

# 2023 PERSONAL INCOME TAX RETURN CHECKLIST

Client: \_\_\_\_\_

## WHAT'S NEW

**NEW! Underused Housing Tax (UHT)** – The UHT imposes a national annual 1% tax on the value of non-resident (for immigration purposes), non-Canadian owned residential real estate considered to be vacant or underused. Legal ownership of real estate must be considered as of December 31, 2022, with filings and/or taxes first being due on April 30, 2023.

Please advise if you are on title for one or more properties, other than your principal residence.

<https://www.canada.ca/en/services/taxes/excise-taxes-duties-and-levies/underused-housing-tax.html>

## NEW AND EXPANDED TRUST REPORTING: It's Here!

New rules aimed at providing more transparency on beneficial ownership of assets now require that **more trusts** (and estates) **file tax returns**. These changes will **catch many individuals and businesses** that **may not be aware** of their trust-like relationships, exposing them to potential **penalties** and other consequences for non-compliance. The rules become effective in 2023, with a filing deadline of **April 2, 2024**.

### Unexpected exposure – bare trust arrangements

The rules have been **expanded to include** cases where a **trust acts as an agent** for its beneficiaries, commonly known as a **bare trust**. In such instances, the **person/entity listed as the owner** of an asset is **not the true beneficial owner**; instead, they hold the asset on behalf of another party.

### STEP 1: Does a bare trust arrangement exist?

To determine if a bare trust arrangement exists, the following question should be asked:

- **Is the person on title or holding the asset the true beneficial owner?** For example, do they get the benefits of the asset (such as sale proceeds) and bear the costs or risks of the asset (such as property taxes)?

There is likely a bare trust arrangement if there is a mismatch between legal and beneficial ownership, often requiring a trust return. There are **several reasons** why an **individual, business or organization** may use a **bare trust arrangement**. Many parties involved in a bare trust arrangement may not realize that they are, much less that there may be a filing requirement with CRA. **No lawyer** may have ever been involved, and **no written agreement** may have ever been drafted.

While there are **countless possibilities of bare trust arrangements**, the following lists **some** common potential **examples**.

#### Individual Reasons

- a parent is on **title of a child's home** (without the parent having beneficial ownership) to **assist** the child in obtaining a **mortgage**,
- a parent or grandparent holds an **investment or bank account** in trust for a child or grandchild,
- **one spouse** is on **title of a house or asset** although the other spouse is at least a partial beneficial owner.

#### Estate Planning Reasons

- a child is on **title of a parent's home** (without the child having beneficial ownership) for probate or estate planning purposes only,
- a child is on **parent's financial accounts** (or other assets) to assist with administration after the parent's passing.

#### Business Administration Reasons

- a **corporate bank account** is opened by the **shareholders** with the corporation being the beneficial owner of the funds,
- a **corporation** is on **title of an individual's real estate, vehicle or other asset**, and vice-versa,
- assets **registered to one corporation** but beneficially **owned by a related corporation**,
- use of a **nominee corporation** for real estate development purposes,
- a **partner of a partnership** holding a **bank account or asset** for the benefit of all the other partners of a partnership,
- a **joint venture** arrangement where the operator holds legal title to development property as an agent for the benefit of other participants,
- a **cost-sharing arrangement** where a person holds a business bank account, or other assets, to facilitate the arrangement while having no, or only partial, beneficial interest in these shared assets.

#### Industry-specific Issues

- a **property management company** holding operational bank accounts in trust for their clients, or individuals managing properties for other corporations holding bank accounts for those other corporations; and
- a **lawyer's specific trust account** (while a lawyer's general trust account is largely carved out of the filing requirements, a specific trust account is not).

CRA has not commented on several of the examples; it is uncertain how they will interpret and enforce the law.

