

2019 PERSONAL INCOME TAX RETURN

Once again it is tax return time. Attached to this letter is a check list to enable you to advise us of the main items to be included in your tax return and also to note any major changes to previous year's information. PLEASE KEEP THIS FORM WITH YOUR INCOME TAX PAPERS. Returning the completed form with your tax papers will expedite the processing of your return and help to keep the cost down. It is important that you forward both original copies of the information slips. We will be retaining all copies of the slips in order to answer Canada Revenue Agency (CRA) enquiries.

CRA now imposes harsh penalties for failing to report a T-Slip on your tax return, even if the mistake is inadvertent. The penalty is up to 20% of the unreported income. You should take special care to ensure you provide us with all of your slips.

If there are special circumstances applicable to your return, please call us and ask what additional information we shall require. The **DEADLINE** for filing is **THURSDAY, APRIL 30, 2020**, and we can only guarantee completion by the deadline if we receive all the information by **FRIDAY, APRIL 10 2020**. The earlier we receive the information the better, especially in the case of tax refunds.

CRA has broadened the requirements for reporting on foreign property held at any time during the year including cash, stocks, trusts, partnerships, real estate, tangible and intangible property, contingent interests, convertible property, etc.

Required details include: description of the property, related country, maximum cost during the year, cost at year-end, income/loss, and capital gain/loss for each particular property.

For property held in an account with a Canadian registered securities dealer or Canadian trust company, we need to have the information described in the previous paragraph. However, instead of the cost information, please provide the maximum Fair Market Value (FMV) during the year. This can be the highest FMV at any month end. Please also provide the FMV at December 31, 2019. This information is normally found on periodic statements issued by the dealer or trust company. Please contact your securities dealer or trust company if you require this information.

This information must be reported separately on a T1135 Foreign Income Verification Statement. **Fees for the preparation of this form are not included in the cost of preparing your tax return and may vary depending on the volume and complexity of the information.** This form carries the same due date as your income tax return. **This form CAN be e-filed for the 2019 and future years.** Please note that **CRA may apply significant penalties if this form is late or incomplete.**

Payment for preparation of tax returns is due when the completed returns are picked up and we ask clients to bear this in mind when collecting their tax returns. For your convenience, we accept payments by cheque, cash, Interac, Visa & Mastercard or online through our website.

We look forward to seeing you in the next few weeks.

Yours truly,

Andrews & Co. Chartered Professional Accountants Professional Corporation

2019 PERSONAL INCOME TAX RETURN CHECKLIST

SECTIONS:

A. Information - All Clients Must Provide

B. Additional Information - New Clients Must Provide

C. Questions to Answer

D. Other

E. Québec Residents

A. Information - All Clients Must Provide

1. All information slips, such as: T3, T4, T4A, T4A(OAS), T4A(P), T4E, T4PS, T4RIF, T4RSP, T5, T10, T2200, T2202, T101, T1163, T1164, T111A, B, C and D, T5003, T5007, T5008, T5013, T5018 (Subcontractors), and corresponding provincial slips.

2. Details of other income for which no T-slips have been received such as:

- Other employment income (including any tips or gratuities received, details on stock option plans and Election Form T1212),
- Business, professional, partnership and rental income (including all amounts received from the sharing economy, such as Air BnB, VRBO, Uber etc)
- Alimony, separation allowances, child maintenance (including divorce agreement),
- Pensions (certain pension income may be split between spouses). Foreign pension income has special rules.
- Interest income earned but not yet received
- Example: Canada Savings Bonds, Deferred Annuities, Term Deposits, Treasury Bills, Mutual Funds, Strip Bonds, Compound Interest Bonds,
- Other investment income,
- Professional fees,
- Director fees, executor fees and
- Scholarships, fellowships, and bursaries

3. Details of **other investments**, such as:

- Capital gains/losses realized (this may be obtained, in some circumstance, from your investment advisor)
- real-estate, or oil and gas investments – including financial statements,
- Bitcoin or other cryptocurrency transactions, and any other investments.
- Labour-sponsored funds
- Any other investments

