



CROSS & COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS
A PROFESSIONAL CORPORATION

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February 23, 2018

Dear Valued Client:

It is our pleasure to welcome you as a new or returning client.

The April 30, 2018 deadline for filing 2017 personal income taxes is rapidly approaching. Now is the time to begin gathering the information necessary to complete your returns.

We have enclosed a newly updated tax checklist and are asking all clients to review the checklist and complete all applicable information. This will assist our Firm with ensuring you receive all deductions and credits you are eligible for to maximize your tax position while allowing us to complete your return in a timely manner.

We have also enclosed an information sheet with important changes to personal tax credits and reporting requirements. In our checklist there are specific sections for **self-employed individuals**, those with **rental income**, or those with **employment expenses**. We suggest you review our information sheet enclosed to make sure you are aware of all of the deductions that are available to you before completing these checklists.

Please note that all documents returned to you after completion of your personal income tax return should be retained in your files for a period of ten years. We do not keep copies of all documentation provided to us.

For more information or if you have any questions or concerns, please contact our office or visit our website www.crossandco.ca.

We look forward to being of service to you this tax season.

Sincerely,

CROSS & COMPANY

Jared J. Cross, CPA, CGA

www.crossandco.ca

FOR INFORMATION PURPOSES

Bitcoin or Digital Currency Transactions

Please note that taxation rules apply to digital currency transactions and income associated with digital currency can be taxable as business income or as capital (investment) income depending on the nature of the transactions and a number of considerations including intention and course of conduct. Please provide the details of any digital currency transaction during 2017 with your tax documents.

Sharing Economy

Sharing economy arrangements are generally booked using online platforms through a third party, using a website or a software application and can take such forms as accommodation (Airbnb), transportation (Uber), making and selling goods (Mary Kay), and peer/crowdfunding for business purposes (GoFundMe). Those involved in this economy are subject to applicable income tax and GST/HST reporting requirements and CRA is co-operating with certain platforms (such as PayPal) to address areas where the tax system and compliance might be affected. Please provide any income generating activities conducted in the sharing economy on the attached checklist in the “self-employed” section.

Principal Residence Transactions

For 2016 and future years, the Government removed the exemption for the reporting of sales of individual’s principal residences. If you have sold or are deemed to have sold your principal residence during the year, this transaction is required to be reported on your personal tax return in order to claim the principal residence exemption from taxation. Failure to report the transaction will make the sale taxable. Please complete this section of the attached checklist if this applies to you for 2017.

Allowable Motor Vehicle Expenses

You can deduct motor vehicle expenses if you meet all of the following conditions:

1. You were normally required to work away from your employer’s place of business or in different places.
2. Under your contract of employment, you had to pay your own motor vehicle expenses. You are not considered to have paid your own motor vehicle expenses if your employer reimburses you or you refuse a reimbursement or reasonable allowance from your employer.
3. You did not receive a non-taxable allowance for motor vehicle expenses.
4. You keep with your records a copy of form T2200, Declaration of Conditions of Employment, which has been completed and signed by your employer.

If you use a motor vehicle for both business and personal use, you can only deduct the percentage of expenses related to earning income, which does not include driving back and forth between home and work, and a vehicle log is required to track to your mileage. This log is required to list the date, destination, purpose, and number of kilometers you drive for each business trip. You should also include the odometer readings at the start and end of year.

T1135 Foreign Income Verification Statement

You are required to submit a T1135 Foreign Income Verification Statement if at any time in the year the total cost amount of all specified foreign property was more than \$100,000 (Canadian). This can include, and is not limited to, funds held outside of Canada, Shares held in non-resident corporations, Indebtedness owed to you by a non-resident, interests in non-resident trusts, real property outside of Canada, and Property held in an account with a Canadian registered securities dealer or a Canadian trust company. This form is due on the same date that your personal tax return is required to be filed and there are penalties if the form is filed late. If you believe you may be required to file this form, please check the applicable box on the checklist and provide the associated details with your tax documents.

Canada Caregiver Amount

For 2017 and subsequent years, the new Canada caregiver consolidates the old caregiver credit, infirm dependent credit, and family caregiver tax credit and will generally mirror the amounts that could have been claimed under the old credits. The two primary differences of the new credit is that the dependent will not be required to live with the caregiver to claim the credit and the dependent must be infirm. Please note on the checklist if any of your dependents are infirm.

