



2017 Personal Income Tax CHECKLIST

Name: _____ Tel: (HOME) _____

Tel: (BUS.) _____ Fax: _____ Tel: (CELL) _____

E-mail: _____

Please also provide the following information, if applicable:

- a) Your address and/or marital status, if it changed from last year.

- b) Your spouse's and/or dependants' 2017 net income, if ECCAPC does not prepare his/her return.

- c) Any new dependants for 2017 (i.e. children born or adopted in 2017).

- d) If ECCAPC is preparing your tax return for the first time, your address, birth date, marital status and social insurance number (S.I.N) is needed. Please provide the names of your spouse/partner and/or dependants, their S.I.N.s, and their birth dates.

- e) Copies of tax returns from 2014-2016 (if not prepared by our office) and 2016 CRA notice of assessment or reassessments as well as prior year reassessments dated in 2017.

Please ensure the following information is submitted to our office: CHECK IF INFORMATION IS ATTACHED

1. Income:	Type of Slip
<input type="checkbox"/> Universal Child Care Benefits	RC62
<input type="checkbox"/> Mutual Funds and Other Trusts	T3
<input type="checkbox"/> Employment income (salary, commissions)	T4
<input type="checkbox"/> Pension Payments, Retiring Allowances, Annuities	T4A
<input type="checkbox"/> Scholarships or Research Grants.....	T4A
<input type="checkbox"/> Canada Pension, Old Age Security.....	T4A(P), T4A (OAS)
<input type="checkbox"/> Employment Insurance	T4E
<input type="checkbox"/> Statement of employee profit-sharing plan payments	T4PS/T3D
<input type="checkbox"/> Income from RRSP or RRIF.....	T4RSP, T4RIF
<input type="checkbox"/> Employment Insurance Benefits.....	T4U
<input type="checkbox"/> Interest and Dividends	T5

Continued on next page



1. **Income (continued):**..... **Type of Slip**
- Social Assistance, Workers' Compensation..... **T4007**
 - Pension reversal adjustment..... **T10**
 - Statement of resource expenses **T101**
 - Statement of benefits (welfare and social assistance)..... **T5007**
 - Partnership income **T5013**
 - US source income (wages, interest, dividends)..... US slips
 - Alimony received..... List details
 - Foreign pensions List details
 - Rental income..... See 5. below
 - Self employment income/ (business, profession, commissions) **T5013**/see 6. below
 - Capital gains and losses, Buy, Sell..... **T5008**/Buy, sell slips
 - Purchase and sale of securities..... Broker statements/
Summary

* Please provide information concerning the cost of the securities sold when submitting this form.

2. **Deductions:**..... **Type of Slip/Backup Documents**
- Child care expenses (Appendix H)..... *Receipts (camp, after school programs, **SIN/T4** of caretaker)
 - Employment expenses (See 4 below) **T2200** list of expenses
 - Interest paid on loans to earn investment income..... Statement from bank
 - Investment counsel fees (non-registered investments) Broker letter
 - Legal fees (if paid for purpose of obtaining alimony/child support, wage loss) Copies of invoices
 - Registered Retirement Savings Plan contributions..... RRSP slip
 - Registered Pension Plan contributions..... **T4** or Official receipts
 - Pension income reversal..... **T10**
 - Union or profession dues..... **T4** or Official receipts
 - Tax Shelter information **T5003/T5004**
 - Alimony payments Name of recipient

3. **Tax Credits:**..... **Type of Slip/Backup Documents**
- Disability tax credit/ caregiver credit (Appendix F)..... **T2201**
 - Adoption expenses Receipts
 - Charitable donations..... Official receipts
 - Fitness/Ontario Children's Activity tax credit Receipts see Appendix H
 - Income taxes paid to foreign governments..... Details/Statement
 - Tuition fees (Canadian school)..... **T2202/2202A**
 - Tuition fees (Foreign school)..... **TL11A**



3. Tax Credits (continued):

Type of Slip/Backup Documents

- Insurance Policy Loan Interest **T2210** from insurer
- Labour sponsored funds **T5006/** OIEO Certificate
- Interest paid on student loans Receipts
- Medical expenses (see Appendix C) Receipts
- Political party contributions..... Receipts
- Property taxes/ rental payments for your home Property tax bill/
Receipt from landlord
- Public transit amount Transit passes/receipts
- First-time home buyers' credit (see Appendix G) New home purchase
agreement
- Ontario healthy homes renovation tax credit (see Appendix I) Receipts
- Income tax installments Receipts from CRA

* If you have several prescription drug expenditures, please request a computer print-out of your annual drug expense from your pharmacist, rather than submitting the individual receipts. Year-to-date statements can also be obtained from your dentist, chiropractor, optician, massage therapist etc). If you are part of a health plan, please submit details of premiums paid and benefits paid by health provider. See Appendix C.

