

March 1, 2023

Dear Client:

Re: 2022 PERSONAL TAX QUESTIONNAIRE AND CHECKLIST

The 2022 personal tax questionnaire and checklist is designed to assist you in gathering the documents and information necessary for the preparation of your 2022 tax return.

In order that we may prepare your 2022 personal income tax return on a timely basis, please start accumulating your receipts. The following options are available to you for providing us with your 2022 tax receipts and information:

- Upload your receipts as pdf files to our secure portal. This is preferable to email, as all your receipts are saved in one secure location.
- Email your tax receipts to us if you do not wish to sign-up for portal access.
- Courier or drop off your receipts
- Mail the receipts to us using express post (not regular mail)

Your prompt attention will allow you to collect any refunds early or plan the payment of any tax that is due on May 1, 2023.

We recommend that you review your prior year's income tax return in order to familiarize yourself with the information required to prepare your 2022 income tax return.

We will be returning all material provided to us (other than copies of receipts uploaded by you to the portal or emailed to us) when your return is completed as well as a full version of your income tax return. If you are using our portal, your completed tax return will be uploaded to the portal. If you have emailed your information to us, we will provide you with a complete tax return by email, unless you request a paper copy of your return.

As was our practice last year, we will contact you when your return is complete. For payment options, we accept VISA, MASTERCARD, AMEX and E-TRANSFERS for personal income tax returns.

Should you have any concerns or questions, or wish to arrange a virtual (zoom) meeting to discuss your income tax affairs, please do not hesitate to contact us as soon as possible. Please call or make an appointment on our contacts page on our website www.wrcafirm.ca, or contact anyone of us by phone (cell numbers preferable).

Yours very truly,

WEINSTEIN RAISIN CHARTERED PROFESSIONAL ACCOUNTANTS

Please visit our website to access a fillable version of these forms as well as a more detailed questionnaire

www.wrcafirm.ca

**PERSONAL TAX QUESTIONNAIRE
2022 TAXATION YEAR**

1. FAMILY NAME: _____

Only complete for information that has changed in 2022

2. ADDRESS : _____

: City _____ Postal Code _____

TELEPHONE# : (h) _____ (b) _____

Name

Cell

E-mail

Head of Household: _____

Spouse: _____

Dependant: _____ Dependant: _____

Dependant: _____ Dependant: _____

Marital Status : married___ / common-law___ / widowed___ / divorced___ / separated___ / single___

Spouse's net income from line 23600 of their return, if we **do not** prepare their tax return: \$ _____

Were you, your spouse or children born in the U.S.A.? Yes ___ No ___

Are you, your spouse or children U.S. Citizens or green card holders? Yes ___ No ___

Date of arrival in (if a new immigrant) or departure from Canada in 2022: _____

3. PROPERTY TAX OR RENT PAID: \$ _____ Name of Landlord: _____

ONTARIO SENIOR HOMEOWNERS TAX GRANT: \$ _____

PERSONAL TAX INSTALMENTS PAID: Name: _____ \$ _____

Name: _____ \$ _____

4. Are you a Canadian citizen? Yes ___ No ___

Do you authorize CRA to provide your name, address, date of birth to Elections Canada to update your information on the National Register of Electors? Yes ___ No ___

5. Did you own foreign property at any time in 2022 which cost more than \$100,000? Yes ___ No ___

6. Do you have a Tax Free Savings Account (TFSA) Yes ___ No ___

7. Delivery of Tax Returns?

Electronic via email _____ Electronic via Portal _____ Hard Copy – mail or courier _____

CHECKLIST

In order to prepare your 2021 personal income tax returns, it will be necessary for you to assemble and prepare information which would include, as applicable:

