



What's New for the 2019 Personal Tax Season?

Client Name: Name of Spouse:

SIN #: SIN #:

Birth Date: Birth Date:
(YYYY/MM/DD) (YYYY/MM/DD)

Telephone: Telephone:

Email: Email:

Mailing Address to be used on Tax Return:
(for existing clients, state if the address is the same as last year)

	Child's Name:	Child's SIN #:	Child's DOB: (YYYY/MM/DD)
1.			
2.			
3.			
4.			

PLEASE ANSWER THE FOLLOWING:

Are you a Canadian Citizen? Yes No Spouse? Yes No

If not what is the country of your citizenship?

Did you own foreign property or hold a beneficial interest at any time in 2019 that had a cost of more than \$100,000 Canadian? Yes No Spouse? Yes No

Do you want to allow Canada Revenue Agency to provide your name, address, and date of birth to Elections Canada? Yes No Spouse? Yes No

Did you dispose of property (or properties) in 2019 for which you are claiming a principal residence exemption? Yes No

If yes, please provide us with the year of purchase, the cost base of the property and proceeds of disposition, along with any supporting documents

Direct Deposit: The Canada Revenue Agency will be phasing out cheque refunds. As such, please attach your bank account information for direct deposit of your tax refund:

Branch Institution Account #
(5 digits) (3 digits) (12 digits)

Yes, I would like to receive my tax return in PDF format and emailed to me.

Would you like to be registered for CRA Online Mail? Yes No

If you are registered for CRA Online Mail, you must also be registered for CRA's MyAccount services and you will no longer receive any paper mail from the Canada Revenue Agency

Marital Status: Please check off your current marital status. If your status changed during the year (in 2019), please provide details and date of change:

Married Common-law Widowed Divorced Separated Single Date of change
(MM/DD/YYYY)

If we do not prepare the tax return for your spouse, please provide line 236 that will be reported on your spouse's 2019 tax return:

Net Income (Line 236) \$

PLEASE CHECK OFF THE ITEMS BELOW THAT ARE APPLICABLE TO YOUR 2019 PERSONAL TAX RETURN. RETURN THIS SCHEDULE TO OUR OFFICE TOGETHER WITH ALL COPIES OF THE RELEVANT DOCUMENTATIONS AS FOLLOWS:

Documents:

- 2018 Notice of Assessment
- Canada Revenue Agency Correspondence
- Tax Installments made
- If prior year prepared by another accountant, please attach the full tax return

Income:

- T4 Employment slips
- T5 Investment slips
- Other information slips (T3, T4A, T4AP, T4RSP)
- T4A(OAS): Old Age Security
- T4AP: CPP Benefits
- Pension income (Canada & Abroad)
- Social Assistance payments
- Workers' Compensation Benefits
- Interest and dividends
- Capital gains/losses record
- Sale of real estate
- Elected split pension
- Rental income & expenses
- RRSP withdrawals
- Spousal support payments received ^[A]
- Child support payments received

- Professional income & Expenses
- Commission income & expenses
- Self-employment income & expenses
- Rental income & expenses
- Farming income & expenses
- Fishing income & expenses
- Foreign income
- Stock options exercised

Deductions:

- RRSP Contributions
- Union & professional dues
- Child care expenses
- Moving expenses
- Child support payments made
- Spousal support payments made
- Investment carrying charges - interest, account fees, counsel fees
- Exploration & Development expenses
- Northern Residents Deduction
- Declaration conditions of Employment (T2200) ^[B]
- Employment expenses
- Automobile logs
- Home office receipts

Tax Credits:

- Medical expense receipts
- Volunteer firefighter's statement
- Search and rescue volunteers' stmt
- First-time home buyer – house purchase documents
- Adoption expenses
- Disability tax credit application ^[C]
- Tuition receipts (T2202) or T2202 signed by the child to transfer to the parent ^[D]
- Interest paid on student loans
- Home Accessibility tax credit
- Medical receipts for self and family ^[E]
- Charitable donation receipts
- Political donation receipts
- Foreign taxes paid
- Dates spent in the USA
If you vacation extensively in the USA; this will help us determine if you have any US filing requirements
- Internet Business Activities
If you have business, professional, farming, or fishing income, please indicate whether you have Internet business activities
- Eligible Educator School Supply Tax Credit
If you are a teacher or early childhood educator, please provide receipts (up to \$1,000)

