

NEW STAFF AT OUR OFFICES

We would like to welcome new staff to our offices this year. In Orillia we again have a co-op student from Georgian College's Accounting Program. Melania has joined us from Georgian College and will be assisting in some of the basic and early work on tax return packages. As usual, all tax returns are completed and reviewed by myself prior to leaving our offices.

In Cannington we have a new part-time staff person. Susan has joined us and has spent months now working on client files and familiarizing herself with our systems. Susan comes to our office with an array of bookkeeping and tax return preparation work.

It's important to know that when it comes to the preparation of your personal income tax returns I have always ensured that our staff are fully trained and capable. As mentioned earlier, while my staff do preliminary work on the tax returns every return is finalized by myself.

And please remember that as the schedule permits I am more than ready to review your tax return with you. Please make sure to indicate your review preference on your completed and returned Client Information Sheet.

CLIMATE ACTION INCENTIVE

Part of The Federal Government's climate change policy is to have funds returned to Canadians from the various carbon-tax initiatives throughout the country.

Beginning with the 2018 tax return a special schedule (Schedule 14) will be added for those who qualify to claim the new Climate Action Incentive in provinces where the federal carbon tax is to be imposed.

The Climate Action Incentive is a refundable tax credit which means even if you have no tax payable the amount is refunded to you. The credit has a number of qualifying conditions to determine your eligibility and the amount received. Our office will determine this for you based on your circumstances and information provided on your Client Information Sheet.

In the case of a family one person will claim an enhanced credit for entire family including a spouse, and any qualified dependants. Any dependants residing in your household who were 18 years old or older on December 31, 2018 should file their own tax return to claim their own credit.

There is also an enhancement to the credit if you live outside of a census metropolitan area. Our office will also perform this review and calculation for you.

2018 Personal Income Tax Season - Some New Information & Reminders

This time of year is not only a great time to let you know of recent changes which may affect your tax filings for the 2018 year but also to remind our clients of certain issues which can help keep you in compliance with your tax responsibilities.

- **PLEASE COMPLETE, SIGN, AND RETURN YOUR CLIENT INFORMATION SHEET. YOU DON'T HAVE TO BRING IT IN EARLY BUT SIMPLY INCLUDE IT WITH YOUR**

2018 TAX PAPERS. The Client Information Sheet provides our offices with critical information needed to prepare your return accurately.

- If you are self-employed and have elected to take part in the Employment Insurance program for self-employed individuals please make sure our office is aware of your EI enrollment. To confirm your enrollment in the self-employed

EI program you should provide our office with the confirmation letter you received from Service Canada.

• Due to changes in tuition funding for students in Ontario (which is now being changed again) there can be no transfers of tuition credits from a student to a parent or guardian. Any applicable federal credits may still be transferred. Our office must be provided with the T2202A tuition tax slip from the school and if any credits are to be transferred the back of the slip **MUST** be signed by

2018 Personal Tax Season (continued)

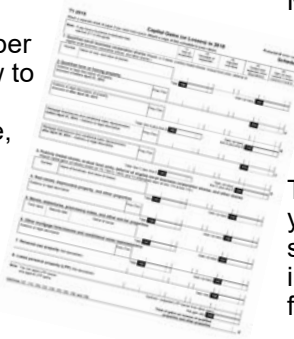
- the student. Remember, most schools do not mail these slips so the student must obtain it from the school registrar or via the school's website.
- We ask all clients to confirm if they are US citizens by answering the related question on their CIS. With the ever-increasing changes in the US for taxation of citizens it is important that we understand any potential exposure you may have.
 - If you are a self employed sole proprietorship or partnership and you employed qualifying people enrolled in co-operative education programs or apprenticeship programs please provide us the applicable information regarding their registration and payroll for 2018.
 - If you have a business included in your taxes and need your HST return completed please ensure you notify us that you need this service performed. If you include your HST paperwork we will presume to perform these services for you.
 - If you are able to claim vehicle expenditures as part of employment expenses or your sole proprietorship/partnership income we require you to submit the qualifying kilometers driven for the year and the total kilometers driven. Alternatively, you can provide us a percentage use figure. **If you fail to provide this information we MAY NOT include these expenses on your income tax return.**
 - Employed individuals who wish to claim eligible employment related expenses MUST submit a fully executed T2200 Declaration of Conditions of Employment.
 - If you wish to claim prescription medical expenses it is very efficient for you to ask your pharmacist for a annual prescription report. This report makes certain that all applicable claims can be made in the event any small receipts have been missed. It also assists in the timely preparation of your return. The report should only include eligible prescribed items.
 - If you received income (foreign or domestic) and did not receive a tax slip make sure you report it to us. If you are unsure of its tax status please include a note with your paperwork so we can keep you compliant.
 - Remember, your fee to our office for preparation of your tax return includes our office responding to any pre/post assessment review by CRA. There is no charge for our office to respond to such queries by CRA so long as you have provided us all documentation when the tax return was originally prepared.

THOSE NAGGING UNREGISTERED INVESTMENT ACCOUNTS

Each year more and more taxpayers are facing daunting reassessments from CRA for unreported investment income. The income comes from activity in unregistered investment accounts (accounts that are NOT RRSP, RRIFs, RESPs, or TFSAs).

Trading activity in these accounts are reported to CRA and if not reported can cause significant tax issues including lost carryforward opportunities, penalties and interest, and more.

Please remember that it is the law to report the sale, or deemed sale, of any capital property. This applies to stocks, mutual funds, bonds, real estate,



and certain personal properties. Failure to report this information could result in significant penalties in addition to taxes.

It is important to remember that some of these transactions may provide tax savings both now and in the future. You may also be able to recover past taxes through loss carrybacks. In any case you must report these transactions regardless of gains or losses incurred.

Many unregistered investment accounts may have fees levied on them from the firm managing the account. These fees are tax deductible and are to be claimed in the tax year they relate to.

To ensure your return is accurate and your filing is compliant please include statements for any unregistered investment accounts you received in for 2018 with your tax paperwork.



Some people receive their statements monthly, quarterly, or semi-annually. If you are in doubt about what statements to provide to us please contact your investment advisor. Alternatively you could bring in all of your 2018 statements and our office will use what we need from them. All statements are returned to you in your tax package.

Keeping yourself compliant with reporting of investment activities will reduce your exposure to penalties and interest both now and in the future.