

## Personal Income Tax Process

### *Let's Get Started!*

February 2022

Dear Client:

It's time to prepare your 2021 personal income tax return. Please read and follow these instructions to help us expedite your return(s) and minimize any questions from the Canada Revenue Agency (CRA). We sincerely appreciate your cooperation and timely response.

#### Step 1:

- **Everyone:** Please complete this fillable PDF checklist and submit when ready (OR use the online version on this link: [https://sterncohenllp.formstack.com/forms/t1\\_2021](https://sterncohenllp.formstack.com/forms/t1_2021))
- **Self-Employed:** Also complete the *Self-Employed Supplement Checklist*.

#### Step 2:

We require all tax slips and documentation requested in the checklists.

There are two preferred methods to submit your supporting documents:

- Upload your documents via our secure online portal. Just [click this link](#) and follow the instructions. This method is preferable, safest, and most efficient.
- Mail to our office by Canada Post.



### Step 3:

When your tax return is complete, we will email you a secure PDF of the tax return for your review. You will also receive a T183 form authorizing Stern Cohen to E-file your return. It must be signed and returned to us before your return can be E-filed.

**Please remember that late filed returns, late payment of taxes or instalments, and the failure to report income are subject to severe interest and penalty charges by the CRA.**

We look forward to providing you with excellent service! If you have any questions, please contact us at your earliest convenience.

Yours truly,

**STERN COHEN LLP**

## Other Important Information

### **\*CRA Penalties for Incomplete Tax Information:**

Significant penalties may be incurred for not reporting all of your income. While this is nothing new, we would like to caution you that it is now easier than ever for the CRA to electronically match reported income from your tax return to T-slips provided to them. The CRA is rigorously reassessing and if you have also failed to report an amount in any of your previous returns (for years before 2021) you will be subject to a *repeated failure to report income* penalty equivalent to 20% of the gross amount not reported.

**Therefore, it is very important that you provide us with all of your information.**

**If you receive additional T-slips after the fact, please notify us as soon as possible so we can file the necessary adjustments.**

### Deadlines:

<b>May 2, 2022</b>	Canadian tax returns must be filed for individuals without self-employment income. Taxes are due for taxpayers reporting self-employment income.
<b>June 15, 2022</b>	Canadian tax returns must be filed for self-employed individuals.
<b>US Citizens</b>	April 18 for most and April 19 for those who live in MA or ME due to Patriots' Day holiday.



## Personal Income Tax Checklist - 2021 Tax Year

First Name:	Middle Name:	Last Name:
First Name of Spouse / Common Law Partner (if applicable):	Middle Name:	Last Name:
Telephone (Day):	Telephone (Evening):	
Email Address:	Fax Number:	

Will you be out of town between now and May 2, 2022? If so, please indicate the date range here:

**INSTRUCTIONS:** *If the question applies to you OR your spouse, please indicate “YES” by selecting the respective box. A checkmark ✓ indicates your answer is affirmative.*

QUESTIONS	SELF	SPOUSE	INFORMATION REQUIRED IF YES
1) Is this the first year Stern Cohen is preparing your personal tax return?	<input type="checkbox"/>	<input type="checkbox"/>	Please provide a copy of your 2020 tax return and your Notice of Assessment for the 2020 tax year.
2) Did you receive a Notice of Reassessment in 2021 for any prior tax year?	<input type="checkbox"/>	<input type="checkbox"/>	Provide a copy of the Notice of Reassessment(s).
3) Are you a Canadian Citizen?	<input type="checkbox"/>	<input type="checkbox"/>	
4) If yes to # 3 - Do you authorize the Canada Revenue Agency (CRA) to provide your name, address and date of birth to Elections Canada?	<input type="checkbox"/>	<input type="checkbox"/>	
5) Are you a U.S. Citizen or “Green Card” holder?	<input type="checkbox"/>	<input type="checkbox"/>	