Other Information:

	Other Information:
[A]	Please provide a copy of your separation agreement for retention in our files, if you have not previously done so.
[B]	In order to claim employment expenses, the T2200 Declaration of Employment Conditions form must be signed by your employer. Also, please provide details of your employment expenses including trades-person and apprentice tools. Ask us to send you a worksheet for home office and motor vehicles.
[C]	If you, your spouse or a dependent are eligible to claim the disability tax credit and are claiming the credit for the first time or renewing your claim, please provide form T2201 completed by a medical doctor. You may also be eligible for other credits, such as the Canada Caregiver Amount.
[D]	Please note that the T2202A includes the total eligible tuition fees paid during the year. Most educational institutions provide a copy of the T2202A online. All other proof of payment for tuition is insufficient. For transfer of tuition credits from your spouse or children, please ensure that form T2202A is signed by the transferee (the student). We will complete the fields for the amount transferred as part of the preparation of your return.
[E]	Please note that if you have a significant number of prescriptions during the year, most pharmacies can provide a summary of prescriptions filled from January 1, 2019 to December 31, 2019, upon request. These summaries are preferable to individual receipts.

CANADA REVENUE AGENCY PAYMENT OPTIONS

Given recent news and experience with the Canada Revenue Agency (CRA) losing or misapplying cheque payments, we are finding that paying tax balances by cheque is no longer a practical payment option. Given that the CRA cannot provide a payment receipt and the likelihood of a lost or misapplied payment, we do not recommend cheque payments for our clients. If you still wish to make a payment to the CRA by cheque, we ask that you send your payment directly to the CRA. We have summarized the recommended payment methods below.

CRA My Payment

Our top recommendation for paying any tax balance is through CRA's "My Payment" function that allows you to pay online with your debit card or online banking. You can access the My Payment function on CRA's website at: <https://www.canada.ca/en/revenue-agency/services/e-services/payment-save-time-pay-online.html>. Select the "Pay Now" button to start the payment process. My Payment allows you to make a payment in one simple online transaction using your financial institution's secure online banking service. You can use this service if you have a debit card or access to online banking (available for most large banks and credit unions). You can easily select the year to which the payment relates, and you will be provided with an automatic online confirmation that the payment has been accepted. A list of participating financial institutions is provided through the link above.

Financial Institution

Alternatively, you can contact your financial institution or visit the institution's website to see the services offered to make a payment online. Most financial institutions allow you to select the CRA as a payee in their online bill payment section using your Social Insurance Number as the account number. You can often schedule future dated payments. You may also make your payment in person at your financial institution free of charge. You will be asked to present your remittance voucher (T7DR(A)) with your payment to the teller. The teller will return the top part to you as a receipt. You can find your remittance voucher included in your final tax package. For more information please contact your financial institution or visit the CRA's website at <https://www.canada.ca/en/revenue-agency/services/make-a-payment-canada-revenue-agency/make-payment/general-payment.html> and click on "Pay by online banking".

NEW TAX CHANGES

Climate Action Incentive (CAI)

The CAI is a refundable tax credit that is introduced for the 2019 tax year and later. This credit was introduced as a way for the Government of Canada to return all direct proceeds under the federal carbon pollution pricing backstop system to families in the participating provinces of Alberta, Manitoba, Saskatchewan and Ontario. This credit is only available to individuals residing in these participating provinces on December 31. The credit for 2019 can range from \$111 to \$444 for single adults depending on the province. There is a 10% supplement for residents of small and rural communities and the credit is increased for couples and parents with children.

Accelerated Capital Cost Allowance Rates

An accelerated write-off of capital equipment through capital cost allowance (tax depreciation) (CCA) is available for self-employed Canadians or those with rental properties on any capital property acquired by the taxpayer after November 20, 2018. The acceleration of CCA claims are accomplished by removing the general requirement to claim only 50% of the amount of CCA in the year of acquisition and by applying a gross-up of the basis upon which CCA is determined for the year of acquisition. The gross-up rates and accelerated CCA rates vary by class.

