



**CROSS & COMPANY**  
CHARTERED PROFESSIONAL ACCOUNTANTS  
A PROFESSIONAL CORPORATION

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February 12, 2024

Dear Valued Client:

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

The April 30, 2024 deadline for filing most 2023 personal income tax returns 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; we 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, in order 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 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 seven 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. You can also visit our website at [www.crossandco.ca](http://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](http://www.crossandco.ca)

## FOR INFORMATION PURPOSES

### Income Tax Records

The CRA has taken a strong position with respect to acceptable records required to support items reported on your Income Tax Return. Individuals are required to keep all original itemized receipts to support all amounts claimed during the year. The CRA does not accept bank or credit card statements as acceptable supporting documentation. While the typical retention period for records is 7 years, any records that are capital in nature (securities, properties, etc.) must be kept indefinitely.

### Tax Filing and Payment Deadlines

For most tax payers, tax returns must be filed by April 30, 2024 with any balances owing due and payable by that date as well. If you and/or your spouse are reporting self-employment income, you have until June 17, 2024 to file the return, however, the taxes are payable by April 30, 2024.

### **NEW!** Assets Held In-Trust

Are you on legal title for your parents' house or your children's house for tax planning or financing purposes? Do you hold an investment in a company for your children until they reach the age of majority? This may have created a trust (commonly referred to as a bare trust) in the eyes of CRA. Starting on January 1, 2023, CRA has expanded the trust reporting requirements to cover more trusts, including bare trusts, even if there is no income. These trust returns have to be filed by March 31, 2024. If you think you might be impacted by this new reporting requirement, please indicate on the checklist that you need to speak to your tax preparer.

### **UPDATE!** Underused Housing Tax Return (UHT)

Are you on legal title for a Canadian residential property, including properties listed in the paragraph above? You may be required to file a UHT return. Talk to your tax preparer about all of the properties you or your corporation hold legal title on for both 2022 and 2023. The deadline to file the UHT returns for both years is April 30, 2024 and the penalties for late-filing are significant.

### **NEW!** BC Renter's Credit

The Province of BC has introduced a new refundable renter's credit worth up to \$400. If you paid rent on a residential property and earned less than \$80,000, please discuss with your tax preparer if you might be eligible to claim.

### COVID-19

Both the federal and provincial governments provided different levels of relief payments to individuals and businesses at various times during the past couple of years.

#### *Federal Individual Benefit Payments*

If you received a Letter of Determination from CRA indicating that you were required to repay all or part of your benefits, please discuss this with your accountant.

#### *Canada Emergency Business Account (CEBA)*

Qualifying businesses were eligible to receive up to \$60,000 of government-secured loans through their bank. Up to \$20,000 of these loans were forgivable. The forgivable portion must be included in your business income in the year it was received. If you have applied for this loan, please make certain to let your tax preparer know when you bring in your records. The non-forgivable portion

had to be repaid by January 18, 2024. If the full amount is not repaid by January 18, 2024, all of the remaining outstanding balance (including the forgivable portion) will be converted to a 3-year, fixed term loan with interest at 5%. Please advise your tax preparer of the status of your CEBA loan.

### **Eligible Employment Expenses**

Employees may be entitled to deduct certain expenses incurred in order to earn employment income so long as your employment contract dictates you were required to incur these expenses and you have Form T2200, Declaration of Conditions of Employment, which has been completed and signed by your employer. For salaried employees, these include vehicle expenses, travelling expenses, parking, supplies and work-space in the home expenses. In addition to those listed for salaried employees, commission employees can also claim amounts for advertising and promotion, food and beverages, and client entertainment expenses. The daily “flat-rate” amount used in prior years is not available for 2023.

Please find further details on the more common employment expenses incurred below:

#### **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 your employer’s place of business. Additionally, a vehicle log is required to track to your mileage. This log must list the date, destination, purpose, and number of kilometers you drive for each business trip. The vehicle log also needs to include the odometer readings at the start and end of year.

