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## Canadian Personal Tax Checklist

*This Checklist is designed to help you assemble information for your personal return. It may help you identify ways to reduce your income taxes. Perhaps there are even some areas described in our checklist that you have forgotten about or may not have ever considered. Please do not hesitate to call if you have any questions. A personal tax preparation checklist for US citizens is also available. Our website [www.personalwealthstrategies.net](http://www.personalwealthstrategies.net) contains several newsletters on income tax.*

Name: \_\_\_\_\_ A Birthdate: \_\_\_\_\_ SIN: \_\_\_\_\_

Name: \_\_\_\_\_ B Birthdate: \_\_\_\_\_ SIN: \_\_\_\_\_

Phone: \_\_\_\_\_  
(during day) (home) (cell)

Email address \_\_\_\_\_

### 1. Marital Status

- |  |                                    |
|--|------------------------------------|
| <input type="checkbox"/> Married           | <input type="checkbox"/> Separated |
| <input type="checkbox"/> Divorced          | <input type="checkbox"/> Widowed   |
| <input type="checkbox"/> Living Common Law | <input type="checkbox"/> Single    |

### 2. Citizenship

- |  |       |       |
|--|-------|-------|
| <input type="checkbox"/> Canadian citizen  | A     | B     |
| <input type="checkbox"/> US citizen  | _____ | _____ |
| <input type="checkbox"/> Provide information to elections Canada                                       | _____ | _____ |
| <input type="checkbox"/> Did you own property outside Canada with a total cost in excess of \$100,000. | _____ | _____ |

### 3. New Personal Information for 2017 (Has anything changed for you? – moved, retired etc.)

### 4. Children

Name	SIN / SSN	Date of Birth	Income / Other

- |   |           |          |
|---|-----------|----------|
| <input type="checkbox"/> Have you applied for Canada Child Benefit (CCB)? | Yes _____ | No _____ |
| <input type="checkbox"/> Were you a single parent on December 31, 2017?   | Yes _____ | No _____ |

### 5. *General Information to Provide*

- ☐ Copy of 2016 tax return
- ☐ Copy of your 2016 assessment notice.
- ☐ 2017 tax instalments paid (attach last receipt from CRA).
- ☐ Rent / property taxes for year to apply for Ontario Trillium Benefit, if applicable

**Notes:**

- ☐ If you have any amount of business income your return is not due until June 15.
  - ☐ Family members who are not taxable should be filing tax returns for such reasons as GST credits, RRSP contribution room, Ontario tax credits, CPP contributions, etc.
  - ☐ Provide a void cheque to apply for direct deposit with CRA.
  - ☐ Should any income for which you receive information slips in your name be allocated to a spouse or another family member – such as investment income?
- 

### 6. *Specified Foreign Property – Form T1135 (Schedule A)*

- ☐ Form T1135 – Foreign property holdings (excluding personal use property) with a total **cost** (at any time in the year) in excess of \$100,000 must be reported on this form. The form must be filed even if a personal tax return is not required for the year. **This form can be submitted online or by mail.** Typical properties include shares in non Canadian corporations, investments in foreign based mutual funds, condo rental properties and foreign bank accounts but excludes an interest in most foreign pension plans. ***Foreign property held in RRSP's and Canadian mutual funds and Exchange Traded Funds do not need to be reported.***
- ☐ CRA classifies specified foreign property as follows:
 

1. Funds held outside Canada	<input type="checkbox"/>
2. Shares of non-resident corporations (other than foreign affiliates)	<input type="checkbox"/>
3. Indebtedness owed by a non-resident	<input type="checkbox"/>
4. Interests in non-resident trusts	<input type="checkbox"/>
5. Real property outside Canada (other than personal use and real estate used in active business)	<input type="checkbox"/>
6. Other property outside Canada	<input type="checkbox"/>
7. Property held in an account with a Canadian registered securities dealer or a Canadian trust company	<input type="checkbox"/>

