2020 PERSONAL INCOME TAX RETURN INSTRUCTIONS

Thank you for your continued confidence in our services. We look forward to working with you in the coming weeks. This letter includes a few **reminders** and a **checklist** to complete so we can file your tax return efficiently and on time.

Completion of your tax return by the deadline of April 30, 2021 is only guaranteed if we receive all information before Monday April 12, 2021.

COMPLETE THE ATTACHED CHECKLIST AND SUPPORTING SCHEDULES

Attached to this letter you will find the Personal Income Tax Checklist and Supporting Schedules. You may fill them in electronically or print them out and fill in by hand. If you would prefer to complete an **Excel version** of the Supporting Schedules, this can be found at www.sbpartners.ca/tax-time. The Excel workbook has multiple worksheets (tabs) that can be accessed and completed if they apply to you.

Once you have completed the checklist and schedules, please include them with the rest of your documents. You can submit your documents electronically through our secure **Client Web Portal**, mail hard copies to our office, or drop hard copies off in the secure drop box outside our reception doors.

If you are not currently using our **Client Web Portal**, we encourage you to consider this option as it is a secure, private and confidential way to provide your information and for SB to deliver your tax return to you. Please contact Lia Bezuyen at PortalAdmin@sbpartners.ca or (905) 633 - 6344 to have your account set up.

Please review the **Personal Tax Return Engagement Letter** which outlines the nature of our involvement with the preparation of your income tax return. We require one signed copy per family.

ASSEMBLE ALL NECESSARY SLIPS, SUMMARIES, AND RECEIPTS

Send in your information once it is complete. Please wait for any outstanding slips and documentation to arrive before sending us your information. If by April 12th you are still waiting for final slips to arrive, please submit what you have and identify what is missing. Please provide the missing information as soon as it is received.

If additional slips are received after your filing is complete, please contact us immediately so we can arrange to amend your filing.

T 1 905 632 5978
F 1 905 632 9068
TF 1 866 823 9990
3600 Billings Court, Suite 301,
Burlington, ON L7N 3N6

FOREIGN INCOME VERIFICATION STATEMENT

Any family member owning foreign property with a cumulative cost greater than $100,000 CDN at any time during the year is required to file Form T1135 (Foreign Income Verification Statement). Foreign income properties include real estate that you rented to others (excluding foreign property held for personal use only such as vacation property), investment accounts, shares in non-Canadian companies, etc. If you believe that filing a T1135 may be required, please check “Yes” in Section 2 of the checklist.

FILING YOUR TAX RETURN

Form T183: Information Return for Electronic Filing of an Individual’s Income Tax and Benefit Return must be signed and received by our office before your tax return can be filed.

In 2020, the CRA began to recognize electronic signatures as having met the signature requirements of the Income Tax Act. Instructions on electronically signing will be provided with electronically delivered returns.

DELIVERY OF YOUR TAX RETURN

We strongly recommend electronic delivery of your personal tax returns, or delivery by mail. In accordance with government guidelines, you may be able to pick up your return at the office by appointment only, pursuant to COVID-19 screening protocols.

To comply with the PIPEDA (Personal Information Protection and Electronic Documents Act), your signed consent is required for someone other than yourself (even your spouse) to pick up your Personal Tax Return. We have enclosed a form to be signed by all family members which allows one person to pick up all family tax returns.

Accessibility: If you would like to meet us on the lower level of our building, please call us at (905) 633-6337 to arrange an appointment.

SB Partners’ Vision is to deliver a service standard so high that it becomes a benchmark by which our clients measure the performance of others. If you have any remaining questions, please feel free to contact us.

