



BUCHANAN BARRY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

2023 Personal Income Tax Return

It is once again time to prepare your personal tax return. The 2023 return is due **April 30, 2024**, unless you or your spouse (if applicable) were self-employed in 2023, in which case the return is due June 17, 2024. In all cases – self-employed or not – any tax owing is due by **April 30, 2024** 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, 2024**) 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 to assist in timely-filing.**

The Government of Canada requires all payments and remittances made to the Receiver General, **in excess of \$10,000, to be made through electronic means**, including in person at a financial institution, online using your financial institution's online banking service or using the CRA My Payment service. Failure to do so may result in a \$100 penalty per failed attempt.

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

Underused Housing Tax (UHT)

Residential property owners that are affected by UHT have until April 30, 2024, to file their returns and pay the tax for the 2023 calendar year.

The filing and payment deadline for UHT returns for the 2022 calendar year was extended to April 30, 2024. Residential property owners that are affected by UHT also have until April 30, 2024 to file their returns and pay the tax, if they have not already done so, without being charged penalties or interest.

Bare Trusts Subject to New Reporting Rules

A bare trust exists where a person, the trustee, is merely vested with the legal title to property and has no other duty to perform, or responsibilities to carry out, as trustee in relation to the property vested in the trust. Examples of bare trust arrangements may include, but are not limited to, a joint account holder for a senior to facilitate financial management, an account holder for an in-trust account, registration on title for real property where they have no beneficial ownership (such as a child or elderly parent).

Bare trusts are required to file a T3, *Trust Income Tax and Benefit Return* for the 2023 taxation year. The return filing deadline is March 30, 2024. Significant penalties can be assessed if the return is not filed or filed late.

Should you have any questions regarding the preparation of your personal tax return, or the information contained herein, please contact your designated Buchanan Barry team member. General inquiries can be made at (403) 262-2116 or mailbox@buchananbarry.ca.

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

First Home Savings Account (FHSA)

The FHSA offers prospective first-time home buyers the ability to save \$40,000 tax-free. Like RRSP's, contributions to an FHSA are tax deductible. Like TFSA's, income and gains inside an FHSA as well as withdrawals are tax-free. Contributions are limited to \$8,000 annually to a lifetime maximum of \$40,000. To open an FHSA you must be at least 18 years of age, resident in Canada, and be a "first-time home buyer". Contact your bank or financial institution if you think you or a loved one might qualify.

Buchanan Barry LLP publishes a monthly Tax Newsletter with easy to understand tax information. The Tax Newsletter and additional information is available on our website www.buchananbarry.ca. Here's a list of some of the topics we addressed in 2023:

- Aggressive tax planning gets more risky
- Are you a director of a corporation?
- "Assigning" a residential purchase agreement
- Bare trust and nominee agreements
- Bare trust dangers
- Budget 2023 – Interest proposals and potential tax increases
- Buying a truck for your business near year-end?
- Can you borrow money from your RRSP without paying tax on the withdrawal?
- Capital gains or income?
- Change to corporate paper filing limit
- Family businesses and the capital gains exemption
- Finding a mistake in a past year's tax return
- Foreign tax credit – Foreign tax must be mandatory
- Getting CRA to waive/cancel penalties and interest
- GST/HST – Risks of dealing with a shady supplier
- Hidden benefits of life insurance
- HST quiz – Is your business charging it properly?
- Liang v. The Queen is a crucial case
- Mandatory reporting rules now in effect
- Moving expenses
- Not paying instalments can be costly!
- Open FHSA account from April 1, 2023
- Philanthropic New Year's resolutions
- Residential property flipping
- Shareholder agreements
- Shareholder remuneration
- Should you file if you can't pay?
- Simplified instalments if you have cash
- Some end-of-year tax considerations
- Tax-free FHSA - \$40k limit
- Tax tips when you make investments
- Taxable benefits updates
- Tip if you have a corporation and no salary
- Understanding limitations of tax shelters
- Underused housing tax
- Watch out for short taxation years
- What if you disagree with the CRA?
- You can be liable for a family member's tax debts

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, including a late filing penalty of \$25 a day to a maximum of 100 days (*i.e.* \$2,500). Please note that the information return to report "specified foreign property" is required to be filed by the same date as your personal income tax return.

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 2023.

Direct Deposit for Government Payments

Enrollment instructions and forms are available on the Canada Revenue Agency's website (we are unable to enroll you on your behalf): <https://www.canada.ca/en/revenue-agency/services/about-canada-revenue-agency-cra/direct-deposit.html>.

