension Plan or the Quebec Pension Plan, plus any related accounting fees (net of any award or reimbursements for such expenses).

**Taxable benefits on interest-subsidized loan**

If a taxable benefit has been added to your T4 as a result of an interest-subsidized loan from your employer, you may be able to claim an offsetting deduction if the funds were used for income-earning purposes.

This could be the case, for instance, if you are a member of an employee share-purchase plan and you used the borrowed funds towards the purchase of shares under such a plan.

**Tax return preparation fees**

If you pay to have your tax return prepared and part of the fee relates to accounting charges for detailing your investment or business income, this portion of the fee should be deductible.

Ask your accountant to send you a separate bill for these charges to back up the deduction. In many cases, the lion's share of the charges may relate to these fees.

In fact, if your business or investment activities are extensive, you should be able to successfully claim a deduction for the entire tax return fee.

**Foreign tax credits**

Claim foreign tax credits if you have received investment income from a foreign source. Note that as a result of certain tax rules, your federal foreign tax...
credit may be restricted. If so, it's possible to claim a foreign tax credit against provincial income taxes by filing form T2036. If you still can't claim the full credit, the excess foreign tax credit may be deductible.

Get your GST Back

If you're allowed to deduct employment expenses like automobile and home office costs, you can claim a rebate to recover the GST included in the price of goods and services on which you have claimed a deduction.

A similar rebate applies if you earn income from a partnership registered for GST. In both cases, you can recover the GST you pay on expenses you deduct personally by filing form GST 370 - Employee and Partner Goods and Services Tax Rebate, with your T1 return.

Transfer dividends to your spouse

If your spouse has little or no income except for taxable dividends from Canadian companies, you may reduce your family tax bill by including your spouse's dividends in your income.

Some of you may ask, “Why would I want to do this?” By doing so, it will help reduce your taxes if your spouse cannot make full use of the dividend tax credit. However, you may do this only if the transfer of such dividends increases the claim you make for your spouse as a dependant. In addition, you must include all of your spouse's dividends from Canadian companies.

Claim the Equivalent-to-Spouse Tax Credit

This tax credit should be worth at least $1,500 or so, taking federal and provincial taxes into account. Some examples of where the credit can be claimed:

- You are divorced, or legally separated (not supported by your spouse), and support a child under the age of 18 in your home.
- You are a single parent who has a child under the age of 18 living with you.
- You are single and support a brother or sister under the age of 18 who has come to live with you at some point during the year.
- A non-elderly parent who you support has moved into your home.

To claim the tax credit, you must:

- A non-elderly parent who you support has moved into your home. Maintain and live in your own residence and have a qualifying dependant who is wholly dependent on you for support during the year (note: a qualifying relative can live away while attending school).
- This does not mean that you have to legally own the residence; you can be a tenant.
- Support and live with the dependant. With the exception of a child, the dependant must be a resident of Canada at some point during the year and wholly dependent on you for support.
- Either be unmarried (single or legally divorced and not in a common-law relationship recognized for tax as a marriage) or, if you are still married, you must not support, live with, or be supported by your spouse.

Qualifying dependants could include a child or grandchild, a sibling younger than 18, a physically or mentally ill person, or a parent or grandparent.

A CRA technical interpretation suggests that in situations where parents have joint custody of two or more children, it may be possible for each parent to claim the credit. This is because (as noted above) the requirements generally apply during the year, rather than throughout the year.

Therefore a particular child can be dependent on each parent at different times during the year, provided that the child lives with each parent, and not the parent having access or visitation rights.

However, if you're required to pay a child support payment, you are not entitled to the equivalent-to-spouse credit in respect of the child if you are separated throughout the year, or the payments are deducted.

If you were separated for part of the year, you can claim either the equivalent-to-married or support payments, if deductible. However, the recipient spouse should be able to claim the equivalent-to-married credit.