### **7. Government Information Forms (Check those that apply)**

- ☐ T3 – Trusts, estates, insurance policies, mutual funds, income trusts
- ☐ T4 - Employment
- ☐ T4A (OAS) - Old Age Security
- ☐ T4A (P) - Canada Pension Plan
- ☐ T4A - Other pensions including foreign pensions
- ☐ T4E – Employment insurance
- ☐ T4RSP – RRSP income
- ☐ T4RIF – RRIF income
- ☐ T5 – Interest and dividends
- ☐ T10 – Pension Adjustment Reversal
- ☐ T101, T102 T5103 – Exploration and development expenses
- ☐ T215 – Past Service Pension Adjustment
- ☐ T600 – Canada Savings Bond interest
- ☐ T1037 – RRSP Homebuyers plan repayments
- ☐ T1141 and T1142 – Loans or transfers to non resident trusts and receipts from non resident trusts
- ☐ T2200 – Employment travel expenses using personal automobile
- ☐ T2202 – Tuition fees
- ☐ T5003, T5004 and – Tax shelter information
- ☐ T5007 – Worker’s Compensation income or Social Assistance
- ☐ T5008 – Statement of securities transactions
- ☐ T5013 – Partnership tax shelter slip
- ☐ RC62 – Universal Child Care Benefit

### **8. Other Income (Check those that apply)**

- ☐ Alimony or child support received (provide details)
- ☐ Business, professional and partnership income (provide details of income and expenses for each business)
- ☐ Rental income (provide details of income, expenses, additions and disposals)
- ☐ Foreign investment and pension income (provide details) – there may be special Tax Treaty exemptions
- ☐ US Social Security (50% or 85% taxable)

#### **Notes:**

- ☐ Income accumulating in most US pension plans (IRA’s etc.) is exempt from Canadian tax under the Canada/US tax treaty but income from non-pension plans such as Roth IRA’s, education and medical plans is not exempt.

### **9. Tax Deductions (Check those that apply)**

- ☐ Professional or union dues
- ☐ Alimony or child support paid (provide name & address of recipients and copy of agreement)
- ☐ Moving expenses (job change, school attendance – provide receipts)
- ☐ Childcare expenses (name, address & SIN of babysitter, fees for daycare or camp, # weeks at camp, etc.)
- ☐ Conferences and conventions
- ☐ Home office expenses (place used primarily to perform duties or used exclusively and on a regular basis)
- ☐ Employment expense details (supplies, professional memberships, tools, legal, home office, vehicle)
- ☐ For individuals - deduction for small tools which exceed \$500 (provide receipts)
- ☐ Details of any investment, business or capital losses carried forward from prior years. Can be used to reduce current taxable income

## 10. Tax Credits

- ☐ *Charitable donations* (attach official receipts) plus any unused donations from previous years
- ☐ *Political contributions* (attach official receipts).
- ☐ *Medical expenses* (including medical insurance premiums and full or part time care).
- ☐ *Attendant care* of various kinds
- ☐ *Cosmetic procedures and related expenses* (if required for medical or reconstructive purposes)
- ☐ *Age Tax Credit* (\$7,225) starts after age 65 and can be transferred to spouse
- ☐ *Pension Income Tax Credit*
- ☐ *Disability tax credit* (\$8,113). (*See more below #14*)
  - If you or any dependents suffer from severe or prolonged mental or physical impairments you may be entitled to a disability tax credit.
  - Form T2201 must be completed by a physician or other qualified practitioner.
- ☐ *Adult eligible dependent* with disabilities (\$6,883) if their net income is less than \$16,163.
- ☐ *Canada Caregiver tax credit* (spouse: \$2,150, other family: \$6,183)
- ☐ *Employment tax credit* (\$1,178).
- ☐ *Work related expenses* – provide receipts \$1,000.
- ☐ *Student loan interest expense*.
- ☐ *Tuition fees* (Form T2202).
- ☐ *First time home buyers* (\$5,000)
- ☐ *Tax Credit Transfers*
  - Certain tax credits such as tuition, pension income amount, disability tax credit and the age amount that cannot be used by a taxpayer can often be transferred to other family members (parents, grandparents, spouse, etc.) to reduce their taxes.

