



BUCHANAN BARRY LLP
CHARTERED ACCOUNTANTS

2016 Personal Income Tax Return

It is once again time to prepare your personal tax return. The 2016 return is due **May 1, 2017**, unless you or your spouse (if applicable) was self-employed in 2016, in which case the return is due June 15, 2017. In all cases – self-employed or not – any tax owing is due by **May 1, 2017** 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, 2017**) 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.**

Your completed 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 eligible to be filed electronically). We are obliged by law to have a signed copy of the electronic filing consent form on hand before electronically filing your return. **Please review, sign and return the electronic filing consent form to us as soon as you receive it.**

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

Principal Residence

The rules regarding the reporting of principal residence sales or transfers have changed.

Starting in 2016, taxpayers are required to report the disposition of their principal residence regardless of whether or not any gain resulting from the disposition is fully sheltered from tax by the “principal residence exemption”.

Please refer to the **Principal Residence Disposition** section of the enclosed organizer if you have disposed of your principal residence in 2016.

Should you have any questions regarding the preparation of your personal tax return, or the information contained herein, please contact us: (403) 262-2116 or mailbox@buchananbarry.ca.

Tax information is also available on our website www.buchananbarry.ca.

Thank you for the opportunity to be of service again this tax season!

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



Direct Deposit for Government Payments

The Government of Canada is switching from cheques to direct deposit for all government payments, including tax refunds and credits. To avoid the inconvenience of a missed or late tax refund or credit, you should consider direct deposit. Sign up instructions and forms are available on the Canada Revenue Agency's website: <http://www.cra-arc.gc.ca/directdeposit/>.

Alternatively, we can set-up your direct deposit information when preparing your income tax return. To have us do so:

1. Please indicate on your tax organizer that you wish to be enrolled in direct deposit; and
2. Please attach a VOID cheque to the organizer.

Buchanan Barry LLP publishes a monthly Tax Newsletter with easy to understand tax information.

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 2016.

- Tax-free transfers of property to your corporation
- Capital dividends
- Employee car allowances and benefits
- Principal residence exemption
- Allowable business investment losses (ABILs)
- Foreign investment reporting: simplified version
- Prescribed interest rates
- The "first-time" home buyer's credit
- Capital gains or income?
- Proposed amendments to donation rules for estates
- The dividend tax credit
- Taxation and partnerships
- Low-interest employee loans
- Replacement property rules
- The capital gains exemption
- Reserves for receivables
- Tax breaks for persons with disabilities
- Do you make donations to U.S. charities?
- Gasoline tax refund for charities and for persons with physical disabilities
- Spousal support – payments to third parties
- Can you sue the CRA?
- Deducting your car expenses
- Earned income for RRSP vs. child care purposes
- Gains and losses from personal-use property
- Tax-free savings accounts (TFSAs)
- Moving expenses
- Loss carryovers
- Affiliated persons (for superficial loss rules)
- Stock dividends
- Prescribed interest rates
- You can be liable for a family member's tax debts!
- A tip if you have a corporation and no employment income
- Non-compliance in the real estate sector
- Changes to eligible capital property rules
- Foreign exchange gains and losses
- What happens on a change of control of a corporation?
- New rules for "switch funds"
- New testamentary trust rules in full swing
- Changes to principal residence rules for non-residents
- New reporting rule for principal residence
- Income attribution rules
- Kiddie tax on minors
- New rules for "linked notes"
- Paying non-residents – watch out for withholding tax!
- Foreign bank accounts to be reported worldwide
- Do you have to charge GST/HST if you have only a little business income?
- Simplified instalments if you have the cash

Foreign Property

The reporting requirements for “specified foreign property” can be very onerous to comply with which may result in additional fees because of the additional time involved. Failure to properly report “specified foreign property” can attract significant adverse tax consequences.

Even property held in Canada can constitute “specified foreign property”, such as shares of U.S. or European corporations held in a Canadian investment account or debts owed by non-residents. Please refer to the **Foreign Income Verification Statement** section of the enclosed organizer if you had “specified foreign property” with an aggregate cost greater than \$100,000 CAD at any time during 2016.