QUESTIONS	SELF	SPOUSE	INFORMATION REQUIRED IF YES
6) If you are not a US citizen or Green card holder, were you present in the US for at least 31 days during 2021?	<input type="checkbox"/>	<input type="checkbox"/>	If more than 31 days in the US, please provide the number of days in the US for 2019, 2020 and 2021. 2019: _____ 2020: _____ 2021: _____ days  If more than 31 days in the US, how many days were you in the US <i>between February 1, 2020 to April 1, 2020</i> : _____ days. Note: 2020 is not a typo.
7) Did you own foreign property with a cost of \$100,000 CAD or more at any time in 2021? Note: This does NOT apply to personal use property (e.g. a home in Florida you do not rent).	<input type="checkbox"/>	<input type="checkbox"/>	If yes, please complete the attached <i>Foreign Property Questionnaire</i> .
8) Did you (or your spouse or common-law partner) have any children in 2021? Did you adopt a child in 2021?	<input type="checkbox"/>	<input type="checkbox"/>	Provide the name(s), date(s) of birth, and social insurance number(s) (if available).
9) Did you have a change of marital status in 2021? (E.g. Did you marry, enter into a common-law relationship, get separated or divorced?)	<input type="checkbox"/>	<input type="checkbox"/>	Provide the name, date of marriage, social insurance number, and date of birth of your spouse or common-law partner. OR Provide the date of separation or divorce.
10) Are we preparing your spouse or common-law partner's 2021 return?	<input type="checkbox"/>	<input type="checkbox"/>	<b>If no</b> – please provide your partner's net income for 2021 from line 23600 of their T1 return.
11) Was your spouse or common-law partner self-employed in 2021?	<input type="checkbox"/>	<input type="checkbox"/>	
12) Are you eligible for the disability tax credit?	<input type="checkbox"/>	<input type="checkbox"/>	Provide form T2201 – the disability credit form must be signed by a doctor if one has not been provided to CRA in prior years.
13) Is there anyone dependent upon you because of their age or disability?	<input type="checkbox"/>	<input type="checkbox"/>	Provide the name, address, social insurance number, date of birth, disability certificate form (if not provided in prior years), details of relationship, and income information for each dependent.
14) Did you pay income tax instalments during the year?	<input type="checkbox"/>	<input type="checkbox"/>	Provide the most recent statement of account.
15) Did you earn employment income?	<input type="checkbox"/>	<input type="checkbox"/>	Provide T4 slip(s) and/or details regarding any foreign employment income (e.g. US W-2 slip).

QUESTIONS	SELF	SPOUSE	INFORMATION REQUIRED IF YES
16) Did you exercise any employee stock options?	<input type="checkbox"/>	<input type="checkbox"/>	Provide strike price of option(s) exercised and value of underlying stock on date stock options were granted.
17) Did you earn self-employment income?	<input type="checkbox"/>	<input type="checkbox"/>	Provide financial statement (if prepared) or summary of related income and business expenses. Complete the <b><i>Self-Employed Supplement Checklist</i></b> .
18) Did you earn investment income (e.g. interest, dividends or royalties)?	<input type="checkbox"/>	<input type="checkbox"/>	Provide T3 and T5 slips. Provide details of mortgage, private loan payment, or other investment income for which no T5 was issued.
19) Did you earn income from foreign investments?	<input type="checkbox"/>	<input type="checkbox"/>	Provide details of income earned, foreign tax paid (including foreign tax return filed if applicable), any foreign tax slips (e.g. US 1099-INT).
20) Did you hold any cryptocurrency in 2021?	<input type="checkbox"/>	<input type="checkbox"/>	Your tax preparer will reach out if you answer yes to this or #21.
21) Did you have any transactions* in cryptocurrency in 2021?	<input type="checkbox"/>	<input type="checkbox"/>	*This includes transfers from one cryptocurrency to another cryptocurrency, transfers from cryptocurrency to cash, and vice versa.
22) Did you own an interest in any partnership?	<input type="checkbox"/>	<input type="checkbox"/>	Provide details of the original investment, income/loss allocations, contributions/distributions since inception, T5013 slips (or US K1 slip).
23) Did you own rental property?	<input type="checkbox"/>	<input type="checkbox"/>	Provide financial statement (if prepared) or summary of related income and expenses by property. And/or complete the <b><i>Rental Income Supplement Checklist</i></b> by property.
24) Did you dispose of shares, bonds, real estate (other than your principal residence) or other properties?	<input type="checkbox"/>	<input type="checkbox"/>	Provide the proceeds of disposition, adjusted cost base (ACB) or a gain loss report from your investment advisor. Provide supporting legal documents for any dispositions of real estate.
25) Did you dispose of your principal residence?	<input type="checkbox"/>	<input type="checkbox"/>	If yes, please provide the full address, the year of acquisition and proceeds of disposition.
26) If yes to #25 – During the period you’ve owned the property referred to in #25, did you hold any other property that may qualify as your principal residence (e.g. cottage or a home that you previously treated as your principal residence)?	<input type="checkbox"/>	<input type="checkbox"/>	If yes, please contact our staff for further discussion. If no, we will designate the property addressed in #25 as your principal residence for all years owned.