## 11. Tuition Expenses and Scholarships - Transfer

For Canadian institution, ensure that the student completes the back Form T2202 and files a tax return (even if no tax is payable). For non-Canadian institutions, call us so that we may send you Form TL-11A

## 12. Disability Tax Credit

- ☐ The *disability tax credit* is a pivotal section of the *Income Tax Act* that opens the door to other tax benefits. Qualifying for the DTC means you meet the fundamental qualification for the following:
  - Registered Disability Savings Plan
  - Tax free disability related employment benefits – transportation allowance to work and attendant for work assistance
  - Enhanced tuition credit – tax credit as a full-time student is available even if the student is not enrolled full time
  - \$10,000 child care expenses
  - Claim for child over age 18 as a dependent
  - Home buyers plan for a related person
  - RESP contribution extended to 25 years and plan extended to 30 years
  - Preferred beneficiary election – trust income taxed at graduated tax rates
  - Claim medical expenses for an attendant, attendant or nursing home care, group home care or special therapy (Schedule B)

**13. Tuition Expenses and Scholarships**

Provide details of tuition fees for children if not claimable by them. For a Canadian institution, attach T2202 slips. Ensure that the student completes the back of the form and files a tax return (even if no tax is payable). In the case of non-Canadian institution, complete the following, and call us so that we may send you Form TL-11A

Student Name: \_\_\_\_\_ Net Income: \_\_\_\_\_ Tuition Period: \_\_\_\_\_  
 Educational Institution: \_\_\_\_\_ Amount Paid: \_\_\_\_\_

- ☐ **Scholarships:** Elementary and secondary school scholarships not taxable as of 2007.

**14. Capital Gains (Check those that apply)**

- ☐ Capital gains (attach schedule of cost and proceeds of each security / asset sold – your investment advisor should provide an appropriate schedule of security sales and capital gains)
- ☐ *Capital Gains Election* – Did you file an election (Form T664) to increase the cost of properties owned on February 22, 1994 by the unused portion of the \$100,000 capital gains exemption available at that time. If so, please provide us with a copy of Form T664.
- ☐ Were any elections ever made under the Income Tax Act that might affect the ACB of securities sold?
- ☐ If any of these securities were managed by a previous investment advisor did your current advisor record the ACB at its original amount or did they use market value.
- ☐ Were any of these securities owned previously by your spouse and did your investment advisor correctly record the cost of securities now owned by you.
- ☐ Were any of the securities received as gifts or bequests?
- ☐ If you inherited the securities, does the cost properly reflect the value to you at the time the estate was wound up?
- ☐ Do you have any investments which have become worthless during the year? (provide details)

**Notes:**

- ☐ *Lifetime Capital Gains Exemption* – Sales of qualified small business corporation shares and qualified farm and fishing property qualify for a capital gains exemption of \$1,000,000
- ☐ If any of the securities sold are held in foreign accounts what is the ACB of these securities in Canadian dollars at the time they were originally purchased.
- ☐ If you moved to Canada from another country, the value of property at the date of immigration is its cost for tax purposes.

**15. Investments Income and Deductions (Check those that apply)**

- ☐ Interest earned on money borrowed to earn investment income
- ☐ Interest, dividends & other income for which no slips were received
- ☐ Rental income (provide details of income & expenditures, interest expense and other carrying costs) (Form T776)
- ☐ Tax sheltered investments (limited partnerships, labour sponsored corporations, flow through shares, royalty trusts)
- ☐ *Investments and Mutual Funds* – If you sold any mutual funds during the year you should obtain details of their cost and any selling expenses.
- ☐ Investment counsel fees, safety deposit box and accounting expenses (tax return preparation)
- ☐ *Losses on investments in previous years claimed but not used (capital loss carry over)*
- ☐ *Children - Non Listed Shares* – If a child receives dividends or benefits relating to shares not listed on a stock exchange this income is taxed at the maximum tax rate (Kiddy Tax – Form T1206).