## 2023 PERSONAL INCOME TAX RETURN CHECKLIST

T1 JACKET	TAXPAYER 1	TAXPAYER 2
1. Name, Address, Email address, Date of birth, S.I.N., and Province of <i>residence</i> on December 31, 2023. Please note: starting in <b>February 2022</b> , <b>email addresses</b> will be required to use My Account.		
2. Personal status – single, married, common-law, separated, divorced, or widowed. If there has been a status change in the year, please provide the date of the change.		
3. List of dependents/Children – including their income and birth dates and SIN(s)		
4. Did you dispose of your principal Residence? If so, see Section #3 of Investment Income.		
5. Do you own any foreign property? If so, see Section #3 of Investment Income.		
6. Details on 2023 income tax <b>installments</b> or, payments of tax, if we do not have access to your tax account on CRA's Represent a Client.		
7. Did you receive <b>interest, dividends, or benefits</b> from a <b>business</b> in which a <b>relative is a key party</b> (in terms of ownership or involvement)?		
8. Are you a U.S. citizen, Green Card Holder, or were you, or your parents born in the United States? If so, you likely have U.S. filing obligations.		
9. Do you authorize the Canada Revenue Agency to give your name, address and date of birth and citizenship to Elections Canada to update the National Register of Electors?		
10. Have you organized or managed a <b>crowdfunding campaign</b> ? In some cases, there are tax implications.		
11. Are you or any of your dependents disabled? If so, provide Form T2201 - disability tax credit certificate. The transfer rules allow claims for certain dependent relatives. Tax planning opportunities may be available, such as the establishment of a Registered Disability Savings Plan. See item #18 for more information. Persons with disabilities also may receive tax relief for the cost of disability supports (e.g., 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. <b>NEW!</b> Individuals with type 1 diabetes will be effectively deemed eligible for the disability tax credit. While this change was legislated in 2022, it is retroactive to 2021 and subsequent years.		
12. <b>Are you a caregiver for any infirm family members?</b> Did you provide <b>in-home care</b> for a <b>parent or grandparent</b> (including in-laws) 65 years of age or over, or an infirm <b>dependent relative</b> ? The new <b>Canada caregiver credit</b> may be available. Also, the caregiver may claim related <b>training costs</b> as a medical expense credit.		
13. Do you want your <b>tax refund or credit</b> deposited directly to your account in a financial institution? <i>To start direct deposit, or to change banking information, attach a void personalized cheque or your branch, institution and account number.</i>		

## 2023 PERSONAL INCOME TAX RETURN CHECKLIST

<p><b>14.</b> If you have children up to the age of 17, have you received the <b>Canada Child Benefit (CCB)</b>? The CCB is a tax-free, income tested benefit paid monthly to help with the cost of raising children.</p>		
<p><b>15.</b> Were you a <b>first-time homebuyer</b> in 2023? A tax credit based on \$10,000 (@15% = \$1,500) may be available. As well <b>if you purchased a new home in 2023</b>, you may be eligible for the <b>new residential property GST/HST rebate</b>. <b>NEW: First-Time Home Buyer Incentive (FTHBI)</b> –F or more information on your specific factors, go to <a href="https://www.placetocallhome.ca/fthbi/eligibility-savings-calculator">https://www.placetocallhome.ca/fthbi/eligibility-savings-calculator</a></p>		
<p><b>16.</b> Have you spent more than 200 hours acting as a <b>volunteer firefighter or search &amp; Rescue volunteer</b>? You may be eligible for a Federal Tax Credit.</p>		
<p><b>17.</b> Have you made any contributions to a <b>gifting tax shelter</b>?</p>		
<p><b>18.</b> Did you receive any significant prizes or awards from your or a related person’s place of employment?</p>		
<p><b>19.</b> Did you incur costs to access <b>medical intervention</b> required in order to <b>conceive a child</b> 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 amounts were incurred in 2011, a claim must be made by the end of 2022). For 2022 and subsequent years, certain costs reimbursed to surrogate mothers and for fertility are eligible medical expenses.</p>		
<p><b>20.</b> Have there been any other <b>significant life events</b> in the past year, such as the <b>death or impairment of a loved one</b>? There can be tax planning opportunities.</p>		
<p><b>21. NEW – Canada Training Credit (CTC)</b> – A refundable tax credit may be available to reimburse up to half of eligible tuition and fees associated with work-related training for individuals aged 25 to 64 at the end of the year. The maximum credit available in 2022 is \$250 based on \$500 of eligible expenses.</p>		
<p><b>22. Zero-Emission Vehicles</b> – 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 <a href="https://tc.canada.ca/en/road-transportation/innovative-technologies/zero-emission-vehicles/incentives-zero-emission-vehicles/eligible-vehicles">https://tc.canada.ca/en/road-transportation/innovative-technologies/zero-emission-vehicles/incentives-zero-emission-vehicles/eligible-vehicles</a> 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.</p>		
<p><b>23. Guaranteed Income Supplement (GIS):</b> The GIS earning exemption currently allows low-income seniors &amp; their spouses to each earn up to \$3,500 per year in employment or self-employment income. Effective July 2020, the full exemption available will be increased to \$5,000 per year. Also, a partial exemption of 50% applies to the next \$10,000 beyond the initial \$5,000.</p>		