QUESTIONS	SELF	SPOUSE	INFORMATION REQUIRED IF YES
27) Did you receive pension income or withdraw money from an RRSP, RRIF or RDSP?	<input type="checkbox"/>	<input type="checkbox"/>	Provide T4A (OAS), T4A (P), T4A, T4RSP, T4RIF slips (as applicable) and gross amount of any foreign pension income received and any foreign tax paid.
28) Did you receive/pay spousal or taxable child support?	<input type="checkbox"/>	<input type="checkbox"/>	Provide the details of amounts received/paid and copy of relevant agreement or court order (if we do not already have on file).
29) Did you receive any other income?	<input type="checkbox"/>	<input type="checkbox"/>	Provide details and supporting documentation.
30) Were you a self-employed individual and are you claiming home office expenses? If yes, complete the <b>Self-Employed Supplement Checklist</b> .	<input type="checkbox"/>	<input type="checkbox"/>	Provide the details of automobile, travel, parking, meals etc. Please state the amount of HST paid as well.
31) Were you an employee who incurred authorized employment expenses like auto, travel, parking, meals, etc.?	<input type="checkbox"/>	<input type="checkbox"/>	If so, please provide the details of these expenses with form T2200 from your employer.
32) Were you an employee (not claiming employment expenses with form T2200 from your employer) and did you work from home?	<input type="checkbox"/>	<input type="checkbox"/>	<p><i>*This question is for those who are employees who worked from home BUT it does not apply if you are an employee claiming authorized employment expenses with form T2200 from your employer. Due to the COVID-19 pandemic, the rules and calculations for claiming home office expenses have changed significantly for 2021. If an employee worked more than 50% of the time from home for at least four consecutive weeks in 2021, AND expenses were incurred for employment without reimbursement, the new temporary flat rate method (or simplified method), allows the employee to claim \$2/day for each day worked from home (to a maximum of \$500 in 2021). Multiple people working from the same home can each make a claim.</i></p> <p>Or, if you have more expenses to claim, you can choose the detailed method. The detailed method requires supporting documentation of all expenses; a T2200S form from your employer; and a detailed calculation of your home office expenses.</p>

QUESTIONS	SELF	SPOUSE	INFORMATION REQUIRED IF YES
33) Did you contribute to an RRSP?	<input type="checkbox"/>	<input type="checkbox"/>	If yes, provide RRSP contribution slips.
34) Did you or your spouse purchase your first home in 2021?	<input type="checkbox"/>	<input type="checkbox"/>	Provide details on the purchase as you may be eligible for the First-Time home buyers' credit.
35) Did you pay professional or union dues?	<input type="checkbox"/>	<input type="checkbox"/>	Provide the receipts.
36) Did you incur childcare expenses?	<input type="checkbox"/>	<input type="checkbox"/>	Provide receipts for daycare, camp, babysitting costs including the name and social insurance # of babysitter (if applicable).
37) Did you have any new or outstanding debt to finance business or investment activities?	<input type="checkbox"/>	<input type="checkbox"/>	Provide explanation as to the purpose of the loan and interest paid for the year.
38) Did you relocate in 2021 more than 40 kms closer to a new place of work, business location or to attend a post-secondary program as a full-time student?	<input type="checkbox"/>	<input type="checkbox"/>	Provide all receipts for expenses, net of any reimbursements incurred including meals and lodging en route, moving company or truck rentals, temporary lodgings, cost for cancelling an unexpired lease or costs for selling your house.
39) Did you incur accounting fees, investment counsel fees or investment management fees with respect to your investments? Did you incur legal or accounting fees to respond to the Canada Revenue Agency (CRA) or to object to a tax assessment?	<input type="checkbox"/>	<input type="checkbox"/>	Provide receipts for amounts paid. Fees paid in connection with a registered investment account (e.g. RRSP, RRIF, TFSA, RDSP, RESP) are not deductible.
40) If you were 65 or older in 2021, did you pay for public transit services operated by the government of Ontario or one of its municipalities?	<input type="checkbox"/>	<input type="checkbox"/>	Provide receipts, a presto card summary and/or passes to support the amounts paid in 2021. (Note: this only applies to individuals 65 or older. The previous transit credit available to all taxpayers was eliminated as of July 1, 2017.)
41) Were you or a dependent enrolled in post-secondary education?	<input type="checkbox"/>	<input type="checkbox"/>	Provide a T2202A slip (or TL11A for a foreign post-secondary institution.)
42) Are any of your dependents transferring unused tuition?	<input type="checkbox"/>	<input type="checkbox"/>	Your tax preparer will contact you if your answer is yes.
43) Did you pay interest on a student loan?	<input type="checkbox"/>	<input type="checkbox"/>	Provide total interest paid on student loans throughout the year. Interest must be paid to OSAP or a similar provincial or federal student loan program to be eligible for a tax credit.
44) Did you make charitable or political donations?	<input type="checkbox"/>	<input type="checkbox"/>	Provide the official donation receipts.

