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2021 Personal Income Tax Return Checklist

SECTIONS:

A. Information – All Clients Must Provide
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2021 saw the continuation of the COVID-19 pandemic, along with the related government supports and tax issues. For example, some may have changed how they carried on their employment duties or business operations, including working from home or using their vehicle for employment or business reasons. We have outlined the key tax issues in the checklist below. Please let us know if you have received other support or incurred other costs related to your income-earning activities due to the COVID-19 pandemic.

A. Information – All Clients Must Provide

Please check all boxes that apply and provide supporting information.

☐ **1.** All **income**, **support** and **benefits** received under **COVID-19** relief programs. Some of these benefits are taxable while others are not. Official tax slips may have been issued for some, but not all. For support where no slip is available, details surrounding the amount and types of payment are required. Please provide **details** on all **federal, provincial/territorial** and **other support** received. Please also provide any details on any **repayments** of these **benefits**.

Key **COVID-19** related **federal personal support programs:**

	Taxable?
Employment Insurance (EI) program	✓ Yes
Canada Recovery Benefit (CRB)	✓ Yes
Canada Recovery Sickness Benefit (CRSB)	✓ Yes
Canada Recovery Caregiving Benefit (CRCB)	✓ Yes
Canada Emergency Student Benefit (CESB)	✓ Yes

Key **COVID-19** related **federal government support for business, rental** or **other income:**

	Taxable?
Canada Emergency Wage Subsidy (CEWS)	✓ Yes
Canada Emergency Rent Subsidy (CERS)	✓ Yes
Canada Recovery Hiring Program (CRHP)	✓ Yes
Canada Emergency Business Account (CEBA)	✓ Yes*

* The forgivable portion of the interest-free loan under the CEBA is taxable. Please provide the details.

As no slips are provided specific to these programs, please provide the amounts received and the period to which they relate.

☐ **2.** All **information slips**, such as: T3, T4, T4A, T4A(OAS), T4A(P), T4E, T4PS, T4RIF, T4RSP, T5, T10, T2200, T2202, T101, T1163, T1164, TL11A, B, C and D, T5003, T5007, T5008, T5013, T5018 (subcontractors) and corresponding provincial slips.

3. Details of **income** or receipts for which no T-slips have been received, in respect of items such as:

- ☐ other employment income (including any severance or termination pay, retiring allowance, tips or gratuities received, details on stock option plans and Form T1212),
- ☐ business, professional, partnership and rental income (including all amounts received from the sharing economy, such as AirBnB, VRBO, Uber, etc),
- ☐ alimony, separation allowances, child maintenance (including divorce/separation agreement),
- ☐ pensions (certain pension income may be split between spouses),
- ☐ interest income earned but not yet received (such as amounts from Canada savings bonds, deferred annuities, term deposits, treasury bills, mutual funds, strip bonds, compound interest bonds),
- ☐ scholarships, fellowships and bursaries, and
- ☐ any other income received (e.g. director fees, executor fees, etc).

4. Details of **other investments**, such as:

- ☐ capital gains/losses realized (this may be obtained, in some circumstances, from your investment advisor)
- ☐ real estate, or oil and gas investments – including financial statements,
- ☐ bitcoin or other cryptocurrency transactions, and
- ☐ any other investments.

5. Details of **other expenses**, such as:

- ☐ business, professional, investment and rental expenses (including capital purchases, such as vehicles and equipment, including the invoice or bill of sale), and
- ☐ employment related expenses – provide Form T2200, signed by your employer, as well as the invoices and receipts for required employment expenses. See item 6 for details on working from home.

6. Details related to **working from home**.

Due to the COVID-19 pandemic, many individuals worked from home during 2021. In some cases, a deduction may be available.

- ☐ Temporary flat rate method (simple) – Employees that worked from home more than 50% of the time for at least four consecutive weeks due to COVID-19 and were not fully reimbursed for their expenses can claim $2/day (to a $500 maximum) that they worked from home in 2021. No employer certification is required to claim this amount. Please provide the number of days you worked from home if you met this test.
- ☐ Detailed method – As an alternative, employees can claim based on actual expenses incurred. Like the temporary flat rate method, employees that worked from home more than 50% of the time for at least four consecutive weeks due to COVID-19 can access this deduction. Individuals can also access this deduction where they meet either of the following two tests:
  - the home was where the individual mainly (more than 50% of the time) did their work, or
  - the individual used the space exclusively to earn business/employment income, and used it on a regular and ongoing basis for meeting clients, customers or other people in respect of the business/employment.

  Employees must also provide a T2200 or T2200S from their employer.

  If these tests are met, even for a portion of the year, a reasonable claim can be made.