T4	Statement of Remuneration Paid
T4A	Statement of Pension, Retirement, Annuity and Other Income
T5	Statement of Investment Income (interest, dividends)
T3	Trust Income
T4E	Employment Insurance benefits
T4A (OAS)	Old Age Security Pension
T4A (P)	Canada or Quebec Pension Plan benefits
T4RIF	RRIF Income
T4RSP	RRSP Income
T2202	Tuition Fees (must be signed by student on back of last page and be issued by educational institution)
T5007	Workers Compensation benefits
RC62	Universal child care benefits
Capital Gains	Shares or property sold - original cost, proceeds of sale, expenses of sale, date of sale
Rental Income	Rent received, property taxes, interest, insurance, repairs, etc.,
Partnership Income	T5013 Supp. to be included, copy of financial statements if available
Support payments received	Amount and details. If first year, include copy of agreement
Business Income	Copy of financial statements
Professional Income	Copy of financial statements
Farming Income	Details
Foreign Income	Details
Deductions	RRSP contribution receipts
	Home buyer plan withdrawals (amount and date)
	Union or professional dues
	Child care expenses
	Support payments made
	Moving expenses
	Interest paid on investments
	Employment expenses (include form T2200 from employer)
	Interest paid on student loans
	Medical expenses
	Charitable donation receipts
	Federal and provincial political contribution receipts
	Adoption expenses
	Home accessibility expenses
	Digital news subscription expenses

If a new client please include a copy of your 2021 income tax return and notice of assessment,

If an existing client, please include a copy of your 2021 notice of assessment.

Note: Through the Matching program of tax information slips, the CRA is imposing harsh penalties for unreported income. Please provide us with any late or amended tax slips (i.e. slips received after sending information to us, or slips not reported in a prior year) to avoid exposure to penalties.

What's New for 2022

Registering for direct deposit

The CRA is encouraging all Canadians to register for direct deposit to reduce any delays in receiving your refund, or benefit or credit payments due to COVID-19. You can register for direct deposit through your financial institution or by calling the CRA at 1-800-959-8281

Air quality improvement tax credit

If you were self-employed or a member of a partnership in 2022, you may be eligible to claim a refundable tax credit equals to 25% of your total ventilation expenses to improve ventilation or air quality at your place of business.

Critical mineral exploration tax credit

The critical mineral exploration tax credit (CMETC) is a new 30% investment tax credit for the exploration of specified minerals. The CMETC will only apply to expenditures renounced under eligible flow-through share agreements entered into after April 7, 2022 and before April 1, 2027. For more information and to claim this credit, see Form T2038(IND), Investment Tax Credit (Individuals).

Disability tax credit

For 2021 and later tax years, an individual diagnosed with type 1 diabetes is deemed to have met the two times and 14 hours per week requirements for life-sustaining therapy. For more information, see Guide RC4064, Disability-Related Information.

First-time home buyer's tax credit

The amount used to calculate the first-time home buyers' tax credit has increased to \$10,000 for a qualifying home purchased after December 31, 2021.

Home accessibility tax credit

The annual expense limit of the home accessibility tax credit has increased to \$20,000.

Labour mobility deduction for tradespeople

The labour mobility deduction provides eligible tradespeople and apprentices working in the construction industry with a deduction for certain temporary relocation expenses. Eligible individuals may be able to deduct up to \$4,000 in eligible expenses per year. If you are eligible to claim this deduction, complete Form T777, Statement of Employment Expenses. For more information, see Guide T4044, Employment Expenses.

Medical expense tax credit (for surrogacy and other expenses)

The list of eligible medical expenses has been expanded to include amounts paid to fertility clinics and donor banks in Canada to obtain donor sperm or ova to enable the conception of a child by the individual, the individual's spouse or common-law partner, or a surrogate mother on behalf of the individual. In addition, certain expenses incurred in Canada for a surrogate or donor are considered medical expenses of the individual.

Covid – 19 Tax Considerations

Employer-provided benefits

The CRA updated their guidance on temporary relief on some employer-provided benefits as a result of COVID-19, *extending administrative rules* introduced for 2020 to apply to 2021 and 2022, and expanding some of them as follows (see the [CRA's webpage](#) for more information).

