



KARS CPA
PROFESSIONAL CORPORATION

2023

Personal Tax Letter



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New Tax Measures That May Affect Your Return

Home Office Expenses

This credit remains available if you have worked from home more than 50% of the time for a period of at least four consecutive weeks and your employer has not reimbursed you. The simplified flat rate method of \$2 per day to max \$500 continues to be available with no receipts required.

Surrogacy

Costs related to surrogacy arrangements and sperm, ova or embryo donations are now eligible for the medical expense tax credit.

Update to Disability tax credit for Type 1 Diabetes

If you have type 1 diabetes and were previously denied the disability tax credit please let us know. You will now be deemed to meet the requirements to claim the dtc, regardless of the time actually spent on life-sustaining therapy.

The criteria for mental functions impairment and life-sustaining therapy categories have also been expanded.

First time Home Buyers

The first-time home buyers tax credit amount has now been doubled. Eligible buyers can access tax relief of \$1,500.

Coming mid-2023 Tax-free First Home Savings Account (FHSA) will be available to Canadian residents 18 years of age. Contributions will be deductible like an RRSP. Income earned in an FHSA and qualifying withdrawals made to purchase a first home are non-taxable (like a TFSA). This new plan will have an \$8,000 annual contribution limit and a \$40,000 lifetime contribution limit. However, the limit will not accumulate until the account is opened.

Underused Housing Tax (UHT)

The UHT imposes a national annual 1% tax on the value of non-resident, non-Canadian owned residential real estate considered to be vacant or underused. Many individuals exempt from the tax liability are still required to file a UHT return. Returns are due April 30, 2023.

Ontario Staycation Credit

Ontario Staycation Tax Credit is a one time credit for those living in Ontario who will be able to claim 20% of their stay in an Ontario hotel, cottage or campground. You can claim eligible expenses up to \$1,000 for individuals and \$2,000 for families. To be eligible, the duration of the stay must be less than 1 month and you must have a detailed receipt provided by a supplier **registered for GST/HST**.

Ontario Seniors Care at Home Tax Credit

This refundable tax credit is designed to help seniors with family net income below \$65,000 with eligible medical expenses, including expenses that support aging at home. The credit provides up to 25% of your eligible medical expenses up to \$6,000, for a maximum credit of \$1,500. This amount is reduced by 5% of family net income over \$35,000. Those who turned 70 or have a spouse/common law partner who turned 70 in 2022 and live in Ontario will be eligible to claim this credit.

Home Accessibility Tax Credit

This non-refundable tax credit is available for eligible home renovation or alteration expenses that allow a qualifying individual to gain access to, or be safely mobile within their eligible dwelling. While this credit is not new, for 2022 and subsequent taxation years, the maximum eligible expenses that can be claimed has increased from \$10,000 in prior years to \$20,000. A qualifying individual must be 65 years of age or older or be eligible for the disability tax credit at any time in 2022. This credit can also be claimed by an eligible individual, which includes but is not limited to the spouse/common-law partner, parent, grandparent, or child of the qualifying individual.

CCH iFirm Portal

Many of you have now used our secure portal CCH iFirm. This continues to be our preferred method of document exchange and many of you are now familiar with it.

You will get an email notification when documents are uploaded to your portal and vice versa for us. We can upload your completed returns and signing documents to help save you a trip to our office. **Do remember to save a copy of your return every year as portal documents will be cleaned up before the next tax season.**

If you used our portal in the past your user name and password will continue to be valid.

<https://adamsandassociates.cchifirm.ca/clientportal/>

Firm Policy

It is necessary for us to file and prepare the returns for all family members if there are any transferable credits. We cannot do a good job nor guarantee that returns filed by spouses, children or other tax preparers are correct or complete. Therefore we will not perform any services when we aren't doing 100% of the filings.

Kars CPA Professional Corporation

Before we will file or e-file your documents all outstanding amounts due must be paid in full. Arrangements for extended payments must be approved before services are performed.