4. Listing of employment expenses other than auto expenses (include Form T2200).

(See attached *General List of Deductible Business & Employment Expenses* Appendix A).

5. Listing of rental income and expenses for rental properties.

Please include address of property and corresponding rental income. Please include copy of purchase and sale agreement and statement of adjustments if property sold or acquired during the year. (See attached *General List Of Deductible Rental Expenses* Appendix B)

6. Listing of professional/business income and expenses

(See attached *General List Of Deductible Business & Employment Expenses* Appendix A).
HST return or efile code if our office will be doing it.

7. Automobile expenses of employee/self-employed individual:

Include information concerning the cost of the vehicle if purchased in the year (include invoice), the proceeds received on the disposal of the vehicle if sold in the year, and the cost of gas and oil consumed, repairs and maintenance, insurance, licenses, auto lease payments (include HST), and interest paid on an automobile loan, as applicable. Please also indicate the business and total kilometres driven during 2016. Please provide a separate list for each vehicle.

8. Other items:

- Notice of Assessment for 2016 or reassessments (if not already sent to us).
- Particulars relating to tax shelters and required forms (include limited partnership investments).
- Particulars if you participated in the RRSP Home Buyer's Plan or Lifelong Learning Plan.
- Listing of investments on which accrued interest is required to be reported (eg. Canada Savings Bonds, long term GIC's held outside of your RRSP).
- Carrying charges and interest paid to earn income from investments (also include safety deposit box fees) and student loans.



8. Other items (*continued*):

- US and other foreign source income (submit slips), see foreign reporting requirements Appendix L.
- Details on disposition of capital property (stocks, mutual funds, real estate). Provide original cost, proceeds, expenses of disposition, and purchase date.
- The amount of support payments or alimony payments paid or received. If you are the payor include name and S.I.N. of recipient. See appendix M.
- Details regarding child care expenses (i.e. nursery, camp, after school activities etc.). If paid to an individual, provide name and S.I.N. of the individual.
- Details regarding fitness, activity and art tax credits (i.e. copy of receipts, names of organization providing eligible programs of physical activities etc.).
- Details regarding eligible moving expenses if you moved during the year (see appendix E).
- Property taxes paid. Rent paid including name of landlord.
- Details of adoption expenses paid during the year.
- Amount of instalment payments made during the year (attach January 2017 CRA statement).
- Professional or union dues.
- Details of sale of principal residence. See Appendix J.
- Business investment losses. See Appendix K.
- Canada Pension Plan contribution election and pension income split. See Appendix O.
- Ontario Trillium Benefit and Senior Homeowners Property Tax Grant. See Appendix P.

9. E-Filing (please sign appropriate space)

I would like Eigenmacht Crackower Chartered Accountants Professional Corporation to electronically file my 2017 income tax return.

- Yes No

Signature _____



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Appendix A

General List of Deductible Business and Employment Expenses

Home Office

Calculated as percentage of office over total square area of home

- Mortgage interest/rent
- Realty taxes
- Insurance
- Repairs and maintenance
- Condo fees

Automobile

- Gas/oil
- Repairs and maintenance
- Insurance
- Lease costs (\$800 monthly lease limit)
- Interest on car loan (\$300 monthly interest deduction limit)
- Licence and registration fees
- CAA dues
- ETR (Highway 407) fees
- Car washes
- Parking at clients (100% deductible)
- Calculated as a percentage of business kms/total kms

Entertainment

- Meals, sporting events, theatre (50% deductible)

Trade Shows/Travel

- Conventions, airline flights, hotels, taxis, business conferences, etc.

Advertising

- Newspaper ads
- Promotion, advertising, etc.
- Gifts to clients

Professional Fees

- Accounting and legal fees

Insurance

- Business insurance
- Professional liability insurance

Dues and Membership

- Professional affiliation dues
- Business trade and networking membership dues

Salaries

- Salary to assistants including payroll levies

Major Capital Cost Classes

Asset	CCA class	Subject to CCA rate	1/2 rate
Building	1	4%	Yes
Office equipment	8	20%	Yes
Leasehold improvement	13	Note 1	Yes
Franchise fees	14	Note 2	Yes
Computer software			
Bought Jan 28'09–Jan 31'11	52	100%	No
Bought after Jan 31'11	12	100%	Yes
Computer hardware			
Bought Jan 28'09–Jan 31'11	52	100%	No
Bought after Jan 31'11	50	55%	Yes
Automobile cost > \$30,000	10.1	30%	Yes
Automobile cost < \$30,000	10	30%	Yes