## **16. US Tax Issues**

- ☐ If you received US Social Security benefits, you are eligible to claim a deduction of 15% or 50% of the benefits received. Tax treaties usually have special rules for taxation of foreign pensions.
- ☐ *US Investment Income* – Canada will not provide a tax credit for tax withheld on investment income in excess of 15% of income from most treaty countries. The United States provides Form W-8 BEN to be sent to foreign payers to reduce the rate to 15%
- ☐ If you are a US citizen or green card holder, please discuss with us your US tax filing obligations (if you haven't done so already). We have separate US tax questionnaires for you to fill out.
- ☐ See Schedule B for a synopsis of US tax filing obligations

## **SPECIAL SITUATIONS AND TAX ELECTIONS**

### ***Bad Debts and Shares of Insolvent Corporations***

- ☐ Election to have a deemed disposition of a worthless share
- ☐ Election to have a deemed disposition of a bad debt

### ***Capital Gains/Losses and Business Income/Losses***

- ☐ Capital gains in prior three years that current capital losses can be applied against.
- ☐ Capital losses in all prior years that can be applied against future capital gains.
- ☐ Business losses in prior years (up to 10) that can be applied against current business income.

### ***Change of Use (Principal Residence)***

- ☐ Election to ignore change of use to income earning purpose
- ☐ Election to ignore change of use from income earning purpose to principal residence

### ***Deceased Taxpayers***

- ☐ Election for property to pass to spouse on death at fair market value (no form)(Section 70(8.2))
- ☐ Election to claim certain reserves where property passes to spouse on death
- ☐ Election by representative of a deceased taxpayer to deem losses of estate to be those of the taxpayer
- ☐ Election to transfer RRSP Home Buyer's Plan repayment liability from the deceased taxpayer to the surviving spouse

### ***Emigration / Immigration***

- ☐ Election to deem property to be taxable Canadian property on emigration
- ☐ Election to deem property not to be taxable Canadian property on emigration
- ☐ Elections by a returning individual to reverse departure tax
- ☐ Election by an emigrating individual to be deemed to have disposed of certain property on emigration otherwise not subject to deemed disposition

### ***Guaranteed Income Supplement***

- ☐ Can apply if receiving OAS and income is lower than maximum annual income threshold
- ☐ Eligibility will be reviewed annually. If you still qualify, you will receive the benefit automatically

### ***Involuntary Separation***

- ☐ Increases OAS benefit
- ☐ Does not change marital status on tax return
- ☐ Considered single for application of Guaranteed Income Supplement
- ☐ Considered single for application of Ontario Trillium Benefit

***Spousal Issues***

- ☐ Joint election to split pension income - Form T1032
- ☐ Transfers between spouses elected to occur at fair market value
- ☐ Election to have dividend income included in spouse's income (no form)

***Other Issues***

- ☐ Capitalization of the cost of borrowed money
- ☐ Preferred beneficiary election for disabled individuals
- ☐ Election to defer recapture or capital gain where capital property is replaced
- ☐ Election to ensure that stock market transactions are treated as capital gains (T123)
- ☐ Election to have income taxed in a trust rather than to the beneficiary.
- ☐ Election of property as principal residence (T2091)

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**SCHEDULE A****FOREIGN PROPERTY STATEMENT – FORM T1135****1. Funds held outside Canada**

Name of entity holding the funds	Country code	Maximum funds held during the year	Funds held at year end	Income (loss)
<b>Total</b>				

**2. Shares of non-resident corporations (other than foreign affiliates)**

Name of corporation	Country code	Maximum cost amount during the year	Cost amount at year end	Income (loss)	Gain (loss) on disposition
<b>Total</b>					

**3. Indebtedness owed by a non-resident**

Description of indebtedness	Country code	Maximum cost amount during the year	Cost amount at year end	Income (loss)	Gain (loss) on disposition
<b>Total</b>					



**4. Interests in non-resident trusts**

Name of trust	Country code	Maximum cost amount during the year	Cost amount at year end	Income received	Capital received	Gain (loss) on disposition
<b>Total</b>						

**5. Real property outside Canada (other than personal use and real estate used in an active business)**

Description of property	Country code	Maximum cost amount during the year	Cost amount at year end	Income (loss)	Gain (loss) on disposition
<b>Total</b>					

**6. Other property outside Canada**

Description of property	Country code	Maximum cost amount during the year	Cost amount at year end	Income (loss)	Gain (loss) on disposition
<b>Total</b>					

