



---

---

**BUCHANAN BARRY LLP**  
CHARTERED ACCOUNTANTS

Dear Client:

**RE: 2010 Personal Income Tax Return**

It is once again time to prepare your personal tax return. The 2010 return is due **May 2, 2011**, unless you or your spouse (if applicable) were self-employed in 2010 in which case the return is due June 15, 2011. In all cases – self-employed or not – any tax owing is due by **April 30, 2011**, after which interest charges will apply.

We are enclosing a Personal Tax Organizer to assist you with gathering your personal tax information. Please be sure to provide us with your personal tax information as soon as possible (**no later than April 15, 2011**) including details of any changes in your personal circumstances (such as marital status, new child, new address, *etc.*).

Provided it is eligible, your tax return may be filed electronically. This will not affect the usual filing deadlines or payment requirements, but may increase the speed with which the Canada Revenue Agency processes your return. This service is available at no extra cost. Please mark where indicated in the Personal Tax Organizer if you wish your return to be electronically filed.

Your completed income tax return package will contain a copy of your return, the information you provided for the preparation of your return and an electronic filing consent form (if your return is to be filed electronically). We are obliged by the Canada Revenue Agency to have a signed copy of the electronic filing consent form on hand before electronically filing your return. Please review, sign and return this form to us as soon as possible.

To ensure you receive your completed income tax return package in a timely fashion, we encourage you to collect it from our office. Alternatively, we can courier the package to your home or office (charges may apply).

Should you have any questions regarding the preparation of your personal tax return, or the information contained herein, please contact us at (403) 262-2116 or [mailbox@buchananbarry.ca](mailto:mailbox@buchananbarry.ca). Tax information is also available on our website [www.buchananbarry.ca](http://www.buchananbarry.ca).

Yours very truly,

BUCHANAN BARRY LLP

800, 840 - 6th Avenue SW  
Calgary, AB, Canada, T2P 3E5

tel 403.262.2116  
fax 403.265.0845

[www.buchananbarry.ca](http://www.buchananbarry.ca)

Serving Calgary since 1960,  
with associated offices  
across Canada and affiliated  
internationally.



*Buchanan Barry LLP publishes a monthly Tax Newsletter with easy to understand tax information. If you are not already on our mailing list, please contact us. You may choose to receive the Tax Newsletter by email, fax or regular mail. The Tax Newsletter is also available for download on our website [www.buchananbarry.ca](http://www.buchananbarry.ca)*

*Here's a list of some of the topics we addressed in 2010.*

#### **January**

- Tax-free transfers to your spouse
- Meal and entertainment expenses
- Estates and testamentary trusts
- Foreign accrual property income (FAPI)
- Carrying over losses to other taxation years
- Canada pension plan contributions for 2010

#### **February**

- Indexation adjustments for 2010
- Prescribed automobile amounts for 2010
- Employee stock options
- Adoption tax credit
- Prepaid business income
- Moving expenses: CRA rates for meals and travel

#### **March**

- RRIF withdrawals without selling stocks
- Simplified process for separated parents to claim child tax benefits
- Some GST returns will have to be filed electronically
- The first time home buyer's credit and disability home purchase credit
- Did you have U.S. source income in 2009?
- GST wrongly paid on investment management fees?
- Foreign tax credit — make sure the foreign tax is mandatory

#### **April**

- Federal budget highlights
- Tax-free “rollovers” to corporations
- CRA policy on employer gifts and awards

#### **May**

- Active business income of CCPC
- Taxation of beneficiaries of trusts
- Transfer of property to your RRSP
- Tax credits for students
- Kiddie tax on private company dividends

#### **June**

- HST changes are here — even if you're not in Ontario or B.C.
- Personal services businesses may be useful again
- Can you sue the CRA?