Children's Fitness Tax Credit

While the Federal Children's Fitness Tax Credit has been eliminated for 2017 and future years, the BC Children's Fitness Tax Credit is still available for one last year in 2017 and then will be eliminated for 2018. If your child is enrolled in a supervised physical activity program (i.e. soccer, hockey, etc.) that runs for at least 8 weeks, or a camp that runs for at least 5 days, you will be eligible to claim the lesser of the accumulated cost of the activities or \$500 per child under the age of 16 (maximum of \$1,000 if the child is eligible for the disability tax credit).

Children's Arts Tax Credit

While the Federal Children's Arts Tax Credit has been eliminated for 2017 and future years, the BC Children's Arts Tax Credit is still available for one last year in 2017 and then will be eliminated for 2018. If your child is enrolled in a program that contributed to your child's development of creative skills, artistic or cultural activity, wilderness activities, or tutoring in academic subjects and runs for at least 8 weeks, is supervised and is not part of a school program, you will be eligible to claim the lesser of the accumulated cost of the programs or \$500 per child under the age of 16 (maximum of \$1,000 if the child is eligible for the disability tax credit).

Volunteer Firefighters and Search & Rescue Volunteer Tax Credit

If you have volunteered more than 200 hours in 2017 as a volunteer firefighter, or as part of Search & Rescue, you will be eligible for a \$3,000 non-refundable tax credit. The hours volunteered for both search and rescue and firefighter activities can be combined to claim the credit. If this applies to you, please check the applicable box on the checklist.

Tax-Free Savings Accounts (TFSA)

For the 2017 tax year, individuals 18 years of age and older may deposit up to \$5,500 into a Tax-Free Savings Account for a total of \$57,500 cumulative from 2009. Please note that there are certain activities within a TFSA can result in the income generated within the account being taxable such as over contributions, non-qualified or prohibited investments, and advantages. Please consult your investment advisor for more details to ensure the above does not apply to your accounts.

Repeated Failure to Report Income Penalty

Please be aware that for 2017, a taxpayer who fails to report an amount that is required to be included in income, and who had previously failed to report an amount in any of the three preceding tax years, may be liable for a repeated failure to report income penalty equal to the lesser of:

- 10% of the unreported amount
- 50% of the difference between the understated tax (and/or overstated credits) related to the unreported amount and the amount of tax withheld related to the unreported amount

If you did not report an amount of income of \$500 or more for a tax year, it will be considered a failure to report income. Please let us know if you have unreported income as we may be able to assist in mitigating these penalties.

My Account for Individuals

The “My Account” E-service offered by CRA allows you to track your refund, view or change your return, check your benefit and credit payments, view your RRSP limit, set up direct deposit, receive online mail, set up a payment plan, and so much more. You can register at <https://www.canada.ca/en/revenue-agency/services/e-services/e-services-individuals/account-individuals.html>.

Direct Deposit

CRA is encouraging taxpayers to sign up for direct deposit and it is recommended that you enrol as CRA works to phase out cheques. Your new or updated direct deposit information can be electronically filed with your 2017 personal tax return. Please note, if you already receive government credits and refunds via direct deposit, you are not required to re-enrol each year. If you would like to sign up or update your account information, please check the applicable box on the checklist and provide a void cheque or a pre-authorized debit form from your bank.

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CHARTERED PROFESSIONAL ACCOUNTANTS

2017 PERSONAL INCOME TAX CHECKLIST

Name: _____

Phone #: _____

Email address: _____

What is your preferred contact method? _____

Province of residence on December 31, 2017 _____

Do you live in a prescribed zone for the Northern Residents Deductions? Yes No

Do you own foreign property with a cost in excess of \$100,000? Yes No

Are you a Canadian citizen? Yes No

Are you a U.S. citizen, Green Card Holder, or were you, or your parents born in the US? Yes No

Are you required to file a tax return in another country? If yes, provide copy of return Yes No

Did you reside within Nisga'a Lands on December 31, 2017? Yes No

Indicate your marital status on December 31, 2017

Would you like us to provide info to Elections Canada?

Married Widowed

Yes No

Living common-law Divorced

Would you like to enrol or update your Direct Deposit with CRA?
(if yes, include void cheque or pre-authorized debit form from bank)

Single Separated

Yes No

Do you have any dependants?