## 2023 PERSONAL INCOME TAX RETURN CHECKLIST

<p><b>24. Canada Dental Benefit:</b> The Canada dental benefit provides an up-front, tax-free payment to cover dental expenses for children under the age of 12 without dental coverage. The benefit is only available to families whose adjusted family net income is under \$90,000. Applications for this benefit can be made online on CRA's My Account. If no benefit was claimed for the first application period (ending June 30, 2023), an additional payment may be available for the second period (ending June 30, 2024).</p>		
<p><b>25. NEW! First Home Savings Account (FHSA)</b> – As of April 2023, FHSAs could be set up by first-time home buyers, allowing annual contributions of up to \$8,000, to a lifetime limit of \$40,000. Like an RRSP, contributions are deductible from income. If FHSA funds are withdrawn to acquire an eligible property, the withdrawal is not taxable. If you are planning to buy your first home in the near term, contact us before the purchase for planning possibilities.</p>		
<b>INFORMATION SLIPS AND DETAILS TO PROVIDE</b>		
<p><b>1.</b> All <b>information slips</b> such as T3, T4, T4A, T4A(OAS), T4A(P), T4E, T4PS, T4RIF, T4RSP, T5, T10, T2200, T2202, T101, T1163, T1164, TL11A, B, C and D, T5003, T5007, T5008, T5013, T5018 (Subcontractors), and corresponding provincial slips. (SEE <i>SLIPS ON PAGE 10</i>)</p>		
<p><b>2.</b> Details of other income for which no T slips have been received such as:</p>		
<ul style="list-style-type: none"> <li>• <b>Business, professional, farm &amp; partnership income</b> (all revenues &amp; expenses) <i>including all amounts received from the sharing economy, such as Airbnb, VRBO, Uber, etc., and internet-based provisions (e.g. payments from social media subscribers, product placement, advertising, etc.),</i></li> </ul>		
<ul style="list-style-type: none"> <li>• <b>Rental Income – (# of Properties, Any Changes), including all amounts received from the sharing economy, such as AirBnB, VRBO, Uber, etc.,</b> <ul style="list-style-type: none"> <li>○ Rental Revenue</li> <li>○ Expenses                             <ul style="list-style-type: none"> <li>▪ Property Taxes</li> <li>▪ Insurance</li> <li>▪ Advertising</li> <li>▪ Repairs &amp; Maintenance</li> </ul> </li> </ul> </li> <li>• <b><u>Are you compliant with local and provincial regulations for Short Term Rentals in your province?</u></b></li> </ul>		
<ul style="list-style-type: none"> <li>• <b>Internet Business Activities:</b> If you have business, professional, farming or fishing 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, such as selling goods and/or services, or earning income from advertising.  If you do have Internet business activities, please also provide:             <ul style="list-style-type: none"> <li>○ Number of webpages or websites that your business generates income from. Please provide the addresses of your pages/sites. If you have more than 5, provide the 5 that generate the most income.</li> </ul> </li> </ul>		

## 2023 PERSONAL INCOME TAX RETURN CHECKLIST

<ul style="list-style-type: none"> <li>○ Provide the percentage of income generated from the Internet. If you do not know the exact percentage, please provide a reasonable estimate.</li> </ul>		
<ul style="list-style-type: none"> <li>• <b>other employment income</b> (including any tips or gratuities received, severance or termination pay, retiring allowance, details on stock option plans and Election Form T1212),</li> </ul>		
<ul style="list-style-type: none"> <li>• <b>alimony, separation allowances, child maintenance</b> (including divorce/separation agreement),</li> </ul>		
<ul style="list-style-type: none"> <li>• <b>Pensions</b> - U.S., Italian and German Social Security Pensions have special rules.</li> </ul>		
<ul style="list-style-type: none"> <li>• <b>interest income earned but not yet received</b> - example Canada Savings Bonds, Deferred Annuities, Term Deposits, Treasury Bills, Mutual Funds, Strip Bonds, Compound Interest Bonds</li> </ul>		
<ul style="list-style-type: none"> <li>• <b>other investment income, scholarships, fellowships, bursaries, any other income received</b> (e.g., director fees, executor fees, etc.).</li> </ul>		
<b>3. Details of <i>other investments</i> such as:</b>		
<ul style="list-style-type: none"> <li>• Details of <b>capital gains and losses</b> realized in 2023. Brokers Trading Summary. Also, new rules now permit <b>rollovers</b> for <b>foreign share spin-offs</b> and various <b>foreign share re-organizations</b>. <b>Contact your Investment Adviser</b>. Verify that you have all your investment summaries and Trading Summaries.</li> </ul>		
<ul style="list-style-type: none"> <li>• <b>NEW:</b> a listing or copy of <b>receipts</b> for <b>significant capital assets</b> purchased previously, which are currently held.</li> </ul>		
<ul style="list-style-type: none"> <li>• real estate or oil and gas investments - including financial statements,</li> </ul>		
<ul style="list-style-type: none"> <li>• <b>bitcoin</b> or other cryptocurrency transactions,</li> </ul>		
<ul style="list-style-type: none"> <li>• Corporate Class MF – Capital Gains if switching.</li> </ul>		
<ul style="list-style-type: none"> <li>• Details of <b>income</b> from, or <b>distributions</b> to, <b>foreign entities</b> such as foreign affiliates and trusts.</li> <li>• Details of <b>foreign property</b> owned at any time in 2023 including cash, stocks, digital currency (such as bitcoin), trusts, partnerships, real estate, tangible and intangible property, contingent interests, convertible property, etc. 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 of the investments at each month-end, income or loss on the property, and gain or loss on disposition of the property.</li> </ul>		
<ul style="list-style-type: none"> <li>• Details of your <b>Pension Adjustment Reversal</b> if you ceased employment and were in a Registered Pension Plan or a Deferred Profit-Sharing Plan. (T10 Slip)</li> </ul>		
<ul style="list-style-type: none"> <li>• Details on the <b>disposition of your principal residence, other real property or any assignment sales</b> (i.e. where the purchase contract is sold/assigned to another party). Please provide the proceeds of disposition, the cost of the property, a description of the property, and the year the property was acquired. This information is required even if there was no gain on the disposition of the property.</li> <li>• In addition, please indicate if you have a change-in- use of your property. This could include, for example, converting some or all of your principal residence into an</li> </ul>		