Commuting costs

If an employee continues to work at their regular place of employment, the CRA will not consider a taxable benefit to arise where an employer provides a reimbursement or reasonable allowance for additional travel expenses (over and above normal commuting costs) to employees for commuting between their home and place of employment.

Similarly, where an employee works from home while their regular place of employment is closed because of the pandemic, no taxable benefit arises where the employer reimburses or provides a reasonable allowance for the employee's costs to commute to their regular place of employment for any purpose that enables them to do their work from home (e.g., to collect work equipment or supplies).

This relief is also extended to the use of employer-provided motor vehicles.

Employer-provided parking

The CRA states that when "a regular place of employment is closed due to COVID-19, including situations where employees have been sent home by the employer, or have been given the option to work from home on a full-time basis due to the pandemic," the CRA will not view employer-provided parking at the regular place of employment as a taxable benefit. This wording appears to be broader than the original 2020 announcement, which simply referred to the place of employment being closed.

However, if the employee worked in the workplace part-time (even one day a week), then the CRA would consider this to be a taxable benefit.

Computer and home office equipment

An employer-provided reimbursement of up to \$500 from March 15, 2020 to December 31, 2022 for the purchase of computer or home office equipment for an employee to perform employment duties at home does not count as a taxable benefit to the employee. Keep in mind, however, that the reimbursement is capped at \$500, and this limit applies for the entire qualifying period.

Employee home office expenses for 2022:

The temporary home office expense rules introduced in 2020 has been extended to the 2022 tax year and the maximum claim under the flat rate method remains at \$500.

Forms **T777S** “Statement of Employment Expenses for Working at Home Due to Covid-19” and **T2200S** “Declaration of Conditions of Employment for Working at Home Due to COVID-19” will continue to be used.

Overview of tax rules for home office expenses

Under normal circumstances, employees who want to deduct their home office expenses must meet two main conditions.

First, an employee must be required by their contract of employment to maintain a workspace in their home and pay for the related expenses. Employers attest to this requirement on T2200 forms issued to their employees, and employees are only eligible to claim a deduction if they have this form in hand.

Second, the use of the workspace must meet one of two conditions:

- the workspace is where the employee “principally” (more than 50 per cent of the time) performs the duties of their office or employment
- the employee uses the workspace exclusively for earning employment income and for regularly and continuously meeting customers or clients while doing their work

These rules have not changed. The changes introduced by the Canada Revenue Agency (CRA) for the 2020 tax year and the extension of these changes to 2022 are administrative concessions to these rules. Employees who worked at home before the pandemic should follow the detailed method for claiming a deduction for 2022.

Updated temporary home office expense claim process

For employees who worked from home during 2022 due to the pandemic, the CRA has simplified the process by:

- relaxing the employment contract requirement and providing a simplified definition of what working principally from home means in a pandemic
- allowing employees to claim a temporary flat rate deduction for 2022 if conditions are met, instead of using the detailed calculation
- providing extensive online tools, forms and guidance to help employees claim the deduction

The eligibility criteria and calculations for the detailed and flat rate methods are slightly different, as we discuss in the next two sections.

Temporary flat rate method: Eligibility criteria and calculations

Under the temporary flat rate method, employees qualify for a 2022 deduction if they meet all of the following conditions:

- worked from home in 2022 due to the pandemic
- worked from home more than 50 per cent of the time for at least four consecutive weeks in that year
- claim home office expenses only and no other employment expenses
- were not fully reimbursed by their employer for all of their home office expenses

The temporary flat rate method allows eligible employees to claim a deduction of \$2 for each day they worked at home in 2022 due to COVID-19, up to **\$500**. The amount is a substitute for actual home office expenses paid by the employee, such as rent, electricity, home internet access fees, office supplies (e.g., pens, paper) and unreimbursed cell phone costs.

