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2009 PERSONAL INCOME TAX RETURN CHECKLIST

Please review this checklist to ensure that you have received all information relevant to you before submitting your tax information to us. To ensure that your return is processed on a timely basis, please return this package with your tax information to us by **March 31, 2010** (earlier is preferred).

Our *Personal Income Tax Return Checklist* is now available by email and on our website, www.hwllp.ca, under *Resources*.

To assist us in maintaining our distribution list, we request that you note any changes to your email address below and return it to us with your tax information.

PERSONAL DETAILS (Please note changes from 2008. New clients please complete fully.)

Name(s) of taxpayers for whom tax returns are prepared:

Social Insurance Number(s):

Date of Birth:

DD / MM / YY

Spouse:

DD / MM / YY

Telephone Number(s):

Present Address:

(if different from above)

Marital Status: (Please circle)

Single Married Common-law Divorced Separated Widowed

Email Address:

Province of Residence on December 31, 2009:

TAX HIGHLIGHTS FOR 2009

General Tax Credit Increases – A general increase to all of the non-refundable tax credits to reflect the cost of living.

Retirement savings - Your RRSP deduction limit is calculated as the lesser of 18% of earned income and the contribution limit for the given year. The new RRSP contribution limits are:

| | |
|------|----------|
| 2009 | \$21,000 |
| 2010 | \$22,000 |
| 2011 | \$22,450 |

Home Renovation Tax Credit – A non-refundable credit of up to \$1,350 for home renovation expenditures in excess of \$1,000 to a maximum of \$10,000 which will only apply to the 2009 taxation year. Please refer to the attached summary from the CRA website which outlines the types of expenditures that will be eligible for the credit. If you remain unsure if an expenditure will qualify, please do not hesitate to contact us.

Home Buyers' Plan (HBP) – The HBP withdrawal limit has increased to \$25,000 for 2009 and subsequent years.

First-Time Home Buyers' Tax Credit – A non-refundable credit of up to \$750 for the purchase of a qualifying home after January 27, 2009 for a first-time home buyer.

Tax-Free Savings Account (TFSA) – Individuals can contribute \$5,000 a year to a registered TFSA on which future income will not be taxed. Contributions are not deductible for tax purposes and any withdrawals from the account are received tax-free.

CHANGES OF INTEREST FOR 2010

Please be advised that effective July 1, 2010 the Ontario provincial sales tax (PST) is being harmonized with federal general sales tax (GST). The harmonized rate will be 13% which represents 8% PST plus 5% GST currently in place.

ADMINISTRATIVE DETAILS FOR 2009

Electronic filing - We cannot E-File without your permission in advance. As in previous years, we are offering an **E-File** service whereby your 2009 Federal return may be filed electronically with Canada Revenue Agency ("CRA"). (An E-File service will **not** be available for residents of Québec). If you would like us to E-File your return, **please complete Part A and sign Parts E and F of one of the enclosed T183 forms.** The second T183 is provided for your spouse, if applicable. We are required to maintain on file one T183 for each return we

prepare. We will insert the remaining information once your return has been prepared. If you would like CRA to directly deposit your income tax refund, GST credit or Child Tax Benefit into your bank account, please complete Part C.

Third-party civil penalties - The federal government has reiterated that it is the taxpayers' responsibility to ensure their tax filings are complete and accurate. We, as a third party to the filing of your tax return, must rely on you for the information contained in your return. Please take care in completing this checklist and feel free to contact us if you are uncertain about how to report your income or deductions. We stress that we will be relying on you to ensure that information you supply us is complete and accurate. We will require you to sign an engagement letter acknowledging this.

Contract Payment Reporting System - We wish to remind businesses whose physical activity is construction that they are required to report to CRA the name of, amounts paid to, and identifier number (BN or S.I.N.) of their subcontractors. These should be recorded on form T5018.

Electronic Authorization- Rather than completing the normal T1013 consent form to authorize CRA to speak to us, you can do so electronically by using CRA's "My Account" service. Please visit CRA's website at <http://www.cra-arc.gc.ca/menu-e.html> and select "Authorize my Representative." We have provided detailed instructions on our website for your convenience. Otherwise, please sign the enclosed T1013 consent form.