# 2023 PERSONAL INCOME TAX RETURN CHECKLIST

<p>income-earning property, such as a rental suite. It could also include converting a property used for short-term rentals, such as Airbnb or VRBO, to long-term rentals.</p> <ul style="list-style-type: none"> <li>• <b>NEW! Effective January 1, 2023, all gains arising from the disposition of residential property (including rental property and assignment sales) owned for less than 365 days are deemed to be business income unless a particular exception is met (such as the disposition being due to a death, separation, birth, safety issue, illness/disability, employment change, insolvency or involuntary disposition). If a disposition occurred within 365 days, please provide a reason for the disposition.</b></li> </ul>		
<b>4. Details of <i>Eligible Expenses</i> such as:</b>		
<ul style="list-style-type: none"> <li>• <b>Employment related expenses</b> - 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),             <ul style="list-style-type: none"> <li>○ Meals and Entertainment</li> <li>○ Mobile Phone</li> <li>○ Auto Expenses</li> <li>○ Home office expenses (with respect to employment, professional or other business income).</li> <li>○ Tools acquired by apprentice vehicle mechanics,</li> <li>○ Personal interest expense - such as on a house mortgage or vehicle? If so, it may be possible to take steps to convert this into deductible interest. Please ask us for details.</li> </ul> </li> </ul>		
<ul style="list-style-type: none"> <li>• <b>Details related to working from home.</b> If you worked from home in 2023, in limited cases, you may be able to make a claim based on actual expenses incurred. (NOTE: The temporary flat rate method whereby employees could deduct \$2/day that they worked from home in 2022 is not available in 2023.) To claim a deduction for the actual costs related to working from home, one of the following criteria must be met:             <ul style="list-style-type: none"> <li>○ the home was where you mainly (more than 50% of the time) did your work for a period of at least four consecutive weeks in the year, or</li> <li>○ you used the space exclusively to earn business/employment income, and used it on a regular and ongoing basis for meeting clients, customers or other people in respect of the business/employment.</li> </ul> </li> <li>• In addition, if you are an employee, your employer must have required you to work from home and <b>they must have also provided you with a T2200</b> (please provide it to us).</li> <li>• To make a claim, please provide details on the portion of your home that was used as a workspace (e.g. approx. square footage of work space versus other space). If the space was not used exclusively for business/employment purposes, provide the approximate time it was used for business/employment purposes.</li> <li>• Also, provide the expenses incurred that are related to working from home. Such expenses include, for example,</li> </ul>		