You will find this document and other forms to help with your tax preparation under Forms and Organizers on our website

www.KarsCPA.ca/info_center.html

Personal tax returns are due April 30th.

If you or your spouse carried on a self-employed business, you have until June 15th to file, however any taxes owing are due April 30th.

Office Hours

January 1 through April 30

8am - 4pm (closed between 12-1 for lunch) Monday through Friday.

Saturdays 8am - 4pm April 6, 13, 20 and 27th

In **May** we return to our regular office hours of 8 am - 4 pm (closed between 12-1 for lunch) Monday through Thursday and 8am to Noon Friday.

#	Please answer the following in order to help us prepare your 2023 Personal Income Tax return.	<u>YES</u>	<u>NO</u>
1	Do you wish to release your name, address and DOB to Elections Canada ARE YOU A CANADIAN CITIZEN Do you wish to receive information about organ and tissue donations		
2	Please confirm your current e-mail address _____ Would you like us to communicate to you through email? YES/NO Would you like to receive/upload documents through our iFirm Portal?		
3	Has your personal information changed? Cell Phone Home Phone Work Phone _____ Address _____		
4	Have you sold your PRINCIPAL RESIDENCE ? You are REQUIRED to report the sale to CRA. It continues to be tax free if it is reported properly on your return. Please provide: sale price _____ year purchased _____		
5	Has your marital status changed in 2022 or will in 2023? Married / Common Law / Divorced / Widowed Date of Change _____ *if you are unsure if this may apply please ask*		
6	The names, dates of birth and Social Insurance Number for new children under the age of 19. If we are not preparing their returns we WILL NOT claim transferable credits on your returns. NEW CHILDREN <u>born in 2023 or early 2024?</u> NAME _____ DOB _____ SIN _____		
7	*VERY IMPORTANT* Do you own foreign property? Including investments		
8	All income information slips received. This includes T3, T4, T4A, T4OAS, T4P, T4RSP, T4RIF, T4U, T5, T5008, T5013, RC62 as well as any other forms you may receive that are reporting income you earned.		
9	Details of any other income received from any other source <u>not</u> reported on information slips— <i>don't forget such things as tips, rental properties, casual labour, etc.</i>		

#	Please answer the following in order to help us prepare your 2023 Personal Income Tax return.	<u>YES</u>	<u>NO</u>
10	Original RRSP Contribution receipts. <i>Don't forget to include your contributions in the first 60 days of 2023! These are to be reported on THIS YEARS tax return!!!!!!</i>		
11	Details of any RRSP withdrawals including transactions on Home Buyers' Plans or Life Long Learning Plans .		
12	Did you receive a buyout from your employer? Please bring all details of RRSP transfers and purchases (direct or otherwise). RRSP receipts for any lump sum transfers are necessary.		
13	<i>Alimony or maintenance paid or received—including the name, address and S.I.N. of the spouse.</i> <i>Please let us know the amount of all support received or paid or whether taxable or not.</i> Please include a copy of any agreement you may have. Proof of payment or confirmation from recipient may be requested. <i>Legal fees for matrimonial settlements</i> are only claimable if they are incurred to collect <u>support or alimony</u> . Any costs to determine asset distributions are NOT deductible.		
14	Capital gains are TAXABLE including investment gains. We need the sale dates and prices of shares you sold as well as the <u>details of the original purchase price</u> Capital losses may be used against capital gains so please remember those as well.		
15	Amounts for interest or carrying charges and investment counsel fees (<u>excluding</u> tax free savings account, RRSP and RRIF fees). SORRY - the cost of renting a safety deposit box from a financial institution is no longer deductible for income tax purposes.		
16	Are you a first time homebuyer or have you purchased a home after you or your spouse have not owned one for the 4 preceding years? If so, you may qualify for credits and rebates! <i>Please provide a copy of your property purchase documents.</i>		
17	Receipts for union dues or professional fees paid.		
18	Your receipted property tax bill or the details of rent paid including your address, landlord name and signature.		
19	Receipts for any senior public transit fees.		
20	Moving Expenses if your move brought you at least 40 KM closer to your job or educational institution.		
21	Teacher and early childhood educator teacher supplies. Please provide certification from your employer as well as receipts for the supplies.		
22	Ontario staycation —named receipts for less than a month stay, location, dates stayed, RECEIPTS MUST HAVE GST/HST paid		