4. Details of **other expenses** such as:

- Employment related expenses - provide Form T2200 - Declaration of Conditions of Employment (signed by employer), where expenditures have a personal component, provide an allocation of personal versus employment usage
- Tools acquired by tradespersons and eligible apprentice mechanics,
- Business, rental and employment capital purchases (such as vehicles, equipment and buildings),
- Interest on money borrowed to purchase investments,
- Investment counsel fees,
- Moving expenses - including costs of maintaining a vacant former residence,
- Child care expenses,
- Alimony, separation allowances, child maintenance (including divorce agreement and support amount that was paid),
- Accounting, legal, and other professional fees,
- Pension plan contributions,
- Home office expenses,
- Film and video production expenditures eligible for a tax credit,
- Mining tax credit expenses,
- Business, property and employment travel and/or motor vehicle expenses (travel logs may be required),
- Scientific research and experimental development expenses,
- Adoption related expenses,
- Clergy residence deduction information, including Form T1223,
- Disability supports expenses (speech, sight, hearing, learning aids for impaired individuals and attendant care expenses),
- Tradespersons' tools acquired by an employee,
- Public transit passes acquired,
- Interest paid on qualifying student loans,

5. Details and **receipts** for:

- Registered Retirement Savings Plan (RRSP) contributions,
- Professional and union dues,
- Tuition fees for both full-time and part-time courses for you or a dependent - including mandatory ancillary fees, and Forms T2202, TL11A, B, C and D where applicable
- Charitable donations,
- Medical expenses for you and dependent person(s) (including travel expenses and certain medical related modifications to a new or existing home),
- Political contributions,
- **Home Accessibility Tax Credit** – Certain expenditures (up to \$10,000) may be eligible for a tax credit if made in relation to a renovation or alteration of your home to enhance mobility or reduce the risk of harm for an individual who is either, eligible for the Disability Tax Credit, or 65 years of age or older at December 31, 2019. Examples of eligible expenditures include amounts relating to wheelchair ramps, walk-in bathtubs, wheel-in showers and grab bars. Eligible expenditures will include, for example, the cost of labour and professional services, building materials, fixtures, equipment rentals and permits. A similar credit is available in British Columbia, New Brunswick and Ontario.
- **Eligible Educator School Supply Tax Credit** - If you are a teacher or early childhood educator, please provide receipts (up to \$1,000) for eligible school supplies purchased in the year. An eligible supply expense is an amount paid in the year for supplies used or consumed in the school or regulated child care facility in the performance of your employment. Supplies include:
 - Consumable goods such as construction paper, flashcards, items for science experiments, art supplies and stationary items; and
 - Durable goods limited to games, puzzles, books, containers and educational support software. Computers, tablets and rugs (for kids to sit on) are examples of expenses which are not eligible.

In addition, please provide a certification from your employer attesting to the eligible supplies expense. Note that not all teachers and expenditures are eligible for this credit.

6. Details on the disposition of your principal residence or other real property, please provide: proceeds of dispositions, address of the property, and the year the property was acquired. If disposing of other real property, please provide the cost of the property, in addition to the requirement for a principal residence. This is required even if there is no gain on the disposition of the property. Further, please indicate if you have a change-in-use of your property. This could include, for example, converting some of all of your principal residence into an income earning property, such as a rental suite.

7. Name, address, date of birth, S.I.N., and province of residence on December 31, 2019, if changed in the current year.

8. Personal status - single, married, common-law, separated, divorced, widowed. If **married** or **common-law**, provide the spouse/partner's income, S.I.N., and birth date. If there is has been a status change in the year, please provide the date of the change.

9. **List of dependents/children** - including their incomes and birth dates.

10. Details regarding residence in a prescribed area which qualifies for the **Northern Residents Deduction**.

11. Details on 2019 income tax **instalments** or payments of tax, if we do not have access to your tax account on CRA's Represent a Client.

12. 2018 **Assessment Notices** and any other correspondence from CRA.

13. Details of **foreign property** owned at any time in 2019 including cash, stocks, trusts, partnerships, real estate, tangible and intangible property, contingent interests, convertible property, etc. Required details include: description of the property, related country, maximum cost in the year, and cost at year-end, income, and capital gain/loss for each particular property. For property held in an account with a Canadian securities dealer or Canadian trust company, please provide the country for each investment, fair market value (FMV) for investments at each month-end, income or loss on the property, and gain or loss on disposition of the property.

14. Details of **income** from, or **distributions** to, **foreign entities** such as foreign affiliates and trusts.

15. Copy of any foreign tax returns filed.

16. If we are not preparing your **spouse or common-law partner's personal tax return**, please provide their return for review and tax planning.