## 2023 PERSONAL INCOME TAX RETURN CHECKLIST

home internet access fees, rent, utilities and office supplies. <i>Self-employed individuals</i> (but <i>not</i> employees) may also deduct part of their property taxes and mortgage interest.		
<b>5. Details <i>and receipts</i> for other deductions and tax credits, such as:</b>		
<ul style="list-style-type: none"> <li><b>NEW!</b> first home savings account (FHSA) contributions and withdrawals (including any associated slips),</li> </ul>		
<ul style="list-style-type: none"> <li><b>NEW!</b> multigenerational home renovation tax credit – certain expenditures (up to \$50,000) incurred in 2023 may be eligible for a tax credit to assist with the cost of renovating an eligible dwelling to establish a secondary unit that enables a qualifying individual (a senior or an adult who is eligible for the disability tax credit) to live with a qualifying relation,</li> </ul>		
<ul style="list-style-type: none"> <li>Details on repayments of COVID-19 support payments in 2023. This includes both individual support benefits and benefits received for a business. A deduction may be available with respect to the repayment.</li> </ul>		
<ul style="list-style-type: none"> <li>interest on money borrowed to purchase investments &amp; investment counsel fees,</li> </ul>		
<ul style="list-style-type: none"> <li>moving expenses - including costs of maintaining a vacant former residence,</li> </ul>		
<ul style="list-style-type: none"> <li>childcare expenses,</li> </ul>		
<ul style="list-style-type: none"> <li>adoption related expenses,</li> </ul>		
<ul style="list-style-type: none"> <li>pension plan contributions,</li> </ul>		
<ul style="list-style-type: none"> <li>professional and union dues,</li> </ul>		
<ul style="list-style-type: none"> <li>film and video production eligible for tax credit and mining tax credit expenses,</li> </ul>		
<ul style="list-style-type: none"> <li>legal fees to collect child support</li> </ul>		
<ul style="list-style-type: none"> <li>business, property and employment travel and/or motor vehicle expenses (travel logs may be required),</li> </ul>		
<ul style="list-style-type: none"> <li>scientific research and development expenses,</li> </ul>		
<ul style="list-style-type: none"> <li>clergy residence deduction information, including Form T1223,</li> </ul>		
<ul style="list-style-type: none"> <li>disability support expenses (speech, sight, hearing, learning aids for impaired individuals and attendant care expenses),</li> </ul>		
<ul style="list-style-type: none"> <li>tradesperson's and eligible apprentice mechanics tools acquired by an employee. (<b>NEW!</b> For 2023, the maximum deduction for tradespeople's tools has increased to \$1,000 from \$500).</li> </ul>		
<ul style="list-style-type: none"> <li>interest paid on qualifying student loans,</li> </ul>		
<ul style="list-style-type: none"> <li>Registered Retirement Savings Plan (RRSP) contributions, and any other pension plan contributions and withdrawals (including withdrawals and repayment for the Home Buyers Plan and Life Long Learning Plan),</li> </ul>		
<ul style="list-style-type: none"> <li>tuition fees for both <b>full-time</b> and <b>part-time</b> courses for you or a dependent, including mandatory ancillary fees, and Forms T2202, TL11A, B, C and D where applicable,</li> </ul>		
<ul style="list-style-type: none"> <li>charitable donations &amp; political contributions,</li> </ul>		
<ul style="list-style-type: none"> <li>medical expenses for you and dependent person(s) (including travel expenses &amp; certain medical related modifications to a new or existing home).</li> </ul>		

## 2023 PERSONAL INCOME TAX RETURN CHECKLIST

<ul style="list-style-type: none"> <li>labour mobility deduction – a deduction for up to \$4,000 of certain personally-incurred travel and temporary lodging expenses for employed tradespeople and apprentices in the construction industry that performs duties at a temporary work location. To qualify, the employee must not also receive a non-taxable allowance or be reimbursed by their employer in respect of these costs.</li> </ul>		
<ul style="list-style-type: none"> <li><b>flow-through share expenses (UPDATES!):</b> <ul style="list-style-type: none"> <li>expenditures for flow-through shares regime for oil, gas and coal activities under flow-through share agreements entered into after March 31, 2023 can no longer be renounced to share purchasers, and</li> <li>a new 30% critical mineral exploration tax credit for expenditures renounced under eligible flow-through share agreements entered into after April 7, 2022; the specified minerals in which the new enhanced credit is available are copper, nickel, lithium, cobalt, graphite, rare earth elements, scandium, titanium, gallium, vanadium, tellurium, magnesium, zinc, platinum group metals and uranium,</li> </ul> </li> </ul>		
<ul style="list-style-type: none"> <li><b>Home accessibility Tax Credit</b> – Certain expenditures (up to \$20,000 for 2023) 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, 2023. Examples of eligible expenses include amounts relating to wheelchair ramps, walk-in bathtubs, wheel-in showers &amp; grab bars. Eligible expenditures will include, for example, the cost of labour and professional services, building materials fixtures, equipment rentals and permits.</li> </ul>		
<ul style="list-style-type: none"> <li><b>Digital news subscription tax credit</b> – a 15% non-refundable tax credit based on up to \$500 of amounts paid for a qualifying digital news subscription (to access content that is primarily written news) will qualify for this credit.</li> </ul>		
<ul style="list-style-type: none"> <li><b>Eligible Educator School Supply Tax Credit</b> – If you are a teacher or early childhood educator, please provide receipts (up to \$1,000) for eligible school supplies purchased in the year. You must provide a certification from your employer attesting to the eligible supplies expense.</li> </ul>		
<p><b>6.</b> Details regarding residence in a prescribed area, which qualifies for the <b>Isolated Area Deduction/Northern Residents Deduction</b></p>		
<p><b>7.</b> Copies of any <b>foreign tax returns</b> filed.</p>		
<p><b>8.</b> Details of previous <b>capital gain exemptions</b> claimed, <b>business investment losses</b> and <b>cumulative net investment loss accounts</b>.</p>		
<p><b>9.</b> A listing or copy or <b>receipts</b> for significant <b>capital assets</b> purchased in the year, which may appreciate in value.</p>		
<p><b>10.</b> Information regarding <b>Canada Child benefit (CCB)</b> receipts.</p>		
<p><b>11.</b> Changes in <b>family circumstance</b> that could affect the <b>Goods and Services Tax Credit</b>, such as births, deaths, marriages,</p>		