Note 1: Straight-line over term of lease (min. 5 years; max. 40)

Note 2: Straight-line over term of franchise

Interest and Bank Charges

- Bank service charges
- Interest on loans used in business
- Credit card fees

Office Expenses

- Postage
- Stationery
- Courier
- Registration costs
- Computer Paper
- Supplies
- Books and publications
- Continuing education courses/seminars

Telephone

- Business telephone & fax line
- Cellular phone
- Internet fees

Note:

Some of the expenses may not be permitted or restricted if taxpayer is earning income from employment.

Appendix B

General List of Deductible Rental Expenses

- Property taxes
- Insurance
- Repairs and maintenance
(painting, plumbing, electrical, waste removal, garbage etc).
- Utilities
(hydro, natural gas, water, cable)
- Mortgage interest and financing fees
- Advertising
(for tenants)
- Janitorial services
- Property management fees
- Accounting fees
- Legal expenses not connected with purchase of property
- Commissions
(paid to obtain tenants)
- Landscaping of grounds and snow removal
- Office supplies
- Alarm fees and security
- Bank services charges
- Automobile expenses
(if more than one property is owned)
- Lease cancellation/inducement fees
- Condo fees

NOTE

Please advise of the following:

1. Rental income received during the year.
2. Copy of purchase or sale of property if sold during the year.
3. Whether you are a HST registrant.

Appendix C

General List of Deductible Medical Expenses

Professional Services

- Acupuncturist
(if a qualified medical practitioner or, in Quebec only, a licensed acupuncturist)
- Chiropodist
- Chiropractor
- Christian Science practitioner
- Dental hygienist
(if authorized to practise under provincial law)
- Dental mechanic
(for the making or repairing of a complete upper or lower denture)
- Dentist
- Dermatologist
- Gynaecologist
- Neurologist
- Naturopath
- Obstetrician
- Oculist
- Optician
- Optometrist
- Orthopaedist
- Osteopath
- Paediatrician
- Physician
- Physiotherapist
- Plastic surgeon
- Podiatrist
- Practical nurse
(medical services only)
- Psychiatrist
- Psychoanalyst
- Psychologist
(if licensed by province to provide therapy or rehabilitation)
- Registered nurse
- Surgeon
- Speech therapist
(pathological or audiological impediments only)
- Therapist

Laboratory Examinations and Tests

- Blood tests
- Cardiographs
- Metabolism tests
- Spinal fluid tests
- Stool examination
- Urine analyses
- X-ray examinations

Dental Services

- Dental x-rays
- Extracting teeth
- Filling teeth
- Gum treatment
- Oral surgery
- Straightening teeth

Hospital Services

- Anaesthetist
- Hospital bills
- Oxygen masks, tent
- Use of operating room
- Vaccines
- X-ray technician

If you have several prescription drug expenditures, please request a computer print-out of your annual drug expense from your pharmacist, rather than submitting the individual receipts. Year-to-date statements can also be obtained from your dentist, chiropractor, optician, chiropractor, massage therapist etc). If you are part of a health plan, please submit details of premiums paid and benefits paid by health provider.

For comprehensive list of qualifying medicines, apparatus, medical treatments etc, please contact our office.

Source: CCH "Preparing Your Income Tax Returns".

Appendix D

GST/HST

If you have an unincorporated business, profession or receive commercial rental income, you may be subject to charge GST on your sales.

The GST is a tax that applies to the supply of most property and services in Canada.

Almost everyone has to pay the GST/HST on purchases of taxable supplies of property and services (other than zero-rated supplies). A limited number of sales or supplies are exempt from GST/HST.

Although the consumer pays the tax, businesses are generally responsible for collecting and remitting it to the government. Businesses that are required to have a GST/HST registration number are called registrants.

Registrants collect the GST/HST on most of their sales and pay the GST/HST on most purchases they make to operate their business. They can claim an input tax credit, to recover the GST/HST paid or payable on the purchases they use in their commercial activities.