16. Internet Business Activities

If you have **business, professional income, farming, or finishing income**, please indicate whether you have **Internet business activities**. According to CRA, Internet business activities include any activity where you **earn income** from your **webpages, websites or Apps**. This can include:

- **Selling goods** and/or **services** on your own page or site. You may have a shopping cart and process payment transactions yourself or use a third party service.
- If your site doesn't support transactions but your **customers call**, complete and submit a form or **email** you to make a purchase order, booking, etc. excluding 'information only' webpages and websites like directories or ads.
- Selling goods and/or services on auction, marketplace or similar sites operated by others.
- Earning income from **advertising**, income programs or traffic your site generates.

Note – "Information Only" webpages and websites like directories or ads will not trigger this information requirement.

If you do have Internet business activities, please also provide:

- **Number** of webpages or **websites** from where your business earns income. Please provide the addresses of your pages and/or sites. If you have more than 5, provide the 5 that generate the most income.
- Provide **the percentage of income generated from the Internet**. If you do not know the exact percentage, please provide an **estimate**.

B. Additional Information – New Clients Must Provide

1. Details of **previous capital gain exemptions claimed, business investment losses and cumulative net investment loss accounts**.
2. A listing or copy of receipts for significant **capital assets** purchased in the year which may appreciate in value.
3. Details of **carry-forward amounts** from previous years (ex. losses, donations, forward averaging amounts, RRSP).
4. All CRA correspondence for the past three years.

C. Questions to Answer

1. Did you receive **interest, dividends, or benefits** from a **business** in which a **relative** is a **key party** (in terms of ownership or involvement)?
2. Are you **disabled or are any of your dependents disabled**? If so, provide Form T2201 - Disability Tax Credit Certificate. The transfer rules allow claims for certain dependent relatives. In addition, are you, or would you like to provide support to a disabled person? Tax planning opportunities may be available, such as the establishment of a Registered Disability Savings Plan. Persons **with disabilities** may also receive tax relief for the cost of **disability supports** (eg. sign language services, talking textbooks, etc.) incurred for the purpose of **employment or education**. If you or your dependents are disabled but do not have a T2201 Form, please provide details so we can explore whether you are eligible for special credits or benefits.
3. Are you the **caregiver** for any infirm family members? Did you provide **in-home care** for an infirm **dependent relative**?
4. If you have children up to the age of 17, have you received the **Canadian Child Benefit (CCB)**? If not, please provide details and we may be able to assist in obtaining some past benefits. The CCB is an income tested benefit and therefore may not be provided to certain higher income individuals who previously received the Universal Child Care Benefit.
5. Did you purchase a new home in 2019? If so, you may be eligible for the new **residential property GST/HST rebate**. Also, are you a first-time **home buyer** in 2019? A federal tax credit based on \$5,000 (@15% = \$750) may be available.
6. Are you a **U.S. citizen, Green Card Holder**, or were you, or your parents born in the **United States**? You may have U.S. filing obligations.
7. Have you spent more than 200 hours acting as a **volunteer fire fighter** or a **search and rescue volunteer**? You may be eligible for a federal tax credit.
8. Are you an **aboriginal** person? Special tax rules may apply.
9. Do you authorize CRA to give your name, address, date of birth, and citizenship to **Elections Canada** to update the **National Register of Electors**?

10. Have you made any contributions to a **gifting tax shelter**?
11. Did you receive any **significant prizes or awards** from your, or a related person's place of employment?
12. Did you receive a retroactive **lump-sum payment** over \$3,000 (for example, spousal support)? In certain cases, some tax relief may be granted.
13. **Other provincial and territorial tax credits** may be available in your jurisdiction such as certain property taxes and residential rent paid in Ontario.
14. Did you receive **interest, dividends** or **benefits** from a business in which a **relative** is a **key party** (in terms of ownership or involvement)?
15. Have there been any other significant life events in the past year, such as the death or impairment of a loved one? There can be tax planning opportunities.
16. Did you incur costs to access **medical intervention** required in order to **conceive a child** which was not previously allowed as a medical expense? Amounts may be claimed in respect of any such expense for the previous 10 years (if the amounts were incurred in 2009, a claim must be made by the end of 2019).