	Dependant #1	Dependant #2	Dependant #3
Name	_____	_____	_____
Birthdate (dd/mm/yyyy)	_____	_____	_____
SIN	_____	_____	_____
Infirm? (Y/N)	_____	_____	_____
Shared Custody? (Y/N)	_____	_____	_____
Attending University? (Y/N)	_____	_____	_____

Did you buy your first home in 2017? Yes No

Did you sell or were you deemed to sell your principal residence in 2017? Yes No

If yes, please provide the following details: Address of property sold: _____

Year residence acquired: _____ Proceeds of disposition _____

Have you given more than 200 hours as a volunteer firefighter or search & rescue volunteer? Yes No

Are you currently participating in any of the following government RRSP programs?

Home Buyers Plan withdrawals and repayments Yes No

Lifelong Learning Plan withdrawals and repayments Yes No

Are you a BC Teacher with at least 10 unpaid hours of extracurricular coaching in 2017? Yes No

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2017 PERSONAL INCOME TAX CHECKLIST

Were you enrolled in a trade program in 2017? Yes No

If yes, what program and what level did you complete in 2017?

Program: _____ Level: _____

Please provide all information slips applicable to you*

- | | | | | |
|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <input type="checkbox"/> T3 | <input type="checkbox"/> T4E | <input type="checkbox"/> T2200 | <input type="checkbox"/> T5003 | <input type="checkbox"/> TL11A |
| <input type="checkbox"/> T4 | <input type="checkbox"/> T4RIF | <input type="checkbox"/> T2202 | <input type="checkbox"/> T5007 | <input type="checkbox"/> TL11B |
| <input type="checkbox"/> T4A | <input type="checkbox"/> T4RSP | <input type="checkbox"/> T10 | <input type="checkbox"/> T5008 | <input type="checkbox"/> TL11C |
| <input type="checkbox"/> T4A(OAS) | <input type="checkbox"/> T4PS | <input type="checkbox"/> T1163 | <input type="checkbox"/> T5013 | <input type="checkbox"/> TL11D |
| <input type="checkbox"/> T4A(P) | <input type="checkbox"/> T5 | <input type="checkbox"/> T1164 | <input type="checkbox"/> T5018 | <input type="checkbox"/> T101 |

*and any corresponding provincial slips

Please provide details for other income which no T slips have been received, such as:

- | | |
|--|---|
| <input type="checkbox"/> Other employment income (ie. tips and stock options) | <input type="checkbox"/> Scholarships, fellowships, and bursaries |
| <input type="checkbox"/> Business and rental income (see next page) | <input type="checkbox"/> Spousal and/or child support received |
| <input type="checkbox"/> Foreign income including pensions | <input type="checkbox"/> Director fees & Executor fees |
| <input type="checkbox"/> Investment activity reports including realized gains/losses and specified foreign property holdings | |
| <input type="checkbox"/> Investment advisor contact details to request reports not previously provided | |
| <input type="checkbox"/> Bitcoin or cryptocurrency transaction details including cost base and proceeds of disposition | |

Please provide copies, receipts, or details of:

- | | |
|--|--|
| <input type="checkbox"/> 2016 Notice of Assessment from CRA | <input type="checkbox"/> 2016 Tax Return (if prepared elsewhere) |
| <input type="checkbox"/> Income tax instalments paid during the year | <input type="checkbox"/> Professional and Union dues |
| <input type="checkbox"/> Carry-forward balances such as tuition or donations | <input type="checkbox"/> Interest paid to pursue income |
| <input type="checkbox"/> RRSP contributions | <input type="checkbox"/> Advisor or investment counsel fees |
| <input type="checkbox"/> Political contributions | <input type="checkbox"/> Employment related expenses (see next page) |
| <input type="checkbox"/> Charitable donations | <input type="checkbox"/> Medical expenses (see last page) |
| <input type="checkbox"/> Home Accessibility Renovation Expenses | <input type="checkbox"/> Spousal and/or child support paid |
| <input type="checkbox"/> Children's sports and arts registrations | <input type="checkbox"/> Adoption expenses |
| <input type="checkbox"/> Child care expenses | <input type="checkbox"/> Educator school supplies with certification |
| <input type="checkbox"/> Moving expenses - please provide the following: | <input type="checkbox"/> Interest paid on qualifying student loans |
- | | | |
|---|--|-----------------|
| - Previous residential address | - Transportation costs | - Accommodation |
| - New residential address | - Storage costs | - Meals |
| - New work address | - Moving expenses (include name of moving company) | |
| - Purchase and sale documents for new and old residence | | |

Please Note:

Generally, you are required to keep all records and supporting documents for a minimum of six years from the end of the last tax year they relate to. However, when your records and supporting documents concern long-term acquisitions and disposal of property, share registry, or other historical information that would have an effect on the sale, liquidation or wind-up of a business, you are required to keep them indefinitely.