GST/HST Rates

Province	On or After October 1, 2016	July 1, 2016 to September 30, 2016	April 1, 2013 to June 30, 2016	July 1, 2010 to March 31, 2013	January 1, 2008 to June 30, 2010
Alberta	5%	5%	5%	5%	5%
British Columbia	5%	5%	5%	12%	5%
Manitoba	5%	5%	5%	5%	5%
New Brunswick	15%	15%	13%	13%	13%
Newfoundland and Labrador	15%	15%	13%	13%	13%
Northwest Territories	5%	5%	5%	5%	5%
Nova Scotia	15%	15%	15%	15%	13%
Nunavut	5%	5%	5%	5%	5%
Ontario	13%	13%	13%	13%	5%
Quebec	5%	5%	5%	5%	5%
Prince Edward Island	15%	14%	14%	5%	5%
Saskatchewan	5%	5%	5%	5%	5%
Yukon	5%	5%	5%	5%	5%

Note: Businesses either pay quarterly installments or pay annually. For 2018, the net tax that requires quarterly installments is \$3000.

GST/HST registrants must meet certain responsibilities. Generally, they must file returns on a regular basis, collect the tax on taxable supplies they make in Canada, and remit any resulting net tax owing.

You have to register for GST/HST when you no longer qualify as a small supplier because your total worldwide taxable supplies of goods and services exceed the small supplier limit of \$30,000 in a single calendar quarter or in four consecutive calendar quarters.

In order for our office to complete your GST/HST return, please forward the GST return (due date June 15th, 2018 if you are an annual filer) that the CRA sent you. If you are a first time GST filer, we would need your BIN # and confirmation letter from the CRA of your status as a GST registrant and which will also advise us the effective date you registered.

If you are an employee claiming employment expenses, we will need to know the BIN # of your employer.

Appendix E

Moving Expenses

You can deduct eligible moving expenses if you move and establish a new home to be employed or carry on a business at a **new location**, or if you move to study courses as a student in full-time attendance at a university, college or other educational institution that offers courses at a post-secondary school level.

To qualify, your new home must be **at least 40 kilometres** (by the shortest usual public route) **closer** to the new place of work or educational institution.

Eligible Moving Expenses

Transportation and storage costs (such as packing, hauling, moving, in-transit storage, and insurance) for household effects, including items such as boats and trailers.

Travel expenses, including vehicle expenses, meals, and accommodation, to move you and members of your household to your new residence. You can choose to claim vehicle and/or meal expenses using the detailed or simplified method.

Temporary living expenses for up to a **maximum of 15 days** for meals and temporary accommodation near the old and the new residence for you and members of your household. You can choose to claim meal expenses using the detailed or simplified method. If you choose the simplified method, although you do not have to submit detailed receipts for actual expenses, we may still ask you to provide some documentation to establish the duration of the temporary lodging.

Cost of cancelling a lease for your old residence, except any rental payment for the period during which you occupied the residence.

Incidental costs related to your move which includes the following:

- changing your address on legal documents;
- replacing driving licences and non-commercial vehicle permits (not including insurance); and
- utility hook-ups and disconnections.

Cost to maintain your old residence (maximum of \$5,000) when it was vacant after you moved, and during a period when reasonable efforts were made to sell the home. It includes the following:

- interest;
- property taxes;
- insurance premiums; and
- heat and utilities expenses.

Note 1

The costs must have been incurred when your old residence was not ordinarily occupied by you or any other person who ordinarily resided with you at the old residence just before the move. You cannot deduct these costs during a period when the old residence was rented.

Cost of selling your old residence, including advertising, notary or legal fees, real estate commission, and mortgage penalty when the mortgage is paid off before maturity.

Cost of purchasing your new residence if you or your spouse or common-law partner sold your old residence as a result of your move.

Note 2

It includes legal or notary fees that you paid for the purchase of your new residence, as well as any taxes paid (other than GST/HST or property taxes) for the transfer or registration of title to the new residence.

Methods of Calculation

Detailed Method

Meal expenses

If you choose to use the detailed method to calculate your meal expenses, you must keep all your receipts and claim the actual amount that you spent.

Vehicle expenses

If you choose to use the detailed method to calculate your vehicle expenses, you must keep all receipts and records for the vehicle expenses. Claim the actual amount that you spent in respect of your moving expenses during the tax year.

Simplified Method

Meal expenses

If you choose to use the simplified method, to calculate your meal expenses, you may claim a flat rate per person. Although you do not need to keep detailed receipts for actual expenses, we may still ask you to provide some documentation to support your claim.

Vehicle expenses

If you choose to use the simplified method to calculate the amount to claim for vehicle expenses, multiply the number of kilometres by the cents/km rate for the province or territory in which the travel began. We may still ask you to provide some documentation to support your claim. You must keep track of the number of kilometres driven during the tax year for the trips related to your moving expenses.

Keep all your receipts and documents supporting your claim.



Appendix F

Disability and Caregiver Tax Credit

Disability Tax Credit

Must have prolonged impairment and be markedly restricted in any of the basic activities of daily living.