Other points to keep in mind:

- if an employee was not required to work from home, but their employer provided them with the choice to work at home because of the COVID-19 pandemic, then the CRA will consider the employee to have worked from home due to COVID-19
- employees who want to claim other employment expenses, such as employment-related auto expenses, must use the detailed method
- an employee who was reimbursed for some but not all of their expenses can use the flat rate method as long as they meet the other conditions
- the number of days worked at home due to the pandemic includes both full-time and part-time days but not days off (whether for vacation, illness or another reason)

Although the deduction is limited, the temporary flat rate method has some advantages:

- employees choosing the temporary method do not need to have their employers complete and sign a Form T2200 or T2200S, although they should do their best to document how many days they worked at home
- they do not need to determine and summarize eligible costs, or keep receipts
- if they worked at home occasionally during parts of the year but not primarily at home, those days will count if the individual otherwise qualifies

Employees must use the [Form T777S](#), “Statement of Employment Expenses for Working at Home Due to COVID-19” to report that they are using the flat rate method and calculate their deduction.

Detailed method: Eligibility criteria and calculations

Under the detailed method, employees can claim the employment portion of actual home office expenses paid. Although these temporary rules are simplified, the calculations are essentially the same as for employees who are required to work at home more generally.

Under the detailed method, employees qualify for the deduction if they meet all of the following conditions:

- worked from home in 2022 due to the pandemic or were required to work at home by their employer
- were required to pay for expenses related to their home workspace and used the expenses directly in their work
- either:
 - worked in their home workspace “mainly” (more than 50 per cent of the time) for at least four consecutive weeks, or
 - only used their workspace to earn employment income, in particular, for regularly and continually meeting clients, customers or other people while doing their work
- have received a signed T2200 or T2200S form from their employer

The CRA has confirmed the employer’s requirement for an employee to work from home may be a written or verbal agreement. It does not have to be part of the employment contract. As was the case for the flat rate method, employees who chose to work at home due to the pandemic will be eligible.

Qualifying employees using the detailed method must first determine the total of their eligible expenses overall. They must then prorate these expenses (excluding office supplies) based on the portion of their home used for employment, as we discuss in the next section.

Determining the percentage of workspace at home

To claim the employment portion of actual amounts paid, employees need to determine the portion of their home used for work based on both size and use (employment versus personal). For common areas, such as a kitchen table, the proration needs to account for both the floor space used for employment and the time spent.

If a specific space is used only for employment, employees will only need to prorate based on the amount of that space. The CRA provides plenty of examples and guidance for determining the percentage of the employee’s home used as a workspace, including situations such as common versus designated workspaces, more than one employee working in the same home, and changes of workspace during the year.

Eligible expenses

Eligible expenses include home office expenses as well as office supplies. Employees must separate the expenses between their employment use and non-employment (personal) use.

Eligible home office expenses include electricity, heat, water, utilities, home internet access fees, maintenance and minor repairs, and rent. (Commissioned employees can also claim some other expenses).

Non-eligible home office expenses include mortgage interest, principal mortgage payments, home internet connection fees, furniture (e.g., office chairs and desks) and capital expenses (e.g., replacing windows, flooring

and furnace). To determine the amount that is deductible, eligible home office expenses are prorated by percentage of the home used as a workspace (discussed above).

Where an employer requires the employee to pay for office supplies or certain phone expenses, the employee may be able to claim those expenses. The CRA's website includes a comprehensive list of eligible and ineligible supplies. Eligible supplies do not need to be prorated like other home office expenses.

In general, to be eligible, the cost of supplies must relate to things that are consumed when doing work, such as paper or ink. The costs of more permanent items like calculators and computer cables are not deductible as office supplies, even though they are relatively inexpensive. The CRA is quite strict in applying these rules.

Calculating eligible home office expenses

Once the proration factor for costs (other than supplies) and total costs has been determined, the employee can then determine the portion of each type of cost that is eligible for deduction. When doing the calculation, only expenses incurred during the work-from-home period(s) qualify.

If using the detailed method, the CRA provides guidance to help determine [eligibility](#), [employment use of workspace](#) and [eligible expenses](#). The CRA also offers an [online calculator](#) that guides users through the process of computing the home office expense deduction under the detailed method, including prorated amounts.