While we require the details for the items listed in this checklist, not all original records are required to be provided to us. However, in the event of a review by CRA, all original records must be available to them otherwise the credit/expense will likely be denied and your return reassessed with the potential application of penalties and interest.

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2017 PERSONAL INCOME TAX CHECKLIST

Individuals with rental properties:

	Property #1	Property #2	Property #3
Address	_____	_____	_____
Rental sq. ft./Total sq. ft. of home	_____/_____ _____	_____/_____ _____	_____/_____ _____
Total annual rents collected	\$ _____	\$ _____	\$ _____
Total annual expenses:			
Advertising	_____	_____	_____
Electricity	_____	_____	_____
Heat (Hydro, Gas, Wood etc.)	_____	_____	_____
Insurance	_____	_____	_____
Minor repairs and maintenance	_____	_____	_____
Mortgage interest	_____	_____	_____
Property taxes	_____	_____	_____
Property management fees	_____	_____	_____
Strata fees	_____	_____	_____
Water/user fees	_____	_____	_____

Self-employed individuals:

Description of business: _____
 Income (indicate if tax is included): _____

Expenses

Cost of goods sold _____
 Advertising _____
 Insurance _____
 Meals and entertainment _____
 Office _____
 Repairs and maintenance _____
 Supplies _____
 Telephone _____
 Travel _____
 Other _____

Websites: _____

Percentage of revenue generated from websites _____%

Work space in the home*

Total sq. footage _____
 Sq. ft. for business _____

 Heat (Hydro, Gas, Wood, etc.) _____
 Electricity _____
 Insurance _____
 Repairs and maintenance _____
 Mortgage interest _____
 Property taxes _____

*Employees are not entitled to claim mortgage interest and only commission employees are entitled to claim insurance and property taxes.

Employment expenses:

Expenditures required in the process of earning income:

Advertising and promotion _____
 Meals and entertainment _____
 Lodging _____
 Parking _____
 Supplies _____
 Telephone _____
 Tradesperson's tools _____
 Apprentice mechanic tools _____
 Musical instrument expenses _____
 Work space in home expenses (Complete section below)

Has your employer supplied a T2200? _____

Business use of vehicle

Please provide purchase documents

Make, Model, Year _____
 KM used for business/Total KM _____ / _____
 Estimated value _____

 Fuel _____
 Insurance _____
 Repairs and maintenance _____
 Interest/lease payments _____

Have you completed a vehicle log? _____

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2017 PERSONAL INCOME TAX CHECKLIST

Please provide the medical expenses paid for you and any dependent persons which include:

<input type="checkbox"/> Prescriptions	<input type="checkbox"/> Travel expenses (see below)	<input type="checkbox"/> Non-cosmetic surgery
<input type="checkbox"/> Eyeglasses	<input type="checkbox"/> Private health insurance premiums	<input type="checkbox"/> Laser eye surgery
<input type="checkbox"/> Dental work	<input type="checkbox"/> Ambulance services	<input type="checkbox"/> Wheelchairs and carriers
<input type="checkbox"/> Medical equipment	<input type="checkbox"/> Attendant care	<input type="checkbox"/> Hearing aids

Please only submit receipts that you have paid out of pocket. Any amounts reimbursed by your insurance company or by your employer are not deductible on your tax return. Alternatively, you can summarize the amounts which have been reimbursed to you.

Please note MSP is not an allowable medical expense.

Do you have an infirm dependent and are eligible to claim the Canada caregiver amount? Yes No

Are you or an infirm eligible to claim the Disability amount with a completed T2201 Disability Tax Credit Certificate?

- If you are unsure on potential eligibility for this credit, please discuss with your tax preparer

	#1		#2
Name:	_____	Name:	_____
Relation:	_____	Relation:	_____

Did you incur costs to access medical intervention required in order to conceive a child which was not previously allowed as a medical expense? Amounts may be claimed in respect of any such expense for the previous 10 years. Yes No

Medical travel
Trip 1

Date of travel	Additional expenses (hotel, ferry, travel medical insurance etc.)
From: _____ To: _____	_____

Number of travellers	Reason for trip
_____	_____
Location of travel	
From: _____ To: _____	_____

Please include additional pages if you have more medical travel to report.

Do you certify that the information given is, to the best of your knowledge, true, correct and complete in every respect.

Signature: _____ Date: _____