File form **T2201** with tax return for first year the credit is claimed

- always audited before claim is allowed; and
- need to file with supporting person too.

The disability tax credit is \$8,113 (\$8,217 – Ontario)

Supplemental disability credit of \$4,773 (\$4,793 – Ontario) for child under the age of 18

- reduced by child care expenses claimed as medical expenses that exceed \$2,772 (\$2,807 – Ontario).

Can claim a personal credit of \$4,772 for person over age 18 if dependent by reason of medical or physical infirmity

- reduced by income over \$6,807 (\$6,707 – Ontario).

Amounts are increased by \$2,121 for family caregiver amount.

Caregiver Credit

Individual must maintain a residence in which family member resides who is

- over the age of 18 and dependent by reason of mental or physical infirmity; or
- the individual's parent or grandparent who is over age 65.

Credit of \$6,883 (\$4,791 -Ontario) is reduced if personal income exceeds \$16,193 (\$16,401 – Ontario) (plus \$2,121 Family Caregiver amount).

May claim instead of claim for equivalent-to-spouse or dependant personal credit.



Appendix G

First-Time Home Buyer's Tax Credit

A non-refundable credit based on \$5,000 for first-time buyers.

- Effectively, a savings of \$750 (15% of \$5,000).

An individual is a first-time buyer if neither the individual or the spouse owned and lived in another home in the calendar year of the purchase or in the four preceding years.

- Must occupy the property purchased as a principal residence.
- If two people are eligible for the credit, the total cannot exceed the maximum that one person could claim.

Credit is also be available in respect of homes bought for a person who is eligible for the disability tax credit if the house is more accessible or in an environment better suited to the personal needs and care of the individual.



Appendix H

Child Care Expenses

Child Care Expenses

Taxpayers are allowed to deduct childcare expenses as indicated in the under-noted table:

Age of child as of December 31	"Non-Disabled" Child	Disabled Child
Under 7	\$8,000	\$11,000
7-16	\$5,000	\$11,000
Over 16	None	\$11,000

The maximum deductible would be the least amounts of the figures listed above, (ii) the amount of child care expenses paid and (iii) 2/3 of taxpayer's earned income (lower income spouse in most cases).

The childcare expenses must be incurred to allow you to engage in employment, a business or attend post-secondary education or engaged in grant research .

You can claim payments for child care expenses made to:

- caregivers providing child care services;
- day nursery schools and daycare centres;
- educational institutions, for the part of the fees that relate to child care services;
- day camps and day sports schools where the primary goal of the camp is to care for children (an institution offering a sports study program is not a sports school); or
- boarding schools, overnight sports schools, or camps where lodging is involved.

Please note that payments made to an overnight camp are restricted to \$200/week and \$125/week for kids under 7, aged 7 to 16 and respectively. \$200/week can be claimed for disabled children.

Federal Children's Arts, Fitness and Ontario Children's Activity Tax Credit

These credits have all been eliminated in 2017.

Appendix I

Ontario Healthy Homes Renovation Tax Credit

This Credit was Eliminated in 2017

For prior years, a 15% refundable credit to make homes more functional for seniors.

- Maximum credit is \$1,500 (for \$10,000 of expenditures).

To be eligible individual must be 65 or older who owns or rents a home or a family member living with such person. Family member includes siblings, nieces and nephews.

Expenditures may also qualify as medical expenses.

The improvements must be enduring and integral to the residence, or be in the nature of permanent fixtures.

Expenses that are primarily undertaken to increase the value of the residence do not qualify.

Expenses are claimed on a calendar basis.

Claim on schedule **ON(S12)**.

Some example of eligible expenses would include:

- certain renovations to permit a first-floor occupancy or secondary suite for a senior
- grab bars and related reinforcements around the toilet, tub and shower
- hand rails in corridors
- wheelchair ramps, stair / wheelchair lifts and elevators
- walk-in bathtubs
- wheel-in showers
- widening passage doors
- lowering existing counters / cupboards
- installing adjustable counters / cupboards
- light switches and electrical outlets placed in accessible locations
- door locks that are easy to operate
- lever handles on doors and taps, instead of knobs
- pull-out shelves under counter to enable work from a seated position
- non-slip flooring in the bathroom
- a hand-held shower on an adjustable rod or high-low mounting brackets
- additional light fixtures throughout the home and exterior entrances
- swing clear hinges on doors to widen doorways
- creation of knee space under the basin to enable use from a seated position (and insulation of any hot-water pipes)
- relocation of tap to front or side for easier access
- hands-free taps
- motion-activated lighting
- touch-and-release drawers and cupboards.