#### **July**

- 100% write-off for computers
- Child care expenses
- Reducing your tax deductions at source
- Capital gains exemption
- Allowable business investment losses
- Employee stock option “cash-outs”

#### **August**

- New CRA “logbook” policy for motor vehicle expenses
- Income attribution rules
- Superficial losses
- Transfer of latent capital losses between spouses
- Investment counsel fees vs commissions

#### **September**

- When are legal fees deductible?
- Simplified process for separated parents to claim child tax benefits
- GST input tax credits, HST and QST
- TFSA tips and traps

#### **October**

- New reporting requirements for tax avoidance transactions
- Employee life and health trusts
- Employee loans
- Automobile stand-by charges

#### **November**

- TFSA over-contribution penalties for 2009
- Employment-related frequent flyer points
- Shareholder loans
- Donations of publicly-listed securities
- RRSP home buyer's plan
- Universal child care benefit for single parents
- New CRA user ID and password service

#### **December**

- HST Quiz — is your business charging it properly?
- Tax-free employment benefits
- Buy new computers before January or February!
- Directors' liability — a cautionary tale
- RRSP deduction limit for 2011

# 2010 PERSONAL TAX ORGANIZER

## PERSONAL INFORMATION

Name \_\_\_\_\_

Address \_\_\_\_\_ SIN \_\_\_\_\_ - \_\_\_\_\_

\_\_\_\_\_ Date of birth (MM/DD/YY) \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Email \_\_\_\_\_ Telephone (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Prov. of residence on Dec. 31, 2010 \_\_\_\_\_ Marital status \_\_\_\_\_

If change of marital status in 2010 (MM/DD/YY): Date of marriage/union \_\_\_\_\_ Date of separation/divorce \_\_\_\_\_

## SPOUSE OR COMMON LAW SPOUSE INFORMATION

Spouse's name \_\_\_\_\_ SIN \_\_\_\_\_ - \_\_\_\_\_

Spouse's birth date (MM/DD/YY) \_\_\_\_\_

If we are **NOT** preparing your spouse's tax return, please indicate his/her:

- a) net income (line 236 of the T1 return) \$ \_\_\_\_\_
- b) universal child care benefit included in net income \$ \_\_\_\_\_ or deducted from net income \$ \_\_\_\_\_
- c) RDSP income included in net income \$ \_\_\_\_\_ or deducted from net income \$ \_\_\_\_\_

## DEPENDANT CHILDREN AND OTHER DEPENDANTS *(include children over 18 at college/university)*

Name	SIN	Relationship	Net Income In 2010	Date of Birth (MM/DD/YY)	If over 18 & disabled? Nature of infirmity
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

**REMINDERS!!!**

- Please attach a copy of your 2009 Notice of (Re)Assessment
- If this is the first year we are preparing your tax return, please attach copies of your previous three years' tax returns and Notices of (Re)Assessment
- If you have paid any instalments please attach copies of your latest statement of account from the Canada Revenue Agency

## SOURCES OF INCOME

### Employment Income

- \_\_\_ Salaries, wages, commissions, directors fees, executors fees, profit sharing, *attach T4, T4PS slips*
- \_\_\_ Other employment income (tips, training allowances, personal use of company automobile)
- \_\_\_ Allowable employment expenses (travel expenses, meal expenses, telephone, lodging, automobile expenses)  
*(In order to claim employment expenses, you must have your employer complete form T2200)*

### Pension Income

- \_\_\_ Old Age Security Pension, *attach T4A (OAS) slip*
- \_\_\_ Canada Pension Plan or Quebec Pension Plan benefits, *attach T4A (P) slip*
- \_\_\_ Other pension or superannuation benefits including foreign pensions, *attach T4A, T4RSP and T4RIF slips*

**Do you wish to split your eligible pension income with your spouse? Y or N**

#### **Who qualifies?**

- Both taxpayers must be married or in a common-law partnership with each other in the year
- Both must be resident in Canada on December 31, or
  - If deceased in the year, resident in Canada on the date of death; or
  - If bankrupt in the year, resident in Canada on December 31 of the calendar year in which the tax year (pre- or post-bankruptcy) ends.

#### **What is eligible pension income?**

- Eligible pension income is taxable part of annuity payments from a superannuation or pension fund or plan, and
- If received as a result of the death of a spouse/common law partner, or if the pensioner is age 65 or older at the end of the year:
  - Annuity and registered retirement income fund (RRIF) payments, and
  - Registered retirement savings plan (RRSP) annuity payments
- **NOTE: Old age security (OAS) and Canada or Quebec Pension Plan (CPP/QPP) payments DO NOT qualify**