2009 INCOME TAX DETAILS

Income

✓ and submit applicable documents

- T4 for employment income and commissions
- Details of stock options exercised in 2009, including the fair market value of the stock when exercised, the amount paid by you and the date of exercise. If you elected to defer the employment income benefit, we require a copy of the letter provided to your employer
- T4A (OAS) old age pension, T4A (P) Canada pension
- T4A for other income
- T5, T600, TBD slips for investment income
- T5018 Statement of Contract Payments (for amounts received)
- T3 slips for income from a Trust or mutual fund
- T4E slips for Employment Insurance benefits
- T5007 for Worker's Compensation receipts
- T4RSP, T4RIF, completed T3012A slips for withdrawals from an RRSP or RRIF

- Please complete the enclosed capital gains worksheet if you disposed of capital property (shares, bonds, real estate, etc.) in 2009 and provide related documents (including broker's transaction slips and statements)
- Details of property addresses, income and expenses for rental properties
- If you are engaged in a self-employed business, please complete the attached schedules
- If you are self-employed and a GST registrant, please provide a copy of the 2009 GST return you filed with CRA
- If you are a member of a partnership investment, please submit the financial statements or the T5013 information slip for all 2009 year ends
- Details of alimony, maintenance or child support received. (Please indicate if child support is received pursuant to an agreement made or varied after April 30, 1998)
- Details of foreign income and foreign taxes paid
- Details of Canada Savings Bonds (including series number) and other interest bearing investments, such as principal, date of issue, interest rate and interest received during the year, income reporting method for each (cash, accrual, three-year accrual)
- Form T1198 - Statement of Qualifying Retroactive Lump-Sum payments

Deductions/Credits

- RRSP contribution receipts, excluding Home Buyer's Plan repayments and details of any pension adjustment reversals
- Receipts for tuition fees for yourself, spouse and dependents – Tuition fees must exceed \$100 per institution
- Number of months you or your dependents were in full-time attendance at university. **Note:** Form T2202, Education Deduction Certificate, must be signed by the university and the student and filed with your return
- Amount of safety deposit box rental
- Interest paid on investment loans (a letter from the lending institution(s) stating the purpose of the loan and the amount of interest should be obtained). Please indicate the investment(s) purchased with the borrowed funds
- Interest paid on loans under the Canada Student Loan Act or provincial equivalent
- Amount of alimony or maintenance payments that are made pursuant to a court order or a written agreement. Please indicate the name and address of the recipient
- Amount of child support paid in the year pursuant to an agreement made or varied after April 30, 1998

- If you are an employee and entitled to deduct employment expenses, Form T2200 Declaration of Employment Conditions - Office and Employment Expenses must be signed by your employer and filed with your return. Also please provide details of your employment expenses including tradesperson and apprentice tools and complete the attached Motor Vehicle Worksheet, if applicable
- Child care expense receipts which include the name, address and S.I.N. of the caregiver
- Medical and dental bills for yourself, spouse and dependents
- Charitable donation receipts
- Deductions transferred from spouse. (**Note:** If your spouse is not filing a return, please enclose all of his or her information slips. If your spouse is filing a return, and we do not prepare it, please give us the details of income and deductions)
- Political donation receipts
- For the Ontario Tax Credit, please indicate the address, total rent or property taxes paid and the landlord/municipality to whom payment was made
- Receipts for professional or union dues paid
- T5006 slip or official provincial slip for investments in Labour Sponsored Venture Capital Corporations or Labour Sponsored Investment Funds
- The cost of public transit passes purchased
- For children 17 or under, please provide their SIN and date of birth. If the child does not have a SIN number, please provide a copy of his or her birth certificate
- Invoices to support claim for the home renovation tax credit along with a description of the type of renovation(s)
- Supporting documentation related to the purchase of your first home if purchased after January 27, 2009

Other Matters

- If you made income tax instalments for 2009, please provide us with the balance in your account
- If we have not prepared your return in the past, please provide us with a copy of your 2008 return and your 1994 T664 - Capital Gains Exemption Election, if applicable
- Please provide us with your spouse's 2009 net income (unless we prepare his/her return) and the names and birth dates of your children
- Please provide a copy of your 2008 notice of assessment and notice of reassessment, if applicable

