

Stanley Accounting's Annual Personal Tax Newsletter – IMPORTANT INFORMATION

Welcome to our personal tax update for 2021 returns. Please take the time to review this newsletter, which includes valuable information, tips, and checklists for you to follow when preparing your personal tax package for us. Your interest and attention to the following information will assist us in making this personal tax season run more smoothly. Helping you be better prepared and organized will avoid unnecessary delays and frustrations during this extremely busy time in our office. We appreciate your cooperation. The best organized personal tax packages will be entered into our draw for a \$200 gift certificate that may be used towards next year's personal taxes prepared by us.

This year we are inviting our clients to use our new TaxFolder portal to send us your personal tax documents electronically. An invitation to TaxFolder has been sent to you by our office with an email explaining the program, its ease of use, and benefits. If you have not received it, please let us know. As you continue to read and review this newsletter, you will find important instructions/information on the best way for you to organize and share your documents via the portal.

Organizing your Documents

- Please use the attached checklists and forms to make sure you are providing us with all the necessary information all at once. Providing us with complete documents saves us time. **This also applies when using the TaxFolder portal and/or sending your information to us electronically. Please ensure your package is organized and complete before sending it to us. The fewer attachments or folders, we receive the better. Please make sure all attachments or folders are labelled depending on their contents (i.e.: Client Info Form, T-slips, investments, donations, medical receipts, etc.) Please fully fill out, sign, and date our newly updated information form, which is now in a convenient fillable format. We require all clients to fill out this form and submit it to us before we begin to process their tax return.**
- If you do bring your tax documents in (hard copy), please **DO NOT staple any of your tax information/receipts**, as they must all be scanned before your tax return is prepared. When your documents are stapled, it adds time to process the return. Consider using paper clips instead. Also please leave all your slips intact. **DO NOT separate or cut tax slips (income, donation slips)**. We scan your information, and everything submitted to us will be returned to you with your completed tax return package. Full pages are easier to scan for us.

Investments

- Request a detailed year-end summary from your financial advisor including management fees paid & a gains/loss report. Foreign property & investments require a separate summary to complete the T1135 form (ask your financial advisor – see attached Foreign Property & Investment document).
- Provide adjusted cost base of shares sold in the year.
- Reconciling investments is a detailed and time-consuming process that is billed separately on your invoice.

Medical Receipts

- Organize receipts by date & the type of service. Provide a clear and concise total for each family member per type of service.
- Request a prescription summary for each family member from your pharmacy.
- Request a claims summary for the year for each family member from your insurance company. You may be able to print your summary through your insurance company on-line portal.
- Include insurance premiums paid by you and not reimbursed by your employer.
- Neatly organized medical expenses save time, money and provide greater accuracy. If summaries are provided, we will not have to enter each individual item. Alternatively, we charge for the verification & input of each receipt as a separate item.

Donations

- If you have a large amount of donation receipts, please remember that Stanley Accounting charges for every slip we include in your tax return above our base price (slips must be verified & input).

Taxable COVID-19 Income, Support and Benefits

- Official tax slips may have been issued to some, but not all. Please provide details including the amounts received and the period to which they relate on Federal, provincial/territorial, and other support benefits you received in 2021. Please also provide any details on any repayments of these benefits.

Drop-off & Pick-up

- You may scan (do not take photos) your personal tax information/documentation & deliver it to us through TaxFolder in one complete package, including all the forms we ask you to fill out (client information form attached. When we complete your tax return, our office will notify you and will send your completed tax return, forms that must be signed, and your invoice electronically via TaxFolder as well. You will not receive a hard copy of your tax return.
- There is a drop box on the wall outside of our office that can be used during regular business hours (our building is open 8 am to 8 pm Mon. to Sat.).
- Finally, you may drop off your documents at our reception, but must wear a mask and adhere to the provincial COVID-19 protocols. We are continuing to minimize face to face meetings and rotating staff members working at our office. Keeping everyone safe and healthy is our top priority. Please include any questions you may have in your tax package and you will be contacted by the accountant that will be working on your file.
- **Please DO NOT forget to fill out our newly updated personal information form.** If we have incorrect information, it will cause delays! The personal tax information form is attached for your convenience, please fill it out, sign, date it and include it with your tax package. We must have this completed form before we begin work on your tax return.
- If you do not wish to use Tax Folder and drop off your tax package in person or via the drop box, our office will contact you when your tax return is completed, ready for pick-up & signatures.