#### **Food and Beverage Expenses**

You are eligible to deduct 50% of the food and beverage expenses you consume, as long as your employer requires you to be away from the municipality of your employer’s location where you normally report for work for at least 12 consecutive hours.

#### **Cell Phone Expenses**

You are eligible to deduct the part of the airtime expenses for a cell phone that reasonably relates to earning your employment income. You may also be able to deduct a portion of your basic cell phone service plan if **all** of the following conditions are met:

- The cost of the plan is reasonable.
- You are able to reasonably substantiate the cellular minutes or data consumed directly in the performance of your employment duties (as well as the cost of the minutes or data). CRA may request the call log to support the portion used for employment duties.

- The cost of the plan has been apportioned between employment and personal use on a reasonable basis.

However, you cannot deduct amounts you paid to buy, lease, connect, or license the cell phone.

### **Disability Tax Credit**

The Disability Tax Credit has been expanded for 2023 to include taxpayers who have Type I diabetes. If you or your dependents have Type I diabetes, you should discuss this further with your health practitioner to apply for the Disability Tax Credit.

### **Home Accessibility Tax Credit**

Certain expenses may be eligible for a tax credit if made in relation to a renovation or alteration of your home to enhance mobility or reduce the risk of harm for an individual who is either eligible for the Disability Tax Credit or 65 year or older at December 31. This includes things such as wheelchair ramps, walk-in bathtubs, wheel-in showers, and grab bars.

### **Principal Residence Transactions**

For 2016 and future years, 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. Please note, you are deemed to have disposed of your principal residence if you moved out of the home you own in order to rent it. Failure to report the transaction will make the sale taxable. Please complete this section of the attached checklist if this applies to you for 2023.

While not impacting this tax year, starting in 2024, if you sell a residential property that you have owned for less than 12 months, you may not be eligible to claim the principal residence exemption. Speak with your tax preparer if you have any additional questions.

### **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.

### **Repeated Failure to Report Income Penalty**

Please be aware that for 2023, 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.

### **Late Filing Penalties**

CRA will assess penalties on tax returns that are filed late. These penalties start at 5% plus 1% of the balance owing for each month the return is late for first-time late filers and can increase to 10% plus 2% for each month for subsequent penalties.

### **Sharing Economy and Online Earnings Platforms**

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, DoorDash), making and selling goods (Mary Kay, eBay, Etsy), streaming and content sharing (Twitch), 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” or “rental properties” sections.

### **Cryptocurrency Transactions**

The tax rules surrounding the treatment of cryptocurrency transactions are in constant flux and are subject to interpretation based on different factors. If you have purchased, sold, or traded in cryptocurrencies, let your tax preparer know and they will be able to determine how to report the transactions.

### **Tax-Free Savings Accounts (TFSA)**

For the 2024 tax year, individuals 18 years of age and older may deposit up to \$7,000 into a Tax-Free Savings Account for a total of \$95,000 cumulative from 2009. Please note that there are certain activities within a TFSA that 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.

### **NEW! First Home Savings Account (FHSA)**

Did you contribute to the new FHSA during 2023? You can deduct up to \$8,000 of contributions for 2023, similar to RRSP contributions. Unlike RRSP, the contributions must be made during the calendar year to be deducted. Unused contribution room is available in the next year. Your investment advisor will issue you a T4FHSA slip for contributions and withdrawals.

### **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 and TFSA 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>.

CRA has released a MyCRA mobile App that allows you to securely access key portions of your tax information and pay your tax balance owing. This app can be downloaded to your mobile device.