### Investment Income

- \_\_\_ Taxable dividends from taxable Canadian corporations, *attach T5 slips*
- \_\_\_ Interest and other investment income, *attach T5, T3, T600, T600C, T5013, T5008 slips where available, provide details and amounts where no slip is available*
- \_\_\_ Please provide a list of all the Canada Savings Bonds you **owned** at the end of 2010 properly accrued
- \_\_\_ Securities sold, *please attach details of name of the corporation, number of shares sold, date sold, date acquired, gross proceeds of sale, expenses of sale, original cost, valuation day value if owned prior to 1972, adjustments to cost base (tax-free dividends, etc.), transaction slips/brokers' statements*
- \_\_\_ Other assets sold (real estate, gold, bonds, coins, principal residence, foreign currency), *please attach details of description of asset, gross proceeds of sale, expenses of sale, original cost, valuation date value if owned prior to 1972*

### Income From Other Sources

- \_\_\_ Rental property, *attach details of income, expenses, purchases, sales (gross rents, interest expense, property tax, repairs and maintenance, insurance, advertising, management and administration fees, office expenses, utilities, travel)*
- \_\_\_ Alimony or child support payments, *provide a copy of the agreement and all subsequent amendments or alterations*
- \_\_\_ Employment Insurance benefits, *attach T4E slip*
- \_\_\_ Universal Child Care Benefit, *attach RC62 slip*
- \_\_\_ Other, *provide details and amounts*

Self-Employment Income - Please include a schedule showing the calculation of income for the year

- \_\_\_ Farm income
- \_\_\_ Business income
- \_\_\_ Professional income
- \_\_\_ Commission income
- \_\_\_ Fishing income

## DEDUCTIONS FROM INCOME

Deductions from Total Income

- \_\_\_ Registered Retirement Savings Plan (RRSP) contributions, *attach receipts*
- \_\_\_ RRSP Home Buyer's Plan/Lifelong Learning Plan, *attach details of all withdrawals from an RRSP under the HBP/LLP by you or your spouse, of which you were the original contributor (Form T1036). If you have previously taken out an HBP/LLP amount, please provide details of repayments made during the year*
- \_\_\_ Tax shelter deductions, renounced resource expenditures, *attach T101, T5013A slips*
- \_\_\_ Annual union, professional dues, *attach receipts*
- \_\_\_ Alimony, separation or child support payments: *provide a copy of the agreement and **all** subsequent amendments or alterations and the social insurance number of the former spouse, and proof of payment*
- \_\_\_ Legal expenses incurred with respect to the support payments, *attach information*
- \_\_\_ Moving expenses (must move at least 40kms closer to new workplace/educational institution), *attach information*
- \_\_\_ Safety deposit box, *attach receipts*
- \_\_\_ Accounting fees, investment counsel and management, *attach receipts*
- \_\_\_ Childcare expenses (childcare expenses that were required to allow you to work). *Please provide the following details for each child: name, address and SIN (where applicable) of the person, organization, boarding school or camp to whom payments were made, the amount paid, and the number of weeks stayed*
- \_\_\_ Interest expenses (interest on loans used for investment purposes or for the purpose of earning income is generally deductible). *Please provide the following details: name and address of lender, purpose of loan, amount of original loan, amount owing at December 31, 2010, and the interest paid during the year*
- \_\_\_ Other deductions, *provide details and amounts*

Other Tax Credits

- \_\_\_ Disability deduction (*totally blind at any time during the year or confined to a bed or wheelchair throughout any 12 month period ending in the year*)  
Specify if the claim is for self, spouse or other dependant \_\_\_\_\_  
If you have not previously claimed a disability deduction, or if the period for which the disability was previously certified ended in 1996, you need to obtain and have your physician complete form T2201.
- \_\_\_ Medical expenses for any 12 month period ending in the year (if not reimbursed, include private health plan premiums, Blue Cross, travel health insurance), *attach receipts*
- \_\_\_ Charitable donations, *attach receipts*
- \_\_\_ Tuition fees, *attach receipts*
- \_\_\_ Student loans (interest paid on Canada or Provincial student loans during the year), *attach information*
- \_\_\_ Education and textbook deduction for self, *attach form T2202 from educational institution*