Child Care Expense Deduction

Child care expenses can be claimed as a deduction if they are incurred for the purpose of enabling the taxpayer to perform employment duties or carry on a business. When thinking about what qualifies as an eligible child care expense, costs for daycare, nursery school, before and after school programs, or costs for a nanny come to mind. In limited circumstances other costs such as tutoring classes, chess programs, ski classes or other classes could qualify. If you incur these other child care costs and they allow you to work full time or run your business, they may qualify as child care expenses.

Principal Residence Exemption (PRE)

The PRE allows homeowners to shelter the capital gain on the sale of one personal residence (including a cottage or seasonal home) from tax. You can designate one property per year for this purpose, to the extent that the property has been “ordinarily inhabited” in that year. Effective for 2016 and future taxation years, the sale of a personal residence must be reported on a tax return in order to claim the PRE. A deemed disposition of a personal residence (for example, the change in use from a personal residence to a rental property) is also impacted by this change. If the disposition of a principal residence is not reported you may amend your return at a later time to report the disposition and claim the PRE, however, a late filing penalty may apply, calculated at \$100 for each month the reporting is late or \$8,000, whichever calculation is less. Given the substantial penalties it is important to report all dispositions of PREs.

Home Accessibility Tax Credit (HATC)

Individuals 65 years of age or older (at the end of 2019) or individuals who are eligible to claim the disability tax credit are eligible to claim the HATC which is a federal non-refundable tax credit on eligible home renovations which improve the safety and/or accessibility of their home. A maximum of \$10,000 per year in qualifying expenses can be claimed resulting in a maximum tax credit of \$1,500 (\$10,000 x 15%).

First-Time Home Buyers' Tax Credit (HBTC)

The HBTC is a federal non-refundable tax credit available to eligible first-time homebuyers and is claimed on your personal tax return. If you or your spouse or common-law partner acquired a home in 2019 that you intend to occupy and did not live in another home owned by you or your spouse or common-law partner in 2018 or in any of the four preceding years you may be eligible for the HBTC. The maximum HBTC is worth \$750 (\$5,000 x 15%).

Registered Retirement Savings Plan (RRSP)

Your annual RRSP deduction limit is calculated as the lesser of 18% of earned income and the contribution limit for the given year. The maximum RRSP contribution limit for 2018 and 2019 is \$26,500 and \$27,230, respectively. If you did not fully use your RRSP deduction limit for previous years, you can carry forward the unused balance. We recommend that you refer to your personal notice of assessment for the 2019 taxation year once received which outlines what your RRSP room is for 2020. The CRA charges a tax of 1% per month on excess contributions to RRSPs so it is important to confirm your available RRSP contribution room before making contributions. **The deadline for RRSP contributions for the 2019 tax year is Monday March 2, 2020.**

Tax Free Savings Account (TFSA)

A TFSA is a registered savings account that allows individuals to earn investment income tax-free. Contributions to the account are not deductible for income tax purposes and withdrawals of contributions and earnings from the account are also not taxable. The TFSA contribution room is increased annually on January 1. On January 1, 2020 TFSA contribution room was increased by \$6,000. The CRA charges a tax of 1% per month on excess contributions to TFSAs so it is important to confirm your available TFSA contribution room before making contributions.

Canada Training Credit (CTC)

In 2019, if you are a resident of Canada who is between 25 and 65 years old and have employment or self-employment income between \$10,000 and \$147,667, \$250 will be added to your notional CTC account. Starting 2020, you will be able to claim 50% of your eligible tuition and fees, up to your CTC balance of \$250 as a tax credit, to offset your personal tax otherwise payable. Individuals will be able to accumulate a maximum amount of \$5,000 over a lifetime.