## **Submitting Documents**

We are proud to offer you multiple options for submitting your documents to us:

- Email to [admin@crossandco.ca](mailto:admin@crossandco.ca)
- Upload to our secure portal at <https://crossandco.cchifirm.ca/clientportal/>
- Drop off in person between 8:30-5:00 Monday to Friday
- Drop off through our mail slot anytime
- Mail to our office at 3090 Barons Road, Nanaimo BC, V9T 4B5
- Fax to 250-729-0508

# CROSS & COMPANY

## CHARTERED PROFESSIONAL ACCOUNTANTS

### 2023 PERSONAL INCOME TAX CHECKLIST

Name: \_\_\_\_\_

Phone #: \_\_\_\_\_

Email address: \_\_\_\_\_

Preferred contact method:  Phone

Mailing address: \_\_\_\_\_

Email

Province of residence on December 31, 2023 \_\_\_\_\_

Marital status on December 31, 2023:  Married  Divorced  Single

Date of change if different: \_\_\_\_\_  Living common-law  Widowed  Separated

Do you require that we password protect documentation we send to you via e-mail?  Yes  No

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

Would you like us to provide info to Elections Canada?  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 a copy of the return  Yes  No

Did you reside within Nisga'a Lands or Tsawwassen Lands on December 31, 2023?  Yes  No

Are you registered or wish to register for Direct Deposit with CRA?  Already  Yes  No

If you wish to register or change your Direct Deposit information, provide a void cheque or bank information.

**Do you have any dependants?**

	Dependant #1	Dependant #2	Dependant #3
Name	_____	_____	_____
Relation (ie: son, daughter)	_____	_____	_____
Birthdate (yyyy/mm/dd)	_____	_____	_____
SIN	_____	_____	_____
Infirm? (Y/N)	_____	_____	_____
Shared Custody? (Y/N)	_____	_____	_____
Attending University? (Y/N)	_____	_____	_____

Did you pay rent for your home in BC in 2023?  Yes  No

Did you buy your first home in 2023?  Yes  No

Did you sell or were you deemed to sell your principal residence in 2023?  Yes  No

If yes, please provide the following details:

Address of property sold: \_\_\_\_\_

Year residence acquired: \_\_\_\_\_ Proceeds of disposition (sale price) \_\_\_\_\_

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

Were you enrolled in a trade program in 2023?  Yes  No

If yes, what program and what level did you complete in 2023?

Program name: \_\_\_\_\_ Level: \_\_\_\_\_

# CROSS & COMPANY

## CHARTERED PROFESSIONAL ACCOUNTANTS

### 2023 PERSONAL INCOME TAX CHECKLIST

Please provide all information slips applicable to you\*

<input type="checkbox"/> T3	<input type="checkbox"/> T4FHSA	<input type="checkbox"/> T2202	<input type="checkbox"/> T5013	<input type="checkbox"/> T101
<input type="checkbox"/> T4	<input type="checkbox"/> T4RIF	<input type="checkbox"/> T10	<input type="checkbox"/> T5018	<input type="checkbox"/> _____
<input type="checkbox"/> T4A	<input type="checkbox"/> T4RSP	<input type="checkbox"/> T1163	<input type="checkbox"/> TL11A	<input type="checkbox"/> _____
<input type="checkbox"/> T4A(OAS)	<input type="checkbox"/> T4PS	<input type="checkbox"/> T1164	<input type="checkbox"/> TL11C	<input type="checkbox"/> _____
<input type="checkbox"/> T4A(P)	<input type="checkbox"/> T5	<input type="checkbox"/> T5003	<input type="checkbox"/> TL11D	<input type="checkbox"/> _____
<input type="checkbox"/> T4E	<input type="checkbox"/> T2200	<input type="checkbox"/> T5007	<input type="checkbox"/> TL2	<input type="checkbox"/> _____

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

<input type="checkbox"/> Other employment income (ie. tips & 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"/> 2022 Notice of Assessment from CRA	<input type="checkbox"/> 2022 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 / FHSA contributions	<input type="checkbox"/> Advisor or investment counsel fees
<input type="checkbox"/> Political contributions	<input type="checkbox"/> Employment related expenses (see bottom of 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"/> Adoption expenses	<input type="checkbox"/> Educator school supplies with certification
<input type="checkbox"/> Child care expenses	<input type="checkbox"/> Interest paid on qualifying student loans
<input type="checkbox"/> Moving expenses when moving 40km closer to work or school - please provide the following:	
Previous residential address _____	Accommodation expenses _____
New residential address _____	Meals expenses _____
New work address _____	Storage costs expenses _____
- Purchase and sale documents for new and old residence	- Moving expenses (include name of moving company)