Sincerely,

SB Partners LLP

SB Partners

CHARTERED PROFESSIONAL ACCOUNTANTS

SB PARTNERS LLP

Personal Tax Return Engagement Letter

Dear Client:

The purpose of this letter is to outline the nature of our involvement with the preparation of your 2020 personal income tax return. We have prepared your 2020 income tax returns from information that you have provided to us. We have not audited or otherwise verified the data you submitted, although we may have asked you for clarification of some items. **It is your responsibility to provide us with all the information required for the preparation of complete and accurate returns. Specifically, we understand that you have disclosed all sources of your world-wide income to us and that all deductible expenses and outlays that have been claimed in your return were made for purposes of earning or producing income and that they are not personal and living expenses.**

Please ensure the correct response in Box 26600 on page two of your return answers the question "Did you own or hold foreign property at anytime in 2020 with a total cost of more than CAN $100,000?" Foreign property includes foreign stocks, bonds, and treasury bills, and foreign real estate (excluding property for personal use or enjoyment – for example, vacation property).

Proper disclosure of your income and expenses is crucial as the law provides for various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on the amount or circumstances of these penalties, please contact us.

You should retain all original documents, cancelled cheques and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to the Canada Revenue Agency ("CRA"). We have reported income as identified by information slips (T3, T4, T5, etc.) and other representations provided by you. **You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them.**

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. We have rendered such accounting and bookkeeping assistance, as we found necessary for the preparation of the income tax returns.

We have used our judgment and consulted with you where necessary in resolving questions where the tax law is unclear, or where there may be conflicts between CRA interpretations of the law and other supportable positions. Unless otherwise instructed by you, we have resolved such questions in your favour whenever possible.

Your returns may be selected for review by the CRA. Any proposed adjustments by the auditor are subject to certain rights of appeal. In the event of such examination, we will be available, upon request, to represent you and will render additional invoices for the time and expenses incurred.

If the foregoing fairly sets forth your understanding and you agree with these terms, please sign below on behalf of yourself and/or your family.

If you have any questions about the contents of this letter, please raise them with us. We appreciate the opportunity to be of service to you.

Yours very truly,

SB Partners LLP

SB Partners LLP
Chartered Professional Accountants

Accepted By: ____________________ ____________________

Signature *Print Name*

____

Date

YOUR SIGNED CONSENT IS REQUIRED FOR PICK UP OF YOUR PERSONAL TAX RETURN

In compliance with the “Personal Information Protection and Electronic Documents Act” “(PIPEDA)” **your signed consent** is required for someone, other than yourself, (this includes your spouse) to pick up your **2020** Personal Tax Return**.** Your return will be in a sealed envelope and we will not discuss or disclose any information about it (applies to 18 years of age and over). We cannot release your return without a signed consent.

To provide authorization to a designated person, please complete this form and either:

a) return it along with your personal tax information, or
b) give it to the designated person when they come to pick up your return.

I/We authorize ______________________ to pick up my/our **2020** Personal Tax Return(s).
(print name)

____________________________	____________________________
(print name)	(signature)
____________________________	____________________________
(print name)	(signature)
____________________________	____________________________
(print name)	(signature)
____________________________	____________________________
(print name)	(signature)
____________________________	____________________________
(print name)	(signature)

2020 Personal Income Tax Checklist

- **Do you want your tax return and signing documents delivered electronically?** ☐Yes ☐No
    - If yes, your tax return and signing documents will be provided through our secure portal. You will not receive a hard copy of your tax return.
    - If you would like to be set up on our portal, please check yes above and provide your email address: ____

Section 1 – Identification and Contact Information

☐ ***If no changes from last year, skip to section 2***

	Taxpayer 1	Taxpayer 2
Name:		
Social Insurance Number:		
Birth Date (yyyy/mm/dd):		
Citizenship:		
Address:		
Phone 1 (Work):		
Phone 2 (Home):		
Phone 3 (Cell):		
Email Address:		
Marital Status:		
Change in marital status for 2020:	☐Yes ☐No **If Yes Date:**	☐Yes ☐No **If Yes Date:**

Preparing 2020 tax return? If ***no***, please provide net income.		☐Yes ☐No Net Income 2020 $
Are you eligible for the Disability tax credit? (T2201 signed by physician)	☐Yes ☐No	☐Yes ☐No
Do you own Foreign Property or Stocks with an original cost of $100,000 CDN or more?	☐Yes ☐No	☐Yes ☐No
Authorize CRA to provide data to Elections Canada?	☐Yes ☐No	☐Yes ☐No