Canada Workers Benefit (CWB)

The CWB replaces the Working Income Tax Benefit (WITB) previously offered. The CWB is a refundable credit that will be equal to 26% of each dollar of earned income over \$3,000 to a maximum credit of \$1,355 for single individuals without children and \$2,335 for families (couples and single parents). The maximum credit is reduced by 12% of adjusted net income over \$12,820 for single individuals without children and \$17,025 for families.

Increase to the Basic Personal Amount

As part of the Liberal's election campaign, it was stated the government will be gradually increasing the tax credit for the basic personal amount to \$15,000 by 2023. Starting in 2020, these changes will take effect.

Stock Option Changes

On June 17, 2019 the Government proposed changes to the taxation of employee stock options. As part of this proposal, stakeholders were invited to provide input on the proposed changes. The stock option changes that were to come into effect January 1, 2020 will not be implemented. Further changes to stock option taxation may be proposed in Budget 2020.

Audit Protection Plan

In response to numerous client concerns about the CRA's intensifying audit activities. Our firm will start to offer the Audit Protection Plan to assist our personal and corporate tax clients. We will offer this plan to help serve to reduce the unanticipated professional fees associated with responding to enquiries received from the CRA following the filing of your personal income tax return.

The CRA continues to select more taxpayers for further review. These reviews generally involve a request for supporting documentation to verify or substantiate claims made on income tax returns. Even if no tax is owing, responding to these CRA requests can be time consuming and expensive. As a result, we have implemented this optional protection plan for our clients to help reduce, or in most instances, fully cover the professional fees associated with responding to CRA.

For more information on how to enroll, please contact our office to get enrolled in this plan.

Authorizing a Representative

Effective February 10, 2020 CRA is changing the authorization process that allows our firm to be authorized on your personal tax account. The existing T1013 form will be discontinued and a new signature page will be generated from our T1 personal tax software for clients to sign. **Existing authorizations will not be affected by this change.**

As well, existing authorizations for individual tax accounts of deceased persons will no longer be cancelled. This will avoid having to re-authorize the same representative after the date of death.

Go Green!

Our firm uses software for secure transmission of files between us and our clients. With this software we offer the delivery of your personal tax package electronically by PDF through email instead of the traditional paper copy. This will allow you to download, review and save a PDF of your return on your computer. If you would like the delivery of your personal taxes this year via email please indicate on the checklist your preference.

Tax Newsletters

Our tax department issues various newsletters throughout the year covering a variety of personal and corporate topical tax issues. Please visit our website at <https://cpaprof.ca/blog/> for a listing of our newsletters and blogs. We would be pleased to discuss any questions that you, the reader, might have in greater detail.

CRA "My Account" and Online Services

CRA's "My Account" is a service that allows taxpayers to access information about their tax account, including status of refunds, access to previously filed returns and notices of assessment, and the ability check benefit and credit payments. The service also provides information about annual RRSP limits, TFSA limits and allows taxpayers to set up direct deposit.

For more information on My Account and instructions on how to register, please visit the CRA website at <https://www.canada.ca/en/revenue-agency/services/e-services/e-services-individuals/account-individuals.html>, and select "Log-in/Register". Once you have registered for My Account you will be eligible to receive notices of activity on your account via email from the CRA, if you have agreed to supply them with a valid email.

Direct Deposit Requirement

The Government of Canada has begun the phasing out of federal government cheques. Avoid delays in receiving refunds and other payments by registering today. To register for direct deposit, please visit www.cra-arc.gc.ca/directdeposit.

E-Filing (T183)

We cannot E-File without your permission in advance. We will provide an E-file form for signature upon completion of your personal tax return. A copy of the form must be signed by each member of your family for whom we prepare a personal tax return as we are required to maintain one form on file for each return we E-File. You will receive an email from **DocuSign** to have your forms signed electronically through their secure platform.

Third-Party Civil Penalties

The federal government has reiterated that it is the taxpayer's responsibility to ensure their tax filings are complete and accurate. We, as a third party to the filing of your tax return, must rely on you for the information contained in your return. Please take care in completing our checklist and feel free to contact us if you are uncertain about how to report your income or deductions. We stress that we will be relying on you to ensure that information you provide us is complete and accurate. We will require you to sign an engagement letter acknowledging this.

