



Dear Client:

RE: 2012 Personal Income Tax Return

It is once again time to prepare your personal tax return. The 2012 return is due **April 30, 2013**, unless you or your spouse (if applicable) was self-employed in 2012, in which case the return is due June 17, 2013. In all cases – self-employed or not – any tax owing is due by **April 30, 2013**, 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, 2013**) 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 will be filed electronically. **Due to changes to the *Income Tax Act*, we will be charged a penalty of \$25 by the Canada Revenue Agency if we fail to electronically file your 2012 personal tax return. If you elect to file in paper format, this penalty will be added to your invoice.** Please mark where indicated in the Personal Tax Organizer if you do not 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. Tax information is also available on our website www.buchananbarry.ca.

Yours very truly,

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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 electronic mailing list, please contact us. You may choose to receive the Tax Newsletter by email. The Tax Newsletter is also available for download on our website www.buchananbarry.ca

Here's a list of some of the topics we addressed in 2012.

January

- Changes for eligible dividends in 2012
- Changes to employee and shareholder benefit rules
- Shareholder loans
- Tax benefits for first-time home buyers
- Political donation tax credit
- CRA warns of "tax protester schemes"

February

- Recording your business automobile expenses
- Prescribed automobile amounts for 2012
- Employee loans
- CRA puts end to joint venture tax deferral

March

- "Rectification" – fixing tax mistakes
- No withholding tax on most interest paid to non-residents
- Gasoline tax refund for charities and persons with disabilities
- Spousal support – payments to third parties
- GST or HST on wheelchairs

April

- The capital gains exemption
- New RRSP penalties
- RRSP lifelong learning plan
- Transfer of dividend tax credit to spouse
- Donations of publicly-listed securities
- Public transit credit
- Apprentice tax credit

May

- Federal budget highlights
- Tax-free rollovers to certain types of trusts
- Home office expenses
- Associated corporation rules

June

- Convention expenses
- Tax preparers will have to file electronically
- HST changes: BC out, PEI in, Nova Scotia down
- Computer consultants
- Tax collection across international boundaries

July

- Principal residence exemption
- Moving expenses
- Carry-back of estate losses
- Non-arm's length transfers
- Tax-free rollovers between spouses
- Non-resident trusts

August

- Canada Revenue Agency closes telefile service
- Personal loans to your children
- Loss carryovers
- Personal use property
- Replacement property rules
- Partnership information returns
- Foreign exchange gains and losses

September

- Would you like some tax-free income?
- Charging GST or HST on disbursements
- Request a determination if you have a loss
- Employer-provided child care

October

- Making tax instalments
- Tax credits for people supporting infirm dependants
- Trusts for minors
- Taxation of employee stock options
- Reductions to investment tax credits

November

- Changes to employee profit sharing plan rules
- Transferring property to your corporation
- Allowable business investment losses
- Employer-paid tuition and related costs
- Capital cost allowance (tax depreciation)
- Employee gifts and awards

December

- Year-end tax planning ideas
- Be careful about not reporting all your income!
- GST on first nations reserves
- You can be liable for a family member's tax debts!

2012 PERSONAL TAX ORGANIZER

PERSONAL INFORMATION

Name _____

Address _____ SIN _____ - _____

_____ Date of birth (MM/DD/YY) _____ / _____ / _____

Email _____ Telephone (____) _____ - _____

Prov. of residence on Dec. 31, 2012 _____ Marital status _____

____ U.S. Citizen, Resident or Greencard holder, or some other ties to a foreign jurisdiction, *provide details*

If change of marital status in 2012 (MM/DD/YY): Date of marriage/union _____ Date of separation/divorce _____

Separation Agreement or Court Order? Yes ____ No ____ (Please provide a copy of agreement or court order, if applicable)

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 2012	Date of Birth (MM/DD/YY)	If over 18 & disabled? Nature of infirmity
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

REMINDERS!!!