D. Other

1. Instalments required for 2020? A **Pre-Authorized Debit (PAD)** is an online service-payment option whereby CRA is authorized to withdraw a pre-determined payment amount directly from a bank account on a specific date(s) to **pay taxes**. This may help assist you with **avoiding penalties** on late and/or missing installment payments.
2. Are you registered for CRA's **MY ACCOUNT Service**? This is a good way to obtain current and prior tax information. You can also use this service to change your address, direct deposit information and sign up for e-mail notifications.
3. **MyCRA mobile App** – This web App can be used on most mobile devices. It allows you to access and view key portions of your tax information such as your notice of assessment, tax return status, benefit and credit information, and RRSP and TFSA contribution room.
4. Canada Job Grant – 2/3rds of certain employee training courses may be eligible for this grant. If interested in improving your skills, ask your employer about this opportunity.
6. **First-Time Home Buyer Incentive (FTHBI)** – Broadly, first-time home buyers and those who have recently experienced a marriage or common-law relationship breakdown may be eligible to obtain 5% or 10% (newly constructed homes only) of the purchase price of a home under a shared-equity mortgage. The borrower(s) must repay the FTHBI (being 5% or 10% of the value of the property at repayment) at the earlier of the sale date or 25 years. Alternatively, the borrower may voluntarily choose to repay the full amount back at an earlier time without a pre-payment penalty. No partial payments are permitted. Access to the program is limited to those borrowers (all who are on title) whose total combined income is not greater than \$120,000.

The maximum home price depends on a number of factors, including the total combined income of all borrowers and the deposit on the property, however, in the most extreme cases, must be less than just over \$500,000. To determine the maximum home price, based on your specific factors, go to <https://www.placetocallhome.ca/fthbi/eligibility-savings-calculator>.

7. Canada Student Loan and Canada Apprentice Loans Relief – Effective November 1, 2019, student loans will enjoy lower floating interest rates of prime (rather than prime plus 2.5%). As well, fixed interest rates will be reduced to prime plus 2% (rather than prime plus 5%). Also, student loans will not accumulate any interest during the six-month non-repayment period (the “grace period”) after a student loan borrower leaves school.

8. Zero-Emission Vehicles – Individuals or businesses can now receive a federal incentive of up to \$5,000 when they purchase or lease a zero-emission vehicle (on or after May 1, 2019). A listing of eligible vehicles can be found at <https://www.tc.gc.ca/en/services/road/innovative-technologies/list-eligible-vehicles-under-izev-program.html>. Alternatively, certain zero-emission vehicles for business use may enjoy a temporary first-year CCA rate of 100%. A business can access only either the purchase incentive or the enhanced CCA in the first year.

9. Guaranteed Income Supplement (GIS) – The GIS earnings exemption currently allows low-income seniors and their spouses to each earn up to \$3,500 per year in employment income without triggering a reduction in GIS benefits. Effective July 2020, the earnings exemption would also apply to self-employment income. Also, the full exemption available for up to \$3,500 of earnings will be increased to \$5,000 per year. In addition, a partial exemption of 50% would apply to the next \$10,000 of annual employment and self-employment income beyond the initial \$5,000.

E. Residents of Quebec on December 31, 2019

1. Were you covered during the year by the private Group Health Insurance Plan of your employer or that of your spouse or parent?
2. Please provide the RL31 (if applicable) issued by your landlord for rent paid on your dwelling
3. If you are 65 years of age or older, please provide amounts paid for janitorial, grounds maintenance, snow removal, assistance with dressing, meals or hygiene and nursing care support services
4. Renovert program extended to March 31, 2019 – expenditures related to renovations that have a positive environmental impact and improve energy efficiency of an eligible dwelling may be claimed if performed by a qualified contractor under a contract entered into before April 1, 2019
5. Do you provide respite services in your home to a person with significant disabilities? Please provide details.

MEDICAL EXPENSES ALLOWED IN ONTARIO

Following is a list of recognized medical practitioners in Ontario

- Acupuncturist
- Audiologist
- Chiropodist
- Chiropractor
- Dental Hygienist
- Dental Technician or Technologist
- Dentist
- Denturist, Dental Mechanic, Denturologist
- Kinesiologist
- Licensed or Registered Practical Nurse
- Massage Therapist
- Medical Laboratory Technologist
- Medical Radiation Technologist
- Midwife
- Naturopath
- Dietician
- Homeopath
- Occupational Therapist
- Optician
- Optometrist
- Pharmacist
- Physician
- Physiotherapist or Physical Therapist
- Podiatrist
- Psychological Associate
- Registered Nurse (including nurse practitioner)
- Registered Psychotherapist
- Respiratory Therapist
- Social Worker
- Speech Language Pathologist
- Surgeon
- Traditional Chinese medicine practitioner
- Psychologist

For a medical expense to be accepted by Canada Revenue Agency, it must be prescribed, provided or dispensed by one of the above recognized medical practitioners. Vitamins, cosmetic procedures etc. are not acceptable medical expenses.