Appendix J

Principal Residence Exemption

A principal residence includes any property owned that was ordinarily inhabited by either the taxpayer, his/her spouse, former spouse or child.

- Includes vacation properties even if outside of Canada.
- Generally land in excess of 1/2 hectare is excluded unless it is necessary for the use and enjoyment of the property.

Only one property can be designated as a principal residence for any year after 1982 by the family unit of taxpayer, spouse and any child under 18 who is neither married or in a common-law relationship.

The portion of the gain that is exempt is:

Gain X $(1 + \# \text{ of years designated and resident in Canada})$
 $(\# \text{ of years owned; including year of purchase and sale})$

An adjustment is required where the capital gains election was made in 1994.

Technically, every person who sells a principal residence must file principal residence exemption form but the CRA states in Folio S1-F3-C2, paragraph 2.15 that the **T2091** (but not **T1255**) only needs to be filed if there is a gain after claiming the principal residence exemption of a 1994 capital gains election was made on the residence.

New Rules Effective 2016

On October 3, 2016, *the Government announced* an administrative change to Canada Revenue Agency's reporting requirements for the sale of a *principal residence*.

When you sell your principal residence or when you are considered to have sold it, usually you do not have to report the sale on your income tax and benefit return and you do not have to pay tax on any gain from the sale. This is the case if you are eligible for the full income tax exemption (principal residence exemption) because the property was your principal residence for every year you owned it.

Starting with the 2016 tax year, individuals who sell their principal residence will be required to report basic information (date of acquisition, proceeds of disposition and description of the property) on Schedule 3, Capital Gains of the T1 Income Tax and Benefit Return. Reporting will be required for sales that occur on or after January 1, 2016, to claim the full principal residence exemption.

The principal residence exemption is an income tax benefit that generally provides you an exemption from tax on the capital gain realized when you sell the property that is your principal residence. Generally, the exemption applies for each year the property is designated as your principal residence.

For the sale of a principal residence in 2016 or later tax years, CRA will only allow the principal residence exemption if you report the sale and designation of principal residence in your income tax return. If you forget to make a designation of principal residence in the year of the sale, it is very important to ask the CRA to amend your income tax and benefit return for that year. Under proposed changes, the CRA will be able to accept a late designation in certain circumstances, but a penalty may apply.

The penalty is the lesser of the following amounts:

1. \$8,000; or
2. \$100 for each complete month from the original due date to the date your request was made in a form satisfactory to the CRA.

For dispositions occurring during this communication period, including those that occur in the 2016 taxation year (generally for which the designation would be required to be made in tax filings due by late April 2017) the penalty for late-filing a principal residence designation will only be assessed in the most excessive cases.

If only a part of your home is used as your principal residence and you used the other part to earn or produce income, whether your entire home qualifies as a principal residence will depend on the circumstances.

It remains the CRA's practice to consider that the entire property retains its nature as a principal residence, where all of the following conditions are met:

- the income-producing use is secondary to the main use of the property as a residence;
- there is no structural change to the property; and
- no capital cost allowance (CCA) is claimed on the property.

If your situation does not meet all three of the conditions above, you may have to split the selling price and the adjusted cost base between the part you used for your principal residence and the part you used for other purposes



Appendix J – *continued*

Principal Residence Exemption

(for example, rental or business). You can do this by using square metres or the number of rooms, as long as the split is reasonable. Instructions are provided in the guide **T4037, Capital Gains 2017**, on how to report the sale of your principal residence in this situation.

The new rules apply for deemed dispositions. A deemed disposition occurs when you are considered to have disposed of property, even though you did not actually sell it. For example, a deemed disposition will occur if there is a change in use of the property:

- You change all or part of your principal residence to a rental or business operation.
- You change your rental or business operation to a principal residence.

When you change the use of a property, you are generally considered to have sold the property at its fair market value and to have immediately reacquired the property for the same amount. You have to report the disposition (and designation) of your principal residence and/or the resulting capital gain or loss (in certain situations) in the year the change of use occurs.

If you sold your principal residence in 2016, we will need:

- Copy of sale agreement including lawyer's reporting letter, statement of adjustments, legal fees and real estate commissions;
- Original purchase agreement including lawyer's reporting letter, statement of adjustments, legal fees and land transfer taxes paid;
- Renovations made during the period of ownership.

Please also advise us if you owned any other principal residences during the period of ownership of the house that was sold in 2017 (cottages etc) or in 2016 if it was not reported.



Appendix K

Business Investment Losses

Only for arm's length dispositions of shares and debt of small business corporations or where investment is written off.