  To make a claim, please provide details on the portion of your home that was used as a workspace (e.g. approx. square footage of work space versus other space). If the space was not used exclusively for business/employment purposes, provide the approx. time it was used for business/employment purposes. Also, provide the period that you worked from home and met one of the above tests, and the expenses incurred that related to working from home. Such expenses include, for example, home internet access fees, rent, utilities and office supplies.

7. Details and receipts for **other deductions and tax credits**, such as:

- ☐ moving expenses (please advise us if you have, or may have, immigrated or emigrated to/from Canada),
- ☐ child care expenses (if the services are provided by an individual, their SIN should be on the receipt),
- ☐ alimony, separation allowances, child maintenance (including divorce/separation agreement),
- ☐ adoption related expenses,
- ☐ interest paid on qualifying student loans,
- ☐ professional and union dues,
- ☐ medical expenses for you, your spouse and any dependent persons,
- ☐ charitable donations (including those to registered journalism organizations) and political contributions,
- ☐ clergy residence deduction information (including Form T1223),
- ☐ tuition fees for both full-time and part-time courses for you or a dependant – including mandatory ancillary fees and Forms T2202, TL11A, B, C and D where applicable,
- ☐ disability supports expenses (speech, sight, hearing, learning aids for impaired individuals and attendant care expenses),
- ☐ mining tax credit expenses,
- ☐ registered retirement savings plan and any other pension plan contributions and withdrawals (including withdrawals and repayments for the home buyers plan and lifelong learning plan),
- ☐ film and video production expenditures eligible for a tax credit,
- ☐ tools acquired by tradespersons and eligible apprentice mechanics,
- ☐ scientific research and experimental development expenses,

- ☐ home accessibility tax credit – certain expenditures (up to $10,000) 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 years of age or older at December 31, 2021. Examples of eligible expenditures include amounts relating to wheelchair ramps, walk-in bathtubs, wheel-in showers and grab bars,
- ☐ eligible educator school supply tax credit – if you are a teacher or early childhood educator, please provide receipts (up to $1,000) for eligible school supplies purchased in the year. An eligible supply expense is an amount paid in the year for supplies used or consumed in the school or regulated childcare facility in the performance of your employment. Supplies include consumable goods such as construction paper, flashcards, items for science experiments, art supplies, stationary items, and durable goods limited to games, puzzles, books, containers and educational support software. Certain electronic devices such as calculators, digital timers, laptops (if none were made available by their employer) and other tools for remote learning would also be eligible. Please also provide a certification from your employer attesting to the eligible supplies expense,
- ☐ Canada training credit (CTC) – a refundable tax credit may be available to reimburse up to half of eligible tuition and fees associated with work-related training for individuals aged 25 to 64 years old at the end of the year. Please provide details on tuition and other fees related to training. Amounts refunded through the CTC will not also be eligible for the tuition tax credit. To get the credit this year, you had to meet a number of conditions in the 2020 year, such as filing a tax return, being resident in Canada throughout the year, being 25 to 64 years at the end of year, having at least $10,100 from maternity/paternity benefits or working income and having net income that does not exceed $150,473, and
- ☐ digital news subscription tax credit – a 15% non-refundable tax credit based on up to $500 of amounts paid for a qualifying digital news subscription (to access content that is primarily written news) will qualify for this credit.

☐ **8.** Details on the **disposition of your principal residence or other real property**. Please provide: proceeds of disposition, a description of the property, and the year the property was acquired. If disposing of other real property, please provide the 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 a change-in-use of your property. This could include, for example, 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.

☐ **9.** Name, address, date of birth, social insurance number (SIN), and province of **residence** on December 31, 2021, if changed in the current year.

☐ **10. Personal status** – single, married, common-law, separated, divorced or widowed. If there has been a status change in the year, please provide the date of the change.

☐ **11.** List of **dependants/children** including their income, birth date, and SIN.

☐ **12.** Details regarding residence in a prescribed area which qualifies for the **northern residents deduction.**

☐ **13.** Details on 2021 income tax **instalments** or payments of tax.

☐ **14. 2020 notice of assessment/reassessment** and any other correspondence from CRA (including correspondence received after the filing of this personal tax return).

- ☐ **15.** Details of **foreign property** owned at any time in 2021 including cash, stocks, digital currency (such as Bitcoin), trusts, partnerships, real estate, tangible and intangible property, contingent interests, convertible property, etc. Required details include: description of the property, related country, maximum cost in the year, cost at year-end, income, and capital gain/loss for each particular property.

  For property held in an account with a Canadian securities dealer or Canadian trust company, please provide the country for each investment, fair market value of the investments at each month-end, income or loss on the property, and gain/loss on disposition of the property.