## 2023 PERSONAL INCOME TAX RETURN CHECKLIST

reaching the age of 19 years, and becoming or ceasing to be a resident in Canada.		
<b>12. Children</b> of low- or middle-income parents may be entitled to a <b>Canada Learning Bond</b> of <b>\$500</b> in the initial year and <b>\$100</b> per year until age 15. Please ask us for details.		
<b>13.</b> An <b>investment tax credit</b> is available in respect of each <b>eligible apprentice</b> employed in one of the 45 Red Seal Trades. Also, a <b>\$1,000 grant</b> is available for first- and second-year apprentices effective <b>January 1, 2007</b> .		
<b>14.</b> Do you have a Leveraged Insured Annuity or <b>"10/8" life insurance arrangement?</b>		
<b>15.</b> Commencing in 2010, any person eligible for the <b>disability tax credit</b> , or their parent or legal representative, may establish a <b>Registered Disability Savings Plan</b> that receives government <b>grants</b> . Please ask us for details.		
<b>16.</b> The age limit for <b>maturing</b> Registered Pension Plans, Registered Retirement Savings Plans, and Deferred Profit-Sharing Plans is increased to <b>71 years</b> of age from 69 years of age commencing in 2007.		
<b>17.</b> Spouses may <b>jointly elect</b> to have up to 50% of <b>certain pension income</b> reported by the <b>other spouse</b> . Please ask us for details.		
<b>18.</b> Individuals 18 years of age and older may deposit <b>up to \$6,000 per year</b> into a <b>Tax-Free Savings Account commencing in 2009</b> . Please ask us for details.		
<b>19.</b> If required income or Forms that have <b>not been reported</b> in the past to the CRA, a <b>Voluntary Disclosure</b> to the CRA may be available to avoid penalties. Contact us for details.		
<b>20.</b> It may be advantageous to apply to <b>receive CPP early</b> (age 60-65) or <b>delay receiving Old Age Security</b> (age 65-70). Ask us for details.		
<b>21.</b> Commencing July 2010, the law is changed to allow two eligible individuals who share custody after a relationship breakdown to share the Canada Child Tax Benefit, and the GST/HST Credit in respect of the child.		
<p><b>22. NEW! CRA Online Services</b></p> <ul style="list-style-type: none"> <li>• <b>Account Alerts</b> – Individuals can register with CRA to be notified by email when CRA’s record of an individual’s address or banking information has changed, or if mail sent by CRA was returned.</li> <li>• <b>Link between CRA’s my Account &amp; My Services Canada Account</b> – can now be accessed with a single sign-in session.</li> <li>• Starting in <b>February 2022, email addresses</b> will be required to use My Account. CRA recommended signing up for “email notifications” early to avoid delays in February. By signing up for email notifications before February 2022, taxpayers will no longer receive paper correspondence from CRA. However, in February 2022, taxpayers will have the option to receive CRA correspondence by mail, or to receive an email notification when new correspondence is available for viewing in My Account.</li> <li>• Are <b>instalment payments</b> required for 2024? A <b>Pre-Authorized Debit arrangement</b> is an online service payment option which authorizes CRA to withdraw a pre-determined payment amount directly from a bank</li> </ul>		

## 2023 PERSONAL INCOME TAX RETURN CHECKLIST

account on a specific date to <b>pay taxes</b> . This may help <b>avoid penalties</b> on late and/or missing instalment payments.		
---	--	--