**Employment expenses:**

Has your employer supplied a T2200? \_\_\_\_\_ If so, please provide a copy.  
 Did you work from home 50% or more for a minimum of 4 consecutive weeks? \_\_\_\_\_

Expenses required in the process of earning income:

Salary Employees:

Accounting & legal fees \_\_\_\_\_  
 Food & beverages \_\_\_\_\_  
 Lodging \_\_\_\_\_  
 Parking \_\_\_\_\_  
 Supplies \_\_\_\_\_  
 Telephone \_\_\_\_\_

Commission Employees:

Advertising and promotion \_\_\_\_\_  
 Entertainment \_\_\_\_\_  
 Tradesperson's tools \_\_\_\_\_  
 Apprentice mechanic tools \_\_\_\_\_

Business use of vehicle and work space in home expenses detailed calculation (Complete section on page 3)



# CROSS & COMPANY

## CHARTERED PROFESSIONAL ACCOUNTANTS

### 2023 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	_____	_____	_____
Insurance	_____	_____	_____
Mortgage interest	_____	_____	_____
Property management fees	_____	_____	_____
Minor repairs and maintenance	_____	_____	_____
Property taxes	_____	_____	_____
Travel	_____	_____	_____
Utilities (Hydro, Gas etc.)	_____	_____	_____
Strata fees	_____	_____	_____
Water/user fees	_____	_____	_____

**Self-employed individuals:**

Description of business: _____	Are you registered for sales taxes: ___ GST ___ PST
Sales revenue (before sales tax): _____	
GST/HST: _____ PST: _____	Percentage of revenue generated from websites _____%
Expenses	Website(s): _____
Cost of goods sold _____	_____
Advertising _____	_____
Meals and entertainment _____	_____
Insurance _____	_____
Office _____	
Supplies _____	
Repairs and maintenance _____	Have you repaid your CEBA loan? _____
Travel _____	
Telephone _____	
Other _____	

**Self-employed or detailed employment expenses**

**Work space in the home\***

Total sq. ft. \_\_\_\_\_ Sq. ft. for business \_\_\_\_\_

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

**Business use of vehicle**

Please provide purchase documents

Make, Model, Year \_\_\_\_\_

Purchase price \_\_\_\_\_

KM used for business/Total KM \_\_\_\_\_ / \_\_\_\_\_

Estimated value \_\_\_\_\_

Have you completed a vehicle log? \_\_\_\_\_

Fuel \_\_\_\_\_

Repairs and maintenance \_\_\_\_\_

Insurance \_\_\_\_\_

Interest/lease payments \_\_\_\_\_

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

# CROSS & COMPANY

## CHARTERED PROFESSIONAL ACCOUNTANTS

### 2023 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 & carriers
<input type="checkbox"/> Medical equipment	<input type="checkbox"/> Attendant care	<input type="checkbox"/> Hearing Aids
<input type="checkbox"/> Chiropractic	<input type="checkbox"/> Massage Therapy	<input type="checkbox"/> Other _____

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.

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

Are you or an infirm dependent eligible to claim the Disability amount with a completed T2201 Disability Tax Credit Certificate? (this may include Type I diabetics)

- 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**

Date of travel: Trip #1	<b>Additional expenses (hotel, ferry, travel medical insurance etc.)</b>
From: _____ To: _____	_____
Number of travellers _____	_____
Location of travel _____	Reason for trip _____
From: _____ To: _____	_____

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

**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.

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

Signature: \_\_\_\_\_ Date: \_\_\_\_\_