One common question is how to calculate the amount of internet access fees that relate to employment. The CRA's calculator prorates these costs like other costs such as electricity or heat (i.e. based on the home work space percentage). The CRA has confirmed with us that they would allow employees to use another reasonable method for this calculation, but they must ensure they meet all the following conditions:

- the cost of the internet plan is reasonable
- the cost of the internet plan has been divided between employment and personal use on a reasonable basis
- the employee is able to substantiate the amount of data used directly in the performance of their employment duties

The employee should include the employment-use portion of the fees calculated under "other expenses" on line 9270 of the T777 or T777S forms. In addition, if using the online calculator, the home internet fees should not be included in the box "Total electricity, heat, water and home internet access fees you paid from" as this total number will be prorated by the workspace at home allocation.

Another thorny issue relates to condominium fees. The CRA has stated that employees can claim the portion of these fees that relate to electricity, heat and water consumed in a condo unit owned by the employee using a reasonable basis. Calculating the utility portion of maintenance fees will be difficult for most taxpayers as they will need to obtain and extract information from the condo corporation's financial statements. To assist with this, the CRA has indicated to us that they will accept that the administrator of the condominium building provides the information from either the current or previous fiscal year, whichever is available at the time of the request.

Employees who use the detailed method must maintain documentation to support their home office expense claim and have a signed copy of either Form T2200S or T2200 at the time they make their claim.

Employees claiming both home office and other employment expenses (such as automobile deductions) should use [Form T777 Statement of Employment Expenses](#). Employees claiming home office expenses only should use the simplified [Form T777S](#).

Which method produces the best result?

Like many things in tax, the best approach should be determined case by case, based in part on the answers to these questions.

- **Do you rent your home?** Under the detailed method, renters generally have higher eligible expenses than homeowners. Mortgage interest is generally not deductible, and costs such as insurance and property taxes are only eligible for commissioned employees. However, such expenses are indirectly reflected in rental payments, so the total expense that renters use as a starting point is usually much higher.
- **Do you own your home?** Although \$2 per day doesn't sound like much, if your actual eligible costs are mainly limited to utilities and internet, then your actual prorated cost may be in this ballpark.
- **What is a reasonable internet amount?** As discussed, the CRA's calculator prorates internet costs based on floor space usage in the same way as other costs. If an alternative but reasonable approach is used, this could result in a somewhat higher deductible amount than the fixed rate approach.
- **Do you qualify under one method but not the other?** Some employees may be eligible for one method but not the other. For example, an employee who also wants to claim automobile expenses must use the detailed method.
- **Did you return to the office during 2022?** In one [example](#), the CRA addresses a situation where an individual ("Kumi") worked at home full-time for two consecutive months (April and May) and then worked part-time for the balance of the year. During the part-time period, the individual was working primarily in the office. Under the detailed method, only expenses for April and May will be allowed while the workdays at home after May will count under the flat rate method.
- **Which method is simpler and costs less?** If you qualify, the fixed rate method is simpler to use and no T2200 is needed. If you use a practitioner to prepare your tax return, the fees may be lower depending on how you are charged and the work involved to make a detailed claim.

The CRA has provided extensive guidance, including a [FAQ page](#), and online tools to help employees navigate these rules and determine which method to use. In addition, [CRA's T4044 Employment Expenses guide](#) has been updated to reflect the 2022 home office expense rules and is a helpful resource.

Foreign Property Reporting

Canada Revenue Agency requires that all Canadian Taxpayers report their foreign property holdings.

The foreign holdings which would be subject to reporting **exclude** foreign personal use property (vacation property) or foreign properties having a cumulative initial cost less than \$100,000 Canadian.

Canada Revenue Agency requires the filing for 2022 foreign property holdings by May 1, 2023.

You are required to retain specific information regarding your foreign property, interest in a foreign trust, interest in any foreign partnership, shares of foreign corporations (other than publicly traded shares), loans to or from foreign trusts and their related initial cost amount in Canadian dollars.