2016 PERSONAL TAX ORGANIZER

PERSONAL INFORMATION

Name _____

Address _____ SIN _____ - _____ - _____

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

Email _____ Telephone (_____) _____ - _____

Prov. of residence on Dec. 31, 2016 _____ Marital status _____

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? **Yes** **No**

Are you or your spouse a U.S. Citizen, Resident or Greencard holder, or have some other ties to a foreign jurisdiction? **Yes** **No**

If yes, provide details _____

Have you spent more than 30 days in the U.S. in any of the last three (3) years? **Yes** **No**

If yes, please provide the number of days spent in the U.S. in each of the three (3) years: 2014 - _____ 2015 - _____ 2016 - _____

If change of marital status in 2016 (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/COMMON-LAW PARTNER INFORMATION

Spouse's name _____ SIN _____ - _____ - _____

Spouse's birth date (MM/DD/YY) _____ Spouse a Canadian citizen? **Yes** **No**

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

Provide spouse's name, address, DOB to Elections Canada? **Yes** **No**

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)*

| Dependant's Name | SIN | Relationship | Net Income | Date of Birth (MM/DD/YY) | Disability, if any |
|------------------|-------|--------------|------------|--------------------------|--------------------|
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |

DIRECT DEPOSIT

- Please enroll me/us in direct deposit. *Attach a void cheque for each bank account to which refunds are to be directly deposited. Indicate the name(s) of the individual(s) for whom each account applies on the cheque.*

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, meal, telephone, lodging, automobile), *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 2016 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, 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

Provide 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 2016 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 40 km closer to new workplace/educational institution), *attach information*
- 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, 2016, 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 in attending 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*
- Home Buyer's Amount (only if you or your spouse did not own a home since 2011), *attach proof of purchase such as lawyer's Statement of Adjustments*
- Home Accessibility Expenses (for expenses incurred to renovate or alter a house regularly inhabited by a person who either qualifies for the disability tax credit or who is 65 years of age or older. Said renovations must allow the qualifying individual to gain access to or function within the home or to reduce risk of harm), *attach receipts*
- Eligible educator school supply amount (teacher or early child educator working in Canada; purchases must be for teaching supplies and must have a statement from employer attesting to the eligible supplies expense), *attach receipts*
- Volunteer fire fighters' amount or search and rescue volunteers' amount (minimum 200 hours of volunteer fire fighting or search and rescue services in the year; must obtain written certification confirming hours)

Principal Residence Disposition

- Principal residence disposition, *please attach details including: address, gross proceeds of sale, and year principal residence was acquired. If you are not designating the property as being your principal residence for all years owned, also include: expenses of sale, original cost, and valuation date value if owned prior to 1972, and the years for which it is designed as principal residence.*

Instalments

- Amount of tax paid by instalments for 2016, *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

- Please include additional pages for any tax information not included in the above.

FOREIGN INCOME VERIFICATION STATEMENT

YOU MUST COMPLETE THIS SECTION

Check one:

No, I did **NOT** own or hold “specified foreign property” with a total cost of more than \$100,000 CAD at any time in 2016?

Yes, I owned or held “specified foreign property” with a total cost of more than \$100,000 CAD at any time in 2016?

If yes, check one:

I will prepare my own foreign income verification statement.

I want Buchanan Barry LLP to prepare my foreign income verification statement.

If we are to prepare your foreign income verification statement please provide the following details for each and every individual “specified foreign property” you owned or held at any time in 2016. You may wish to provide us with the statements for your investment account(s) in which you held foreign securities as the statements should contain these details.

| Description of property (1) | Financial Institution (2) | Country (3) | Maximum Cost Base During 2016 (4) | Cost Base at Dec. 31, 2016 (5) | Income/(Loss) (6) | Capital Gain/(Loss) (7) |
|--------------------------------|------------------------------|----------------|--------------------------------------|-----------------------------------|----------------------|----------------------------|
|--------------------------------|------------------------------|----------------|--------------------------------------|-----------------------------------|----------------------|----------------------------|

1. A description of the property (i.e. funds held on deposit, name of foreign corporation of which shares are held, etc.);
2. The name of the financial institution holding the property noted in 1 above, if applicable;
3. The country in which the property is held;
4. The maximum cost base of the property during 2016;
5. The cost base as at December 31, 2016;
6. Any income or loss from the property for 2016; and
7. Any capital gain or loss from the disposition of the property in 2016.

For specified foreign property held in an account with a Canadian registered securities dealer or a Canadian trust company, the following information is required:

1. The name of the registered security dealer / Canadian trust company;
2. The country from which the foreign property originates;
3. The maximum fair market value of the property during 2016;
4. The fair market value of the property as at December 31, 2016;
5. Any income or loss from the property for 2016; and
6. Any capital gain or loss from the disposition of the property in 2016.

***Timesaver:** Your Canadian registered securities dealer or Canadian trust company may be able to provide you with a report that contains the necessary information to complete the foreign income verification statement.*

“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.

CAUTION!

In addition to significant penalties that can be assessed by the Canada Revenue Agency in the case of a failure to disclose specified foreign property, note that the **reassessment period of an individual taxpayer can be extended from the normal three (3) years to six (6) years** where “specified foreign property” is not properly reported to the Canada Revenue Agency.

CERTIFICATION

I certify that the information contained herein is accurate and complete, and I acknowledge that I am solely responsible for the accuracy and completeness of this information and the information contained in my 2016 income tax return prepared by Buchanan Barry LLP.

Print Name _____

Sign Name _____

Date _____