

Memo from Canadian Council of Christian Churches

Bill C-22 Receives Royal Assent

The legislation to implement the clergy residence deduction provisions announced last winter were passed into law on June 14, 2001. Members of the clergy, regular ministers and members of religious orders, who also meet the function tests described in the Canada Customs and Revenue Agency Interpretation Bulletin IT-141R, may now claim a maximum deduction equal to the fair rental value of the home occupied PLUS the cost of utilities. Assuming a full year of employment the deduction is as follows:

- 1) For eligible individuals whose gross remuneration from the qualifying employer, including all taxable allowances, is \$30,000 or less per annum, the claim is the lesser of
 - (a) \$10,000 and
 - (b) the total of the fair rental value PLUS the cost of utilities.

- 2) For eligible individuals whose gross remuneration from the qualifying employer, including all taxable allowances, is greater than \$30,000 per annum, the claim is the lesser of
 - (a) the fair rental value PLUS the cost of utilities, and
 - (b) one-third of gross remuneration

The new law is effective from January 1, 2001. As announced earlier, a prescribed form is to be provided by the employer. It is not required until the tax filing for 2001 in the Spring of 2002.