New Canada Revenue Agency (CRA) Tax Credits, Deductions & Reminders

- 1. Canada Recovery Benefit (CRB)** applicant must repay 50% of income earned in that year above \$38,000, up to the total amount of CRB received by them in the year. For example, if you earned \$50,000 total income minus your CRB received (i.e.: \$4,000) gives you \$46,000. The threshold is \$38,000, so this \$38,000 will be subtracted from your total income (i.e.: \$46,000), which gives you \$8,000 of which 50% must be repaid. If this applies to you, your CRB repayment will be calculated on your tax return and added to your tax liability. To mitigate this, we recommend making an RRSP contribution by March 1, 2022, in the amount over and above the \$38,000 threshold.
- 2. Working from home due to the COVID-19 Pandemic Deduction:** There are two options for this deduction. Option 1, the flat rate method, is recommended by us, at \$2.00/day to a maximum of \$500 per year. For Option 1, T2200S form could be completed by client. If you are interested in Option 2, the detailed method, T2200 form must be completed and signed by your employer.
- 3. Federal Climate Action Incentive (CAI) Payments for Albertans:** In 2021 and onwards, the government will deliver the CAI as quarterly payments to you directly and, therefore, it will not be claimed on a personal tax return. Expect your first cheque this summer.
- 4. Eligible educator school supply tax credit:** This refundable tax credit was increased from 15% to 25% of up to \$1000 in eligible expenditures, and the list of eligible supplies was expanded to include some durable goods and electronic devices, such as webcams, microphones, speakers, and data storage devices.
- 5. Reporting the sale of your principal residence or other real property:** Please provide proceeds of disposition, a description of the property, and year the property was acquired. If disposing of other real property, please provide cost of the property in addition to the requirements listed above. This is required even if there is no gain on the disposition of the property. In addition, please indicate if you have change-in-use of your property. This could include, converting some or all of your principal residence into an income earning property, such as a rental suite. It could also include converting a property used for short-term rentals, such as AirBnB or VRBO, to long-term rentals.
- 6. Canada Caregiver amount claims – Federal vs. Provincial:** For 2017 and subsequent years, the Canada Caregiver Credit consolidates the Caregiver Credit, the Infirm Dependant Credit, and Family Caregiver Credit. The amounts for this new credit generally mirror the amounts that could have been claimed under the prior set of credits. The primary differences between the new consolidated credit and prior credits are that under the consolidated credit, the dependant will not be required to live with the caregiver to claim the credit, and the dependant is required to be infirm. The new credit no longer allows claims in of non-infirm seniors (65 years of age) who reside with their adult children, which would have been available under the previous caregiver credit.
- 7. Home Accessibility Tax Credit:** For 2016 and subsequent tax years, you can claim a non-refundable tax credit for eligible expenses incurred for work performed or goods acquired for a qualifying renovation of an eligible dwelling of a qualifying individual (eligible for the disability credit or aged 65 or older at the end of the year).

Important Dates to Remember

March 1, 2022

CRA Deadline for 2021 RRSP Contributions

March 1 - 31, 2022 We appreciate receiving your tax documents by the end of March, if possible.
April 19, 2022 Our deadline for receipt of documents to guarantee filing by the CRA deadline of May 2, 2022.
May 2, 2022* CRA Deadline – 2021 Income Tax Filing and Payment of Taxes Owed
June 15, 2022 CRA Deadline – 2021 Income Tax Filing for Self-Employed Individuals/Sole Proprietors

*Interest & penalties will apply to all 2021 personal tax returns filed late (after May 2).

Installment Payment Due Dates (if applicable)

March 15, June 15, Sept.15, and Dec. 15, 2022

Finally, on October 7, 2021, Canada Border Services Agency (CBSA) issued a News Release warning scammers using false CBSA credentials in email and telephone scams. Scams noted include requesting payments for ArriveCAN services for travellers arriving in Canada and Electronic Travel Authorization (eTA) used by Visa-exempt foreign nationals.

CRA has released tips on how to tell you've been contacted by the CRA, and what to do if you are. For example, telling the caller to verify their identity, asking for the caller's name, phone number, and office location, calling the CRA from the official CRA website to verify the call was legitimate, and calling the CRA employee back. For more information, please visit:
<https://www.canada.ca/en/revenue-agency/campaigns/fraud-scams.html>

Thank you for carefully reading this email and using it and our important attachments to organize and inform yourselves. It will greatly help make this tax season a success!

Attachments included are:

Client Information Form (newly updated & electronically fillable) – must be completed,
Personal Tax,
Sole Proprietor,
Rental Property, and
Foreign Property Checklists.