- To claim the loss, the corporation must have been a small business corporation within the prior 12 months.

Reduced by prior capital gains exemptions claimed since 1985.

- This converts a portion of the business investment loss back to an ordinary capital loss.

Loss on debt must be claimed at the end of the year the debt becomes bad.

Loss on shares can be claimed if, at the end of the year, the corporation is:

- Bankrupt, or
- Insolvent and
 - the corporation and all corporations it controls have ceased business;
 - the fair market value of the share is nil; and
 - it is reasonable to assume that corporation will be dissolved and not commence to carry on business.

In both cases must elect under S.50(1) in the return by attaching a signed letter to the return or mailing the election for e-filed returns.



Appendix L

Foreign Reporting

File from **T1135** if **cost** of specified foreign property exceeds \$100,000 at any time in the year.

Foreign property includes:

- Shares of foreign corporations
- Funds on deposit outside of Canada, i.e., foreign bank accounts
- Shares of Canadian corporations held outside of Canada
- Indebtedness owed by foreign persons
- Interests in foreign trusts
- Foreign mutual funds
- Precious metals held outside of Canada
- Funds on deposit outside of Canada, i.e., foreign bank accounts.

Foreign property does **not** include:

- Personal use property, e.g., Florida condo (50% use of personal)
- Foreign property held by RRSP, RRIF, TFSA or Canadian mutual fund
- Shares in foreign affiliates (file form **T1134**)

Changes to the T1135

The **T1135** was expanded in 2013.

- The name of each foreign bank account or investment must be listed
- The specific country for that investment
- The maximum cost in the year and cost at the end of the year
- The income or loss for each investment
- The capital gain or loss on disposition of the investment.

Attached schedules must use an identical format to the **T1135**. Individuals can **efile** the **T1135** for the 2015 year.



Appendix M

Support Payments

Must be periodic amounts paid pursuant to a written separation agreement or an order of a competent tribunal.

- Amounts paid prior to agreement signed may be deductible (in the year or immediately preceding year) if agreement refers to S.56.1(3) and 60.1(3).

Child support is any amount not identified as being support for spouse or common-law partner.

- Not deductible for new or modified agreements after April 1997
- Child support considered to be paid prior to spousal support.

Late payments of support are deductible/taxable in the year paid.

Support payments (receipts) reduce (increase) earned income for RRSP purposes.

Register new or amended agreements with spousal support – **T1158** (mail separately from return).



Appendix N

Child Tax Benefits Information

Canada Child Benefit

Commencing July 2016, the new Canada Child Benefit paid the following tax-free amounts:

- Children under the age of 6 \$6,500
- Children 6 to 17 5,400
- Disability amount 2,730

The benefits was phased out as follows:

	For NI \$30,000 -\$65,000	For NI > \$65,000
1 st child	7.0%	3.2%
2 nd child	13.5	5.7
3 rd child	19.0	8.0
4 th or more	23.0	9.5

Retroactive claims for the CCB (the CCTB and UCCB) is now limited to 10 years from the beginning of the month.



Appendix O

Canada Pension Plan

Individuals between age 65 and 70 must pay CPP on salary or self-employed earnings regardless of whether they are receiving a CPP pension.

Employees can elect not to pay CPP by filing form CPT30 with the CRA and giving a copy to the employer.

- CPP contributions stop the month after filing the election.

Self-employed individuals can elect not to pay CPP by electing on Schedule 8 of the tax return.

If there is both employment and self-employed earnings then the election is made on form CPT30. Only select on Schedule 8 if you want to elect an earlier date for self-employed earnings.

Pension Splitting

Income eligible for pension credit can be split.

- Joint election – use form T1032

Must be married or living common-law any time in the year.

- Not living separate and apart by reason of marriage breakdown at the end of the year and for a period of 90 days that commenced in the year.

Must be Canadian residents at the end of the year or immediately before death.

Depending on the transferee's age and the type of income, the transferee may be eligible for the pension credit.



Appendix P

Ontario Trillium Benefit

Combines the following three credits and is paid monthly.

- Application is made on the tax return but payments are made monthly outside of the tax system.
- Must be resident of Ontario at the beginning of the month to qualify.

1. Ontario Sales Tax Credit

- Must be 19 years old to receive this.
- Apply if the individual was 19 before June 1, 2017.
- CRA determines entitlement based on GST/HST credit.

2. Ontario Energy and Property Tax Credit

- Must be 18 years old before June 1, 2017.
- Must be a resident of Ontario on December 31, 2017.
- Based on rent or property tax paid.
 - Rent paid to a long-term care home that does not pay municipal taxes will qualify for the Energy credit component. (If no breakdown received, the guide says to use 75% of amount paid.)