Section 2 – Children / Dependents

☐ ***If n/a, please skip to section 3***

Children (Dependents):	1	2	3
Name:			
Social Insurance Number:			
Relationship:			
Birth Date (yyyy/mm/dd):			
Prepare 2020 tax return? If ***no***, please provide net income:	☐Yes ☐No Net Income $__________	☐Yes ☐No Net Income $__________	☐Yes ☐No Net Income $__________
Eligible for the Disability Tax Credit?	☐Yes ☐No	☐Yes ☐No	☐Yes ☐No

2020 Personal Income Tax Checklist

Section 3 – Slips and Notices

- Please provide:
  - All information slips (T4, T4A, T4A(P), T4(OAS), T4E, T4RSP, T4RIF, T5, T3, T5013, etc.)
  - Last Year's Notices of Assessment and/or Reassessment
  - **New Clients Only:** Last Year's Tax Return

Section 4 – Income Questions

Did you have any of the following types of income or expenses during the year?

Self-Employment Income and Expenses	☐Yes ☐No
If you are registered for HST, would you like us to file your HST return?	☐Yes ☐No
Employment Expenses	☐Yes ☐No
Vehicle Expenses (required for business or employment)	☐Yes ☐No
Home Office Expenses	☐Yes ☐No
Rental Property Income and Expenses	☐Yes ☐No
Sale of Real Estate (Including principal residence)	☐Yes ☐No

If you answered "Yes" to any of the above items, please complete the Personal Tax Supporting Schedules found by clicking here: Personal Tax Supporting Schedules.

Other sources of income in 2020:

- Did you collect any **Alimony** from an ex-spouse? ☐Yes ☐No
  - If yes, Name: ______________________________
    SIN: ______________________________
    Amount: ______________________________
- Did you collect any **Child support**?
  - If yes, Amount: ______________________________
- Did you sell any **Non-RRSP Stocks or Mutual funds**? ☐Yes ☐No
  - If yes, please provide details regarding the transactions (i.e. Realized Capital Gain/Loss Summary) or the contact info for your investment advisor

    ____
- Did you sell your **Principal Residence**? ☐Yes ☐No
  - If yes, please provide us with the sale price and the year it was purchased

2020 Personal Income Tax Checklist

Section 5 – Deductions and Credits

If items are applicable, please provide supporting documents or a summary.

- ☐ Medical/Dental/Attendant care expenses
  - *Please provide a summarized total of your medical expenses; you can also obtain an annual payments summary from your pharmacy or medical practitioner*
  - *You can also complete the Medical Summary in the personal tax supporting schedules found by clicking here:* Personal Tax Supporting Schedules
- ☐ Charitable/Political donations
- ☐ RRSP contributions
- ☐ Post-secondary school tuition (T2202A, TL11A, B, C and D)
- ☐ Student loan interest paid
- ☐ Paid alimony:
  Please provide amount: $_______________
- ☐ Paid child support:
  Please provide amount: $_______________
- ☐ Union or professional dues
- ☐ Rent paid
  Please provide amount: $_______________
- ☐ Property taxes paid
  Please provide amount: $_______________
- ☐ Investment counsel fees
- ☐ Interest paid on funds borrowed for investments
- ☐ Child care expenses (name, SIN & address of caregiver)
- ☐ Moving expenses (at least 40km closer to work)
- ☐ Eligible educator school supply expenses
- ☐ Renovations to your home to improve accessibility, safety, or functionality
- ☐ First-time home buyer
- ☐ Details of any cryptocurrency transactions (e.g. Bitcoin)

Section 6 – Work Space From Home For Employees During COVID-19

- Did you work from home in 2020 due to COVID-19? ☐Yes ☐No
  - If yes, please complete Appendix A

APPENDIX A – EMPLOYEES WORKING FROM HOME IN 2020

Name: ______________________________________

Many employees will be able to claim a deduction on their 2020 personal tax return for work space in home expenses. Follow the steps below as a simplified guide to assist in determining your claim.