- ☐ **16.** Details of **income** from, or **distributions** to, **foreign entities** such as foreign affiliates and trusts.
- ☐ **17.** Copy of any **foreign tax returns** filed and any associated tax assessments.
- ☐ **18.** If we are not preparing your **spouse or common-law partner's personal tax return**, please provide their return for review and tax planning.
- ☐ **19. Internet business activities** – If you have business, professional, farming or fishing income, please indicate whether you have Internet business activities. According to CRA, Internet business activities include any activity where you earn income from your webpages, websites or Apps. Information only webpages and websites like directories or ads will not generally trigger this information requirement.

  If you have Internet business activities, please provide:

  - the number and address of webpages or websites that your business generates income from. If you have more than 5, provide the 5 that generate the most income, and
  - the percentage of income generated from the Internet (if you do not know the exact percentage, provide an estimate).

B. Questions to Answer

If yes, please provide details.

Y/N **1.** Did you receive interest, dividends, or benefits from a business in which a relative is a key party (in terms of ownership or involvement)?

Y/N **2.** Are you a U.S. citizen, Green Card Holder, or were you, or your parents born in the United States? You may have U.S. filing obligations.

Y/N **3.** Are you an indigenous person? Special tax rules may apply.

Y/N **4.** Are you or any of your dependants disabled? If so, provide Form T2201, Disability Tax Credit Certificate. The transfer rules allow claims for certain dependent relatives. In addition, are you, or would you like to provide support to a disabled person? Tax planning opportunities may be available, such as establishing a registered disability savings plan.

Persons with disabilities may also receive tax relief for the cost of disability supports (e.g. sign language services, talking textbooks, etc.) incurred for the purpose of employment or education. If you or your dependents are disabled but do not have a Form T2201, please provide details so we can explore whether you are eligible for special credits or benefits.

Y/N **5.** Are you the caregiver for any infirm family members? Did you provide in-home care for an infirm dependent relative?

Y/N **6.** If you have children up to the age of 17, have you received the Canada child benefit (CCB)?

Y/N **7.** Have there been any other significant life events in the past year, such as the death or impairment of a loved one? There can be tax planning opportunities.

Y/N **8.** Did you incur costs to access medical intervention required 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 (if amounts were incurred in 2011, a claim must be made by the end of 2021).

Y/N **9.** Did you purchase a new home in 2021? If so, you may be eligible for the new residential property GST/HST rebate. Also, are you a first-time home buyer in 2021? A federal tax credit based on $5,000 (@15% = $750) may be available.

Y/N **10.** Have you spent more than 200 hours acting as a volunteer firefighter or a search and rescue volunteer? You may be eligible for a federal tax credit.

Y/N **11.** Have you made any contributions to a gifting tax shelter?

Y/N **12.** Did you receive any significant prizes or awards from your, or a related person's place of employment?

Y/N **13.** Did you receive a retroactive lump-sum payment over $3,000 (for example, spousal support)? In certain cases, some tax relief may be available.

Y/N **14.** Do you want your tax refund deposited directly into your account at a financial institution?

Y/N **15.** Are you a Canadian citizen?

Y/N **16.** Do you authorize CRA to give your name, address, date of birth, and citizenship to Elections Canada to update the National Register of Electors?

C. Additional Information – New Clients Must Provide

Please check all boxes that apply and provide supporting information.

- ☐ **1.** All **CRA correspondence** for the past three years.
- ☐ **2.** Details of previously claimed capital gain exemptions, business investment losses and cumulative net investment loss accounts.
- ☐ **3.** A listing or copy of **receipts** for significant **capital assets** purchased previously, which are currently held.
- ☐ **4.** Details of **carry-forward amounts** from previous years (ex. losses, donations, forward averaging amounts, RRSP).

D. Other

1. Instalments required for 2022? A **pre-authorized debit** arrangement is an online service-payment option which authorizes CRA to withdraw a pre-determined payment amount directly from a bank account on a specific date to **pay taxes**. This may help **avoid penalties** on late and/or missing instalment payments.

2. **MyCRA mobile App** – This web app allows you to access and view key portions of your tax information such as your notice of assessment, tax return status, benefit and credit information, and RRSP and TFSA contribution room.

3. CRA's **My Account** – Taxpayers can set up an online account with CRA that provides tax filing information and communications, in addition to information contained in MyCRA mobile App.

4. CRA Online Services – **Account alerts** – Individuals can register with CRA to be notified by email when CRA's record of an individual's address has changed, banking information for direct deposit has changed or **if mail sent by CRA was returned**.

5. Additional **provincial/territorial credits** and programs may be available.