QUESTIONS	SELF	SPOUSE	INFORMATION REQUIRED IF YES
45) Did you incur any medical or attendant care expenses?	<input type="checkbox"/>	<input type="checkbox"/>	Provide the receipts for all expenses. <b>TIP:</b> Do you have multiple expenses from ONE service provider? <b>SAVE TIME</b> by asking them for a "Statement of Account" for 2021. For example, if you frequently purchase medicine at Shoppers Drug Mart you might have 30 receipts in a year. A "Statement of Account" from Shoppers (or from any of your frequent service providers) will save you and us time documenting your expenses. You can provide the annual/total amount (instead of listing each charge) if you have a Statement of Account (keep the separate receipts as backup).
46) Did you incur expenses in 2021 to improve the safety and accessibility of your home for someone 65 or older or someone that is eligible for the disability tax credit?	<input type="checkbox"/>	<input type="checkbox"/>	If yes, you may qualify for the Federal Home Accessibility Tax Credit. Provide receipts for expenditures incurred.
47) Did you pay property taxes or rent during the year?	<input type="checkbox"/>	<input type="checkbox"/>	Provide property tax receipt or rental receipts. Receipts must provide the municipality and amount paid or landlord, address and total rent paid.
48) Did you have any digital subscriptions for Canadian news during 2021?	<input type="checkbox"/>	<input type="checkbox"/>	This is a newer credit introduced for digital subscriptions paid to a "qualified Canadian journalism organization." If yes, please provide the name of the subscription, the amount paid in 2021, and the publication's QCJO designation number if you have it.

## FOREIGN PROPERTY QUESTIONNAIRE

The Canada Revenue Agency requires the filing of information forms for taxpayers who hold certain foreign property or have transactions with certain foreign entities. Foreign property includes foreign holdings in a Canadian non-registered investment account. Investments held in your RRSP, RRIF, TFSA, and/or through Canadian mutual funds should **not** be included.

***\*There are significant financial penalties for not filing these forms if they are applicable.***

Please answer the questions below **for each taxpayer** and **return this sheet** with your other tax information.

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

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

QUESTIONS	YES	NO
1. Did you hold foreign property with a total <b>cost</b> amount of more than \$100,000 CAD at any time during the year? If yes, indicate below the type of property held. This includes:	<input type="checkbox"/>	<input type="checkbox"/>
a) Funds held outside Canada;	<input type="checkbox"/>	<input type="checkbox"/>
b) Shares of non-resident corporations other than foreign affiliates;	<input type="checkbox"/>	<input type="checkbox"/>
c) Indebtedness owed by non-residents;	<input type="checkbox"/>	<input type="checkbox"/>
d) Interest in non-resident trusts;	<input type="checkbox"/>	<input type="checkbox"/>
e) Real property outside Canada (excluding personal use property);	<input type="checkbox"/>	<input type="checkbox"/>
f) Other property outside Canada.	<input type="checkbox"/>	<input type="checkbox"/>
2. Have you <b>ever</b> at any time before 2022 transferred or loaned property to i) a foreign trust, or ii) a foreign company in which a foreign trust and/or Canadian resident had a significant interest?	<input type="checkbox"/>	<input type="checkbox"/>
3. Have you at any time during 2021 owned 1% or more of the issued shares of any class of a foreign corporation?	<input type="checkbox"/>	<input type="checkbox"/>
4. Have you at any time during 2021 received property of any sort from a foreign trust and/or been indebted to such a trust?	<input type="checkbox"/>	<input type="checkbox"/>