STEP 1 – ELIGIBILITY AND CHOOSING A METHOD

Did you receive Employment Income (T4 slip) for 2020? — No → This document is NOT for you

Yes ↓

Did you receive a T2200 or a T2200S from your employer? — No → Complete STEP 2

Yes ↓

Complete both STEP 2 & 3

STEP 2 – SIMPLIFIED CHART (TEMPORARY FLAT RATE METHOD)

A) Did you work from home more than 50% of the time for at least four consecutive weeks in 2020 due to COVID-19? YES / NO
B) If Yes, total number of days (200 days max.) you worked from home (full or part time) in 2020 due to COVID-19: __________

STEP 3 – DETAILED CHART (DETAILED METHOD)

Dates you worked from home______________________ Home: Total finished sq. ft. _____ Work space: Total sq. ft. _______

Did you receive any reimbursements / allowances from your employer for your work space at home? Provide details.	Was your work space used only for employment? If not, how many hours / week was it used for employment?	Did you share this work space with anyone else? Provide details.

ALL EMPLOYEES		**ONLY COMMISSIONED EMPLOYEES**	
Expense	Amount for 2020*	Expense	Amount for 2020*
Rent		Home Insurance	
Utilities		Property Taxes	
Home Internet Access			
Repairs / Maintenance			

ALL EMPLOYEES			**ONLY COMMISSIONED EMPLOYEES**		
Expense	Amount for 2020*	Employment Use %	Expense	Amount for 2020*	Employment Use %
Office Supplies			Cell Phone Lease		
Long distance phone calls made for work			Computer, Fax, etc. Lease		
Cell Phone					

*Net of any employer support. For descriptions of what can and cannot be deducted, see this link:
https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-229-other-employment-expenses/work-space-home-expenses/expenses-can-claim.html:

You may also be able to claim a return of some GST/HST that you paid (included in the amounts you provided above) on your deductible expenses. **Please provide your employer's name** _________________

We will contact you if we need additional information / clarity.

Self Employment Income and Expenses

Name of Business:

Comments

Income	Excluding HST	HST Collected/Paid	Total (including HST)
Gross sales, commissions, or fees			
Less: Returns, allowances and discounts *enter as negative*			
Gross income			

Cost of goods sold	Excluding HST	HST Collected/Paid	Total (including HST)
Opening inventory			
Purchases during the year (net of returns, allowances and discounts)			
Direct wage costs			
Subcontracts			
Other direct expenses (specify)			
Less: Closing inventory *enter as negative*			
Cost of goods sold			

Expenses	Excluding HST	HST Collected/Paid	Total (including HST)
Advertising and promotion			
Meals and entertainment (Total expense)			
x 50%			
Bad debts			
Insurance (fire, theft, liability)			
Interest and bank charges			
Business tax, fees, licences, dues, memberships and subscriptions			
Office expenses			
Supplies			
Legal, accounting and other professional fees			
Management and administration fees			
Rent on business property			
Maintenance and repairs			
Salaries, wages and benefits (including employer's contributions)			
Property taxes on business property			
Travel (except for motor vehicles)			
Telephone and utilities			
Fuel costs (except for motor vehicles)			
Delivery, freight and express			
Allowable motor vehicle expenses ***(see separate worksheet)***			
Business-use-of-home expenses ***(see separate worksheet)***			
Other (specify)			
Equipment purchases *(separate computers, equipment, leaseholds, etc)*			
Subtotal			

Total expenses			

Net income (loss)			

Employment Expenses

1. Please ensure that you have a **signed T2200 - Declaration of Employment Conditions** from your employer. Provide us with a copy in order to claim employment expenses.