### COMMON SLIPS YOU MAY RECEIVE

<u>SLIP OR FORM</u>	<u>WHAT YOU SHOULD KNOW</u>	<u>WHAT YOU NEED TO DO</u>
T4 – Statement of remuneration paid.	Issued for employment income and related information. You should receive it by the end of February.	Attach to your federal return.
T4A – Statement of pension, retirement, annuity and other income.	You should receive it by the end of February.	Attach to your federal return.
T4A (P) – Statement of Canada Pension Plan benefits.	You should receive it by the end of February.	Attach to your federal return.
T4A (OAS) – Statement of Old Age Security benefits.	You may be required to repay a portion of the benefits if your net income is more than \$67,668. You should receive it by the end of February.	Attach to your federal return.
T4RIF – Statement of income from a Registered Retirement Income Fund.	Issued for withdrawals from a RRIF. The minimum amount you have to withdraw each year is based on the value of your RRIF on January 1 and a percentage determined by your or your spouse's age on January 1.	Attach to your federal return.
T4RSP – Statement of RRSP income	Issued for RRSP withdrawals. Includes withholding tax deducted, which you claim on your tax return.	Attach to your federal return.
T4PS – Statement of employee profit-sharing plan allocations and payments	Issued for your company's contributions to your profit-sharing plan. These contributions must be included in your income even though they're paid directly into your plan.	Attach to your federal return.
T600 – Ownership certificate.	Issued for Canada Savings Bonds cashed. Interest income earned will be reported on a T5, including accrued interest on compound CSBs.	Attach to your federal return.
T4E – Statement of employment insurance and other benefits.	You may be required to repay a portion of these benefits if your net income is more than \$54,000.	Attach to your federal return.
T5007 – Statement of benefits.	Issued for workers' compensation benefits and social assistance payments. You will not pay tax on this income because you can claim a deduction for any workers' compensation benefits or social assistance payments.	Attach to your federal return.
T5 – Statement of investment income.	Issued for income from non-registered investments, insurance policy interest, bank account interest, etc.	Attach to your federal return.
T3 – Statement of trust income allocations and designations.	Issued for investment income from mutual funds, segregated funds and income trusts, and income taxable in the hands of the beneficiary of all other testamentary or inter vivos trusts, such as family trusts. You should receive it by early April.	Attach to your federal return.

## 2023 PERSONAL INCOME TAX RETURN CHECKLIST

T5008 – Statement of securities transactions. Investment account statements.	T5008 is issued for non-registered securities you have sold. This form and your statements are records of your transactions that you will need to calculate any capital gains or losses on your investments. Taxable capital gains must be included in the year you realized them. Please see the tracking schedule.	Keep for your records.
T1163 – AgriStability and AgriInvest programs information and statement of farming activities for individuals.	Issued through the Agriculture and Agri-Foods Canada farm income programs. For information about these programs, call 1-866-367-8506.	Complete and attach to your federal return.
T5013 – Statement of partnership income.	Issued for income and tax information for each partner who receives income or capital allocation from the partnership.	Attach to your federal return.
T776 – Statement of real estate rentals.	Complete this summary of rental income and expenses if you received income from the rental of real estate.	Complete and attach to your federal return.
T5018 – Statement of contract payments	This slip is issued to subcontractors in the construction industry. Income should be reported as business income.	Keep for your records

# 2023 PERSONAL INCOME TAX RETURN CHECKLIST

## For Your Information:

Do you own any property in British Columbia? If so, you must complete a special declaration. [www2.gov.bc.ca](http://www2.gov.bc.ca) **NEW:** For 2019 and onwards, the B.C. Speculation and Vacancy Tax (SVT) is 0.5%.

## Personal Tax Calculator:

Estimate your taxes payable using the basic tax calculator by clicking on the link below.

<http://www.taxtips.ca/calculators/basic/basic-tax-calculator.htm>

## Tips and Gratuities:

CRA issued a **Tax Tip** which noted that **direct tips or gratuities** received (amounts paid directly by the customer) are required to be included in income on line 104 (Other employment Income). Any amounts **controlled by the employer** should already be included on the T4 slip. CRA discusses **controlled versus direct tips** on their website.

<https://www.canada.ca/en/revenue-agency/campaigns/track-report-tips-gratuities.html>

## Mileage Rates:

The 2023 rate for personal vehicle use for business purposes is 68¢/km for the first 5,000 kms and 62¢ for each additional km. 2024 rates will be 70¢ and 64¢ respectively.

CRA released a **Tax Tip** which discussed the basics of an employer paying a **non-taxable allowance** to employees for the **business use of their personal automobiles**. While a reasonable pre-km rate is designed to cover an employee's out of pocket costs, CRA reiterated that they consider the maximum deductible amount that an employer can claim with respect to payments made to an employee for the employment use of their personal vehicle (Regulation 7306) to be reasonable. CRA considers an allowance unreasonable because it is either too high or too low which will then consider the amount as a taxable benefit, which requires payroll deductions including CPP, EI and income tax withholdings and the inclusion on a T4 slip. CRA further discussed the provision of **Form T2200, Declaration of Conditions of Employment**.

<https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t2200.html>

## Age to start your CPP retirement pension:

The Ministry of Employment and Social Development updated their website to provide **guidance on the new CPP regime**. The website provides guidance on changes commencing in 2019, **estimated future receipts**, and determining past contributions. It also contains an **explanatory video and links to the Canadian Retirement Income Calculator**.

<https://www.canada.ca/en/employment-social-development/campaigns/cpp-choice.html>

## Tax free savings account (TFSA):

Year	Annual Limit	Cumulative Amount
2021	\$6,000	\$75,500
2022	\$6,000	\$81,500
2023	\$6,500	\$88,000
2024	\$7,000	\$95,000

## Donation tax credit:

Currently, the donation tax credit rate is 15% on the first \$200 of gifts made, and 29% for donations in excess of \$200. Effective January 1, 2016, the 29% rate will increase to 33% on the lesser of the amount of donations made in excess of \$200 and the individual's taxable income over \$200,000.