Requirement to file Information Return with your 2022 Tax Return

If you as a Canadian taxpayer, at any time during the year, have:

- Shares in non-Canadian corporations,
- Indebtedness owed by a non-resident,
- An interest (loans to or from) in a non-resident trust
- Funds or real property held outside Canada

You will be required to file Information Returns related to these foreign holdings.

Specified Foreign Property

If you have any of the following properties having a cumulative cost of \$100,000 or more, you are required to file an information return (T1135). The assets being reported include these assets held during the year as well as those held at year end.

These foreign assets to be reported include:

- Funds in foreign bank accounts;
- Shares of Canadian corporations on deposit with a foreign broker;
- Shares of a foreign corporation in your name or on deposit with a Canadian or foreign broker;
- Real estate held outside of Canada (but excluding personal use property and personal property which generates no rental income);
- Interest in mutual funds that are organized outside of Canada (Foreign Mutual Funds);
- Debts owed by non-residents such as government or corporate bonds, debentures, mortgages or notes;
- An interest in a non-resident trust;
- An interest in a partnership that holds specified foreign property,
- Other tangible and intangible properties located outside Canada;

Form T1135?

The form requires significant details to be provided, such as:

- Name of the bank or other entity that holds the funds outside Canada
- Country where each specific foreign investment property is located
- Cost of each specific foreign investment property (this is based on the highest cost during the year)
- Income/loss or gain/loss from each specific foreign investment property

A taxpayer who held specified foreign property with a Canadian registered securities dealer or a Canadian trust company is permitted to report the aggregate amount, on a country by country basis, of all such property in Category 7, Property held in an account with a Canadian registered securities dealer or a Canadian trust company.

Investments in Foreign Entities

- During the year, did you own an interest (i.e. shares, units, options or other convertible property, or property the fair market value of which is determined by reference to the fair market value of the forgoing) in any form of non-resident entity such as a non-resident corporation or trust, or any other entity that is formed and governed outside of Canada, such as a partnership, association, fund, organization, joint venture or syndicate?
- During the year, did you own an interest in an insurance policy that was issued by a foreign entity?

If your answer is “yes” to either of these two questions, please advise us accordingly.

Please contact our office if you are required to file an Information Return for a foreign affiliate, controlled foreign affiliate or an interest in a foreign trust or other foreign property.

Penalty

Failure to file an Information Return when the filing is required, will result in penalties from as low as \$25 per day with a maximum of \$2,500 up to the greater of \$24,000 or 5% of the total cost of the foreign property or indebtedness.

Please provide us with a copy of any information you have received from your broker(s) regarding the applicability of the FIE (Foreign Investment Entity) rules to your investments.

Did you spend a significant amount of time in the US last year, and in 2020 and 2019?

Yes ___ No ___ Number of days: 2022 _____; 2021 _____; 2020 _____

IMPORTANT - SALE OF PRINCIPAL RESIDENCE

The sale of a principal residence must now be reported on your tax return.

If you sold your principal residence, please provide us with the following:

- Year of acquisition _____
- Proceeds of disposition \$ _____

If you are the owner of another property, a principal residence designation is required to be made. Please contact us as soon as possible for what is required.

OTHER

If you have disposed of any property, including shares, in 2022, you must submit a list of every disposition showing the following information:

- Name of share/description of property
- Date of disposition
- Date of acquisition
- Adjusted cost base of property
- Proceeds of disposition
- Costs of disposition

ARE YOU SELF-EMPLOYED OR ARE YOU CLAIMING EMPLOYMENT EXPENSES?

If so, please remember the following:

AUTO EXPENSES - Please provide the total Km driven in 2022 and the total Km driven for business purposes.

HOME OFFICE

Please calculate the personal use portion of your home on a reasonable basis, for example:

- a. On the basis of square meters, or
- b. On the number of rooms

Expenses for an office in the home are only allowed if:

- The work place is your principal place of business or work; or
- The work space is used exclusively for business purposes and is used on a regular and ongoing basis for meeting clients or customers.

Employees need to have this certified on a form T2200 signed by their employer.