Comments

2. Did your employer provide you with an automobile?

3. Were you reimbursed by your employer for part or all of expenses?

4. Were you required to operate an office from your home?

Expenses incurred to earn salary or commission income

Food		
x 50%		
Lodging		
Other travel expenses		
Parking		
Office supplies		
Telecommunications		
Salaries paid to substitute or assistant		
Allowable motor vehicle expenses ***(see separate worksheet)***		
Allowable home office expenses ***(see separate worksheet)***		

Expenses incurred to earn commission income only

Advertising		
Entertainment (food, tickets, other)		
x 50%		
Licenses		
Rental of office equipment		
Training costs		
Travel fare		
Other: (specify)		

Total employement expenses

Vehicle Expenses

Note: *Vehicle expenses are only deductible if they were incurred to earn* ***Self-Employment*** *income, or were* ***required*** *as part of employment (this does* ***NOT*** *include costs incurred to travel to and from your place of employment). If claiming vehicle costs that were part of your employment, a form* ***T2200 - Declaration of Employment Conditions*** *must be completed and signed by your employer and provided to us to verify that you were required to operate a motor vehicle as part of your employment duties.*

Enter the kilometres you drove in the year **to earn income**	
Enter the **total** kilometres you drove in the year	

Motor vehicle expenses	**Excluding HST**	**HST Paid**	**Total**
Fuel and oil			-
Maintenance and repairs			
Insurance			
Licence and registration			
Vehicle loan interest			
Vehicle lease cost			
Car washes			
Auto club (CAA)			
Other: (specify)			
Subtotal			
Business portion:			
Add: Parking expenses			
Add: 407 ETR			
Total allowable motor vehicle expenses			

Comments

Vehicle information - Owned

Make, model and year	
Date acquired	m/dd/yy
Purchase price (excluding HST)	
Proceeds of disposition during the year / Trade-in value	

Vehicle information - Leased

Make, model and year	
Date lease commenced	m/dd/yy
Date lease terminates	m/dd/yy
Monthly lease payments (excluding HST)	
Lease downpayment	
Manufacturer's list price	

Home Office Expenses

You can deduct expenses for the business use of a workspace in your home, as long as you meet ***one*** *of the following conditions:*

- it is your principal place of business; or
- you use the space only to earn your business income, and you use it on a regular and ongoing basis to meet your clients, customers, or patients.

Comments

Percentage of home used for Business or employment ____ %

Expenses

	Excluding HST	HST Paid	Total
Heat			
Electricity			
Water			
Insurance (self-employed and commission employees only)			
Maintenance			
Mortgage interest (self-employed individuals only)			
Property taxes (self-employed and commission employees only)			
Rent			
Other: (specify)			
Subtotal			
Less: Personal portion			
Deductible home office expenses			

Rental Property Income and Expenses

If you sold real estate in the year, please complete worksheet "Sale of Real Estate"

Address of Property

Percent owned

Joint owner name:

Comments

Income

Rent collected	
Other Income: (specify)	
Gross income	

Expenses

Advertising	
Insurance	
Office expenses	
Legal and accounting	
Management and administration fees	
Maintenance and repairs	
Salaries, wages and benefits (including employer's contributions)	
Property taxes	
Travel	
Utilities	
Mortgage interest	
Bank charges	
Other (specify)	
Equipment purchases *(separate computers, equipment, leaseholds, etc)*	
Total expenses	

Net income (loss)

Major Renovations and Purchases (appliances, windows, etc.)

Please provide details below

Sale of Real Estate

Note regarding Sale of Real Estate Property

Beginning in tax year 2016 all sales of real estate property including **principal residences,** must be reported on the personal income tax return. ***Details on additions or major improvements are not required for the sale of a principal residence.*

Address of Property

Comments

Percent owned %

Joint owner name:

Date Sold	m/dd/yy
Sale price	
Legal cost on sale	
Commission on sale	

Other selling expenses (specify):

Date purchased	m/dd/yy
Purchase price	
Legal cost on purchase	

Additions or Major improvements (specify):

Description	Year	Cost

Medical Expenses

Please provide a summarized total of your medical expenses. You can also obtain an annual summary of your prescription receipts from your pharmacy.

Record any reimbursements received from insurance as negative amounts.

For a list of eligible medical expenses, please consult the link below:
https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/lines-330-331-eligible-medical-expenses-you-claim-on-your-tax-return.html#mdcl_xpns

Please insert additional rows as necessary

Date	Patient	Description	Amount
Total			