- Please attach a copy of your 2011 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), *attach details/summary of income*
- ___ Allowable employment expenses (travel expenses, meal expenses, telephone, lodging, automobile expenses), *attach details of 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, T4A-RCA, T4RSP and T4RIF slips*

Do you wish to split your eligible pension income with your spouse? Yes___ No___

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 2012 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 schedule showing the calculation of net income for the year, and attach any slips (T4A, etc.)

- ☐ Farm income
- ☐ Business income
- ☐ Professional income
- ☐ Commission income
- ☐ Fishing income

Details of asset acquisitions (i.e., computer, automobile, equipment, furniture, capital improvements, etc.)

Is your business registered for GST/HST? Yes ☐ No ☐

If yes to above, would you like us to prepare your 2012 GST/HST return? Yes ☐ No ☐

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, the social insurance number of the former spouse, **and** proof of payment*
- ☐ Legal expenses incurred to establish or enforce the right to support payments, to collect or establish a right to employment income, pension benefits or a retiring allowance, *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, 2012, and the interest paid during the year*
- ☐ Other deductions, *provide details and amounts*

Other Tax Credits

- ☐ Disability amounts (*severe and prolonged impairment in physical or mental functions*)
 - Specify if the claim is for self, spouse or other dependant _____
 - If you have not previously claimed the disability amounts, or if the period for which the disability was previously certified ended in 1996, you need to have your physician complete form T2201, *Disability Tax Credit Certificate*.
- ☐ Medical expenses for any 12 month period ending in the year (if not fully reimbursed; include private health plan premiums, Blue Cross, and travel health insurance), *attach receipts*
- ☐ Charitable donations, *attach receipts*

- ___ Family caregiver amount (if you have a dependant with an impairment in mental or physical functions), *attach doctor's note*
 Specify if the claim is for spouse or other dependant _____
 For a child under 18 years of age, the impairment must be prolonged and indefinite and the child must be dependent on you for assistance to personal needs and care when compared to children of the same age.
- ___ Tuition fees, *attach receipts*
- ___ Student loans (interest paid on Canada or Provincial student loans during the year), *attach information*
- ___ Tuition, education and textbook amounts for self, *attach form T2202A, Tuition, Education, and Textbook Amounts Certificate or TL11A, Tuition, Education, and Textbook Amounts Certificate – University outside Canada from educational institution*
- ___ Tuition, education, and textbook amounts transferred from student, *attach receipts, form T2202A or TL11A with transfer section 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 amount, *attach monthly passes purchased and receipts*
- ___ Children's fitness amount (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*
- ___ Children's arts amount (for children under age 16, minimum 8 weeks with one session per week, supervised, activities must contribute to the development of creative skills or expertise in an artistic or cultural activity; or provide substantial focus on wilderness and natural environment; or help children to develop and use particular intellectual skills; or include structured interaction among children where supervisors teach or help children develop interpersonal skills; or provide enrichment of tutoring in academic subjects; disabled under age 18), *attach receipts*
- ___ Amount for children born in 1995 or later (*How many children born in 1995 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 2006 qualify), *attach proof of purchase such as lawyer's Statement of Adjustments*
- ___ Volunteer fire fighters' amount (minimum 200 hours of volunteer fire fighting services in the year; must obtain written certification confirming hours)

Instalments

- ___ Amount of tax paid by instalments for 2012, *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 entity (including US LLC or LLP) or trust and together with related parties own over 10%, *provide details*

Other Notes:

CONSENT FORM

I (we) consent to the electronic filing of my (our) 2012 personal tax return(s) and all future taxation years until such time as this authorization is revoked. *(Note, due to changes to the Income Tax Act, we will be charged a penalty of \$25 by the Canada Revenue Agency if we fail to electronically file your 2012 personal tax return. If you elect to file in paper format, this penalty will be added to your invoice.)*

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?

Paper ☐ PDF ☐

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.

Print Name

Sign Name

Date

FOREIGN INCOME VERIFICATION STATEMENT

Did you own or hold specified foreign property at any time in 2012 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 2012 taxation year of specified foreign property that had a total cost of more than \$100,000 (CAD).

Print Name _____

Sign Name _____

Date _____