- Tuition fees and education deduction transferred from student, *attach receipts, form T2202 with back completed and signed by student, and copy of student's T1 personal tax return or information to prepare return*
- Gifts to Canada or a province, *attach receipts*
- Political contributions, *attach receipts*
- Adoption expenses, *attach receipts*
- Public transit passes, *attach monthly passes purchased and receipts*
- Children's Fitness Tax Credit (for children under age 16, minimum 8 weeks with one session per week, supervised, activities must have significant amount of physical activity contributing to "cardio respiratory endurance" plus one or more of muscular strength, muscular endurance, flexibility, or balance; disabled under age 18), *attach receipts*
- Amount for children born in 1993 or later (*How many children born in 1993 or later?*) \_\_\_\_\_
- Home Buyer's Amount (only homes purchased after January 27, 2009 and for which you and your spouse did not own a home since 2005 qualify), *attach proof of purchase such as lawyer's Statement of Adjustments*

**Instalments**

- Amount of tax paid by instalments for 2010, *attach a copy of most recent Statement of Account* \$ \_\_\_\_\_

**Foreign Reporting**

- Received funds from a foreign trust after 1995, or have ever transferred or loaned property to a foreign trust, *provide details*
- Own over 1% of a foreign corporation (including US LLC or LLP) or trust and together with related parties own over 10%, *provide details*
- U.S. Citizen or Greencard holder, or some other ties to a foreign jurisdiction, *provide details*

**Other Notes:**

---



---



---



---



---



---



---



---



---



---

## CONSENT FORM

I (we) consent to the electronic filing of my (our) 2010 personal tax return(s) and all future taxation years until such time as this authorization is revoked:

Yes  No

Are you a Canadian citizen?

Yes  No

Do you authorize Canada Revenue Agency to provide your name, address and date of birth to Elections Canada to update your information on the National Register of Electors? Under the Canada Elections Act, your information can also be shared with provincial/territorial election agencies, Members of Parliament and registered political parties, as well as candidates at election time.

Yes  No

How do you prefer to receive your income tax return?

*If you choose PDF, your return will be emailed to the email address indicated on page 1. Please note email may not be secure and Buchanan Barry LLP assumes no responsibility for same.*

Paper  PDF

Print Name \_\_\_\_\_

Sign Name \_\_\_\_\_

Date \_\_\_\_\_

## FOREIGN INCOME VERIFICATION STATEMENT

Did you own or hold specified foreign property at any time in 2010 with a total cost of more than \$100,000 (CAD)?

Yes  No

*If no, please sign below. If yes, please provide our office with the details.*

**Specified foreign property includes:**

- funds in foreign bank account;
- shares of Canadian corporations on deposit with a foreign broker;
- shares of non-resident corporations on deposit with a Canadian or foreign broker;
- land and buildings located outside Canada, such as a foreign rental property;
- precious metals, gold certificates, and futures held outside Canada;
- interests in mutual funds that are organized in a foreign jurisdiction;
- debts owed by non-resident persons, such as government or corporate bonds, debentures, mortgages, and notes receivable;
- an interest in or a right to any specified foreign property;
- property that is convertible or that can be exchanged for a right to acquire specified foreign property;
- an interest in a partnership where the share of income or loss of the partnership for non-resident members is 90% or more and the partnership holds specified foreign property;
- an interest in a non-resident trust or a non-resident trust deemed to be resident by section 94 of the Income Tax Act (discretionary trust);
- patents, copyrights and trademarks held outside Canada; and
- an interest in, or a right with respect to, an entity that is non-resident.

**Specified foreign property does not include:**

- property used or held exclusively in the course of carrying on an active business;
- personal-use property (i.e., property used primarily for personal use and enjoyment, such as a vacation property used primarily as a personal residence);
- an interest in a US Individual Retirement Account (IRA);
- shares of the capital stock, or indebtedness, of a non-resident corporation that is a foreign affiliate;
- an interest in, or indebtedness, of a non-resident trust that is a foreign affiliate;
- an interest in a non-resident trust that neither you nor a person related to you had to pay for in any way;
- an interest in a non-resident trust principally providing superannuation, pension, retirement or employee benefits primarily to non-resident beneficiaries, that does not pay income tax in the taxing jurisdiction where it is resident; or
- an interest in, or a right to acquire any of the above-noted excluded foreign property.

I certify that I did not own or hold a beneficial interest at any time in the 2010 taxation year of specified foreign property that had a total cost of more than \$100,000 (CAD).

Print Name \_\_\_\_\_

Sign Name \_\_\_\_\_

Date \_\_\_\_\_