2023 PERSONAL TAX ORGANIZER

PERSONAL INFORMATION

Has your address changes since we last filed? **Yes** ☐

Name _____

Address _____ SIN _____ - _____ - _____

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

Email _____ Telephone (_____) _____ - _____

Prov. of residence on Dec. 31, 2023 _____ Marital status _____

Are you a Canadian citizen? **Yes** ☐ **No** ☐

Do you authorize Canada Revenue Agency to provide your name, address, date of birth and citizenship to Elections Canada to update the National Register of Electors? This authorization is valid until you file your next tax return. **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: **2021** - _____ **2022** - _____ **2023** - _____

If change of marital status in 2023 (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** ☐

Spouse's Email _____ Telephone (_____) _____ - _____

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 23600 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
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

(Attach an additional page if insufficient space)

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, mileage log), *attach details of expenses and T2200.*
(In order to claim employment expenses, you must have your employer complete and sign form T2200)
- ☐ Temporary relocation expenses (temporary lodging, transportation, meals) for eligible tradespeople or apprentices working in the construction industry and eligible for the labour mobility deduction, *attach details of expenses.*
- ☐ Home office expenses (rent, utilities, condo fees, minor repairs, office supplies, home internet fees, use of basic cell phone plan and long-distance charges, etc. directly related to your work), *attach details of expenses and form T2200.*

The "flat rate method" to calculate home office expenses is no longer available. In order to claim home office expenses as employment expenses, you must have your employer complete and sign form T2200 and confirm the following:

Did you work from home more than 50% of the time for a least four (4) consecutive weeks? Yes ☐ No ☐
The expenses provided were directly related to your work. Yes ☐ No ☐

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?

- o Both taxpayers must be married or in a common-law partnership with each other in the year.
- o 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?

- o Eligible pension income is the taxable part of annuity payments from a superannuation or pension fund or plan, and
- o 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.
- o ***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.*
- ☐ 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.*

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.*

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 amount, copy of the agreement and **all** subsequent amendments or alterations.*
- ☐ Employment Insurance benefits, *attach T4E 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
- ☐ Asset acquisitions (*i.e.*, computer, automobile, equipment, furniture, capital improvements, *etc.*), *attach details or receipts.*
- ☐ Is your business registered for GST/HST? **Yes** ☐ **No** ☐

*If yes to above, would you like us to prepare your 2023 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.*
- ☐ First Home Savings Account (FHSA) contributions and/or qualifying withdrawals, *attach receipts and T4FHSA slips.*
*Have you opened an FHSA account without making a contribution? **Yes** ☐*
- ☐ 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.*
- ☐ Accounting fees, investment counsel and management, *attach receipts.*
- ☐ 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, 2023, and the interest paid during the year.
- ☐ 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.*
- ☐ Moving expenses (must move at least 40 km closer to new workplace/educational institution), *attach information.*
- ☐ 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.*
- ☐ Employment expenses, tradesperson's tools, *provide details and amounts, and T2200 from employer.*
- ☐ COVID-19 benefit repayments made after December 31, 2022, *attach T4A slip or letter from Service Canada.*
- ☐ Other deductions, *provide details and amounts.*

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 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*.
- ☐ Political contributions, *attach receipts*.
- ☐ Gifts to Canada or a province, *attach receipts*.
- ☐ Digital News Subscription Expenses, *attach receipts*.
- ☐ Tuition amounts for self, *attach form T2202, Tuition and Enrolment Certificate or TL11A, Tuition and Enrolment Certificate – University outside Canada from educational institution*.
- ☐ Tuition amount transferred from student, *attach receipts, form T2202 or TL11A with transfer section **completed and signed by student**, and copy of student's T1 personal tax return or information to prepare return*.
- ☐ Student loans (interest paid on Canada or Provincial student loans during the year), *attach information*.
- ☐ 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*.
- ☐ Home Buyer's Amount (only if you or your spouse did not own a home in 2023 or the four (4) preceding calendar years), *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*.
- ☐ Multigenerational home renovation tax credit (MHRTC), *attach receipts for qualifying expenditures (i.e. reasonable expenses directly attributable to a qualifying renovation, paid and incurred after December 31, 2022) for a qualifying renovation*.
- ☐ Canada 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.
- ☐ Adoption expenses, *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).

Instalments

- ☐ Amount of tax paid by instalments for 2023, *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.

Underused Housing Tax Return

- ☐ Please check if you would like us to prepare your UHT return(s), *attach a copy of the most recent municipal tax assessment notice of any properties requiring a UHT return*.

FOREIGN INCOME VERIFICATION STATEMENT

YOU MUST COMPLETE THIS SECTION AND SIGN THE CERTIFICATION 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 2023.

☐ Yes, I owned or held “specified foreign property” with a total cost of more than \$100,000 CAD at any time in 2023.

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 2023. 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 2023 (4)	Cost Base at Dec. 31, 2023 (5)	Income/(Loss) (6)	Capital Gain/ (Loss) (7)
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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 2023;
5. The cost base as at December 31, 2023;
6. Any income or loss from the property for 2023; and
7. Any capital gain or loss from the disposition of the property in 2023.

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 2023;
4. The fair market value of the property as at December 31, 2023;
5. Any income or loss from the property for 2023; and
6. Any capital gain or loss from the disposition of the property in 2023.

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!

Regardless of whether or not you owe taxes, the Foreign Income Verification Statement is **due by your tax filing deadline**. The **late filing penalty is \$25 a day to a maximum of 100 days (*i.e.* \$2,500)**. In addition to the late filing penalty, and other 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 2023 income tax return prepared by Buchanan Barry LLP.

Print Name _____

Sign Name _____

Date _____