## OAS replacement threshold:

The threshold for OAS replacement threshold is \$86,912 for 2023 and \$90,997 in 2024

## Sharing Economy:

Canadians that **income from sources** such as accommodation or ride sharing, as well as other online activities selling goods or services, are **subject to GST/HST and income tax**. The tip also references CRA's **sharing economy webpage**, which provides more details, including considerable discussion on ride and accommodation sharing.

## Meal and Vehicle rates for Travel Expenses:

Under the simplified method the taxpayer may claim in Canadian or US funds a flat rate of \$23/meal to a maximum of \$69/day (sales tax incl.) per person. Keep track of the number of kilometres driven during the tax year for your trips relating to moving expenses and northern residents' deductions, or the 12-month period you choose for medical expenses. Rates per km vary from province to province. These rates are applicable for the northern resident's deduction, moving expenses and travel for medical services. Although you do not need to keep detail receipts, documentation may be required to support the claim.

## 2024-25 amounts announced for the Canada Carbon Rebate (previously known as the Climate action incentive payment)

Alberto Romano, CA CPA • 403.461.1134 • [alberto@albertoromano.ca](mailto:alberto@albertoromano.ca)

# 2023 PERSONAL INCOME TAX RETURN CHECKLIST

The Canada Carbon Rebate (CCR) (previously known as the Climate action incentive payment (CAIP)) is how the federal government returns the proceeds of carbon pollution pricing to families in provinces where the federal backstop system applies. The name was updated to the Canada Carbon Rebate to clarify its function and make its meaning and relationship to the carbon pricing system more intuitive for Canadians.

The government recently announced the [2024-25 amounts](#) for the CCR.

Starting this April, a family of four will receive Canada Carbon Rebates of:

- \$1,800 in Alberta (\$450 quarterly)

The Canada Carbon Rebate is a tax-free amount to help eligible individuals and families offset the cost of federal pollution pricing. It is paid quarterly in April, July, October and January and is available to eligible residents 19 years and older from Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Newfoundland, Nova Scotia and Prince Edward Island.

Individuals who file their taxes electronically by March 15, 2024, should receive the next CCR payment on April 15, 2024. Those who file after March 15, 2024, will receive their payment later after their returns have been assessed. To receive the CCR, individuals must file their tax and benefit return each year. For married or common-law partner, they both have to file or provide their spouse or common law partner's income on their tax and benefit return.

Please note that the name change to Canada Carbon Rebate may not be reflected immediately by financial institutions and the name of the direct deposit payment may still use a version of CAIP in the short term. It does not impact an individual's eligibility for the payment or the amount they will receive, and there should be no interruption to scheduled spring payments. However, if your client's payment does not arrive as anticipated, please advise them to wait 10 business days before contacting the CRA.

## 2023 PERSONAL INCOME TAX RETURN CHECKLIST

2023 Taxable Income	2023 Marginal Tax Rates			
	Salary & Other Income	Capital Gains	Canadian Dividends	
			Eligible	Non-Eligible
first \$53,359	25.00%	12.50%	2.57%	15.86%
over \$53,359 up to \$106,717	30.50%	15.25%	10.16%	22.18%
over \$106,717 up to \$142,292	36.00%	18.00%	17.75%	28.51%
over \$142,292 up to \$165,430	38.00%	19.00%	20.51%	30.81%
over \$165,430 up to \$170,751	41.32%	20.66%	25.09%	34.63%
over \$170,751 up to \$227,668	42.32%	21.16%	26.47%	35.78%
over \$227,668 up to \$235,675	43.32%	21.66%	27.85%	36.93%
over \$235,675 up to \$341,502	47.00%	23.50%	32.93%	41.16%
over \$341,502	48.00%	24.00%	34.31%	42.31%

### CPP Rates, EI Rates and Basic Personal Amounts:

CPP	2024	2023	2022
Maximum Pensionable Earnings	\$68,500 / 73,200	\$66,600	\$64,900
<i>Less Basic Exemption</i>	<i>(\$3,500)</i>	<i>(\$3,500)</i>	<i>(\$3,500)</i>
Maximum Contributory Earnings	\$65,000 / 3,865/188	\$63,100	\$61,400
Rate	5.95% /4.00%	5.95%	5.7%
<b>EI</b>			
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Maximum Pensionable Earnings	\$63,200	\$61,500	\$60,300
Rate	1.66%	1.63%	1.58%
Maximum Contribution	\$1,049.12	\$1,002.45	\$952.74
<b>Basic Personal Amount</b>			
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Federal	\$15,705	\$15,000	\$14,398
Provincial (Alberta)	\$21,885	\$21,003	\$19,369