3. Northern Ontario Energy Credit

- Only for residents of northern Ontario.

Apply for last two components on form **ON-BEN**.

Ontario Senior Homeowner's Property Tax Grant

- Up to a \$500 grant for property tax.
- Must be age 64 and own a residence on December 31, 2017.
- Based on 2017 property tax paid for 2017 grant.
- Apply for on form **ON-BEN**.
- Paid approximately eight to ten weeks after *Notice of Assessment* received.



Appendix Q

Educational and Textbook Tax Credits

Educational and Textbook Tax Credits

The education and textbook tax credits was eliminated effective January 1, 2017. For prior years:

- That is, the \$400 per month and \$65 per month amounts (lower for part-time students).
- Students will be able to carryforward unclaimed amounts at the end of 2016.
- The exemption for scholarship and bursaries that depend on these amounts will continue based on a new definition of qualifying student.
- The tuition tax credit is not changed.
- It is intended that students from low-and middle-income families will qualify for increased grants under the Canada Student Loans Program.

Ontario Tuition and Education Credits

Tuition relating to a period after September 4, 2017 will no longer qualify for the tuition tax credit.

- Exam fees must be for exams before September 5, 2017.

Education credits will only qualify for the number of months prior to September 2017.

Unused tuition and education tax credits will be eligible for a carryforward only if the individual was a resident of Ontario on December 31, 2017.

School Supplies Tax Credit

A refundable tax credit of 15% of up to \$1,000 of expenditures claimed in the year.

The teacher or early childhood educator must be accredited.

Eligible amounts must be for the purpose of teaching or facilitating students' learning.

- Must be used in an elementary or secondary school or a regulated child care facility.
- Must not have been reimbursed or otherwise deductible.
- Must be able to provide a certificate from the employer attesting to the eligible expenses of the teacher.
- Must be either consumable supplies or books games and puzzles containers or educational support software.

Effective for supplies bought on or after January 1, 2016.



Appendix R

RRSP and TFSA Contribution Limits

RRSP Contribution Limits

Indexed amounts for 2018 will be announced in the fall of 2016.

The indexed amount will not be less than the contribution limit for the preceding year.

Year	RRSP Contribution Limit	Earned Income Required in Prior Year
2015	24,930	138,500
2016	25,370	140,944
2017	26,010	144,500
2018	26,230	145,722
2019 Indexed		

TFSA Contribution Limits

The \$5,000 TFSA Dollar Limit is indexed to inflation but rounded to the nearest \$500.

Year	TFSA Contribution Limit
2009	5,000
2010	5,000
2011	5,000
2012	5,000
2013	5,500
2014	5,500
2015	10,000
2016	5,500
2017	5,500
Cumulative	52,000



Appendix S

2017 Personal Tax Rates

Federal Rates

\$ 0	\$ 0	15.00%
45,916	6,887	20.50%
91,831	16,300	26.00%
142,353	29,436	29.00%
202,800	46,965	33.00%

Ontario Personal Tax Rates

\$ 0	\$ 0	5.05%
42,201	2,131	9.15%
84,404	5,993	11.16%
150,000	13,313	12.16%
220,000	21,825	13.16%

Ontario Surtax

On Ontario tax over	\$4,556	20%
Plus on Ontario Tax over	\$5,831	36%
Combined on Ontario tax over	\$5,831	56%

Ontario Rate Changes

The tax rate applicable to split income will be 20.53%.

- The surtax will no longer be applied.
- Effective for 2016.

The dividend tax credit on other than eligible dividends will be reduced from 4.50% to 4.29%.

- Effective for 2016.

Appendix T

Indexed Amounts for 2017

	Federal	Ontario
Basic personal amount	11,635	10,171
Spousal/equivalent-to-spouse	11,635	8,636
Net income threshold		864
Family caregiver amount	2,150	
Canada caregiver amount	6,883	4,794
Net income threshold	16,163	16,401
Age amount	7,225	4,966
Net income threshold	36,430	36,969
Adoption credit	15,670	12,409
Pension credit	2,000	1,384
Employment credit	1,178	
Disability amount	8,113	8,217
Supplementary if under 18	4,733	4,793
Child care and disability supports deduction threshold	2,772	2,807
Medical expense tax credit	2,268	2,302
3% of net income ceiling	75,600	76,733
Education and textbook – full-time (prior to September 2017)		547
Education and textbook – part-time (prior to September 2017)		164
Tuition and education transfer (maximum)	5,000	7,033
Old Age Security – threshold to repay	74,788	
Capital gains exemption	835,716	