#	Please answer the following in order to help us prepare your 2023 Personal Income Tax return.	<u>YES</u>	<u>NO</u>
23	Original Charitable and Political Donation receipts.		
24	Assessment or reassessment notices received from CRA.		
25	Official receipt for student loan interest.		
26	Your receipted child care expenses amount including the name, S.I.N. and address of the caregiver.		
27	<p>Tuition Fees—T2202A forms (typically the student must log into school website to obtain). Students must sign the back of the T2202 form to transfer the deduction. Students must claim the amount first on their returns and any excess can be transferred.</p> <p>Receipted amounts for occupational skills courses.</p>		
28	<p>Do you wish to deduct automobile, home office or other expenses from your employment income?</p> <p>Employees are required to obtain a completed and signed T2200 (Declaration of Conditions of Employment) from their employer. Please provide it, as well as the details of the amounts you want to claim as expenses.</p> <p><u>When claiming automobile expenses CRA REQUIRES a completed vehicle travel log.</u></p>		
29	<p>Office in home temporary flat rate method. Please let us know the number of days worked.</p> <p>You must have worked more than 50% of the time from home for a period of at least 4 consecutive weeks. Your employer must not have reimbursed you for your home office expenses. Multiple employees may work in the same home and be each eligible to claim the flat rate method. Vacation days and sick days are not included in the number of days worked.</p>		
30	<p>Any medical or attendant care expenses for you or a dependent that were not fully reimbursed by a medical plan.</p> <p>Don't forget to get your <i>SUMMARIZED</i> claim report from your pharmacy, dentist, chiropractor and any other medical professional.</p> <p>Also print off your annual report from any medical plan to show what costs have been reimbursed to you!</p>		
31	<p>Home Accessibility Tax Credit and Seniors Home Safety Tax Credit</p> <p>*Seniors and/or individuals eligible for DTC. Expenses to gain access to or be mobile or functional within the dwelling or reduce the risk of harm to the qualifying individual.</p>		
32	<p>If this is the first year we are preparing your return, we need copies of two previous years returns. If you filed a capital gains exemption on your 1994 tax return please provide it as well.</p>		
33	<p>Are you signed up for direct deposit? Has your banking info changed? If it has please provide us with a VOID cheque otherwise not needed.</p>		

Things to keep in mind and possibly inquire on	** Let's talk **
<p>If you are over 65, are you receiving Old Age Pension? Have you confirmed your parents are receiving Old Age Pension? The Old Age Supplement is available to lower income individuals over 65 years of age.</p>	
<p>The balance in your RRSP accounts after the last spouse dies are fully taxable as at the date of death. This can be a considerable amount of tax to pay in your estate. Estate planning is necessary to help avoid the OAS claw back and reduce excessive tax.</p>	
<p><u>USA Closer Connection</u> If you are a Canadian travelling to the USA for an extended period of time (more than 180 days) there may be tax consequences. If you are in the USA for no more than 182 days you may file form 8840 to not be considered a US resident for the year. If the form is not filed you may be subject to filing requirements applicable to US citizens and residents. Please let us know if this may apply to you.</p>	
<p>If you or any other member of your family has become <u>disabled</u> for tax purposes (which applies to a person with a severe and prolonged impairment in physical or mental functions) please contact our office. We will provide you with a T2201 to be completed by your qualified practitioner. CRA will then use this form to determine if you are eligible for the disability tax credit.</p>	
<p>Our services include estate management and executor services. If you feel you have the need for an impartial, local executor or just want to sit down and discuss the plans for your estate we would be happy to help. <u>Ignoring the planning of your estate does not guaranty immortality.</u></p>	
<p>Do you have a will and is it updated? It is important that you not only have a will and that it meets your goals, but does so in a tax effective manner.</p>	