**7. Property held in an account with a Canadian registered securities dealer or a Canadian trust company**

Name of Canadian registered security dealer or Canadian trust company	Country code	Maximum Fair market value during the year	Fair market value at year end	Income (loss)	Gain (loss) on disposition

**SCHEDULE B****US TAX FILING OBLIGATIONS****US Tax Compliance (A separate US questionnaire is available if US issues are significant)**

- ☐ Are you or any member of your family a US citizen or Green card holder? \_\_\_\_\_
- ☐ Do you qualify as a US long term resident? \_\_\_\_\_
- ☐ Did you spend a significant amount of time in the US each year (four months or more)? If yes please provide details of days and part days present in the US in the last three years. (US Form 8840)\_\_\_\_\_
- ☐ Did you derive any rental income from US property or sell US real property? \_\_\_\_\_
- ☐ Did you receive US Social Security (15% deduction) \_\_\_\_\_

**Part Year US Residents**

- ☐ It is possible for a taxpayer to be considered a resident of the US for part of the year (1040) and a non-resident for the balance of the year (1040NR). For example a Canadian moving back to Canada in say April and surrendering his Green Card in July (accepted in October) would be a US resident until October and a non US resident until December (See US publications 515 and 519)

**US Forms for Canadian Snowbirds, Owners of US Property and Those Carrying on Business in the USA**

- ☐ US residence IRS form to keep snowbirds from becoming tax filers in the US as a deemed US resident for both US income tax and estate tax – file Form 8840 with the IRS annually.
- ☐ US Condo Rental income – tenants are required to remit 30% withholding to IRS. Canadians can elect to write off expenses and pay tax on the net income from the property and avoid the 30% withholding. The claim to elect and report only the net income must be made by October 15 of the following year (US Form 4424). The 1040NR return is due June 15.
- ☐ 1040NR – Sold US real estate, have US rental income, US employment income on which taxes are not fully paid or wishing to get a refund of withholding taxes improperly levied. If you sell US real estate you can apply for reduced withholding tax on the sale by filing Form 8288-B with the IRS prior to the sale.
- ☐ 1040NR – Carrying on business in the US – If you conduct business in the US and travel there on consulting assignments you may be required to file a 1040NR tax return. To claim an exemption from US tax under the Canada US tax treaty you should file Form 8833 with your 1040 return
- ☐ Form 8840 – Present in the US 183 days or more by adding days in current filing year, one third of days in previous year and one sixth days in second previous year to prevent you being considered a US resident
- ☐ W-8BEN - File with broker to reduce withholding tax rate on US investment income from 30% to Treaty rate – usually 15%
- ☐ US Estate tax return – Required if asset in the United States (US situs assets) exceed \$60,000. The exemption from US estate tax is currently at \$5,000,000 (pro rated US to total asset) but if your US assets exceed \$60,000 when you die (even if you are not a US citizen) you must file a US estate tax return for the year of death.
- ☐ US Gift Tax Return - Required if there is a gift of US real estate.

**US Citizens and Green Card Holder Living Outside of USA**

- ☐ If you have not been filing as required, the IRS agrees to accept three years of returns by submitting a voluntary disclosure under the streamlined filing rules. If you don't voluntarily comply under the streamlined filing rules, the penalties are severe.
- ☐ If you are a US citizen you will always be subject to US income tax and estate tax. Providing your annual income is less than approximately \$3,000 (adjusted annually) you do not have to file a US tax return. If you have not filed your US returns as required, US policy is usually to accept seven years of past returns. If you are caught not filing, the US disallows certain exemptions and tax credits and will levy full penalty and interest charges –it's best to file past years returns.

- ❑ Even if you are not required to file a US income tax return because of your income level, you may be required to file certain other forms
  - FBAR Non US Bank Account Information (includes RRSPs) (June 30)
  - Form 3520 Gifts given or received over \$100,000 and ownership interests in non US trusts
  - Form 3520A – Ownership of Non US trusts (March 15)
- ❑ If you lived in the United States as a green card holder for eight of the last 15 years prior to emigration from the United States, you are considered to be a US long term resident and required to file a tax return unless you claim Canadian residence under the Canada/US tax treaty and file certain forms with the IRS.