- Please provide a copy of your statement of 2009 required repayment from CRA under The Home Buyer's Plan and the amount of repayment actually made

Elections Canada

Are you a Canadian citizen? () ()
YES NO

Do you agree to CRA providing your name, address, and date of birth to Canada to help keep up to date your information currently on the National Register Elections of Electors? () ()
YES NO

Are you a US Citizen or do you hold a US Green Card? () ()
YES NO

Foreign Property Reporting

Did you own or hold foreign property at any time in 2009 with a total cost of more than CAD \$100,000? If yes, please provide details. You will be required to file Form T1135. () ()
YES NO

2009 SELF-EMPLOYED BUSINESS WORKSHEET

Business Name: _____

Are you registered for the GST? (Yes/No) _____

If yes, please provide your GST registration number _____

Have you filed your 2009 GST return? _____

(Provide copy)

GST reporting method (Quick/Regular) _____

Do you require us to prepare your GST return? (Yes/No) _____

Please refer to the footnotes located on Motor Vehicle and Home Office Worksheet, where appropriate

INCOME

Sales, commissions, fees (exclude GST and PST) \$ _____

Sales adjustment for GST - Quick Method (Footnote 1) _____

TOTAL INCOME

COST OF GOODS SOLD

Opening inventory _____

Purchases and other costs incurred during the year _____

Less: closing inventory _____

TOTAL COST OF GOODS SOLD () _____

GROSS PROFIT

EXPENSES (Business Portion ONLY - Note 6)

Accounting, legal and professional fees _____

Advertising and unrestricted promotion _____

Bad debts, excluding GST _____

Restricted meals and entertainment (Footnote 4) _____

Business taxes, fees, licences, membership fees _____

Delivery, freight, express, courier _____

Health and dental insurance premiums (Footnote 7) _____

Home office costs (complete Home Office Worksheet) _____

Insurance _____

Interest and bank charges _____

Management and administration fees _____

Motor vehicle (complete Motor Vehicle Worksheet) _____

Office supplies and expenses _____

Rent, excluding home office _____

Salaries and benefits _____

Telephone _____

Capital cost allowance (Footnote 1 and 3) _____

Other: _____

TOTAL EXPENSES () _____

NET INCOME

2009 MOTOR VEHICLE AND HOME OFFICE WORKSHEET

MOTOR VEHICLE

HOME OFFICE

(use for employment or business purposes)

| | | | |
|---|----------|--|----------|
| Total kilometres traveled in 2009 Portion related to business travel (Footnote 2) | _____ | Total square footage of home Portion related to Home Office | _____ |
| Percentage - business use | _____ % | Percentage - Business use | _____ % |
| Expenses | | Expenses | |
| Fuel and oil | \$ _____ | Heat | \$ _____ |
| Insurance | _____ | Hydro | _____ |
| Licence and registration | _____ | Insurance | _____ |
| Interest and financing | _____ | Maintenance and repairs | _____ |
| Leasing (Footnote 5) | _____ | Mortgage interest | _____ |
| Capital cost allowance (Footnote 1, 5) | _____ | Property tax | _____ |
| Maintenance and repairs | _____ | Rent | _____ |
| Other: | _____ | Other: | _____ |
| Total expenses | _____ | Total expenses | _____ |
| Percentage - business use | _____ % | Percentage - business use | _____ % |
| Business portion | \$ _____ | Business portion | \$ _____ |

FOOTNOTES

1. This amount can be computed by HENDRY WARREN FSC on your behalf.
2. A record of auto business kilometres traveled would be required to satisfy any CRA queries.
3. Please provide details of any capital asset purchases or disposals (automobile, computer hardware and software, equipment, furniture, etc.) during 2009, including the cost and applicable taxes, net of any GST Input Tax Credits claimed or sales proceeds.
4. The deductible portion of meals and entertainment costs was 50% throughout 2009. Please enter the total of these costs in the 2009 Self-Employed Business Worksheet. We will eliminate the restricted portion.
5. The restriction on capital cost allowance claims for passenger vehicles acquired in 2009 is \$30,000 plus applicable taxes. The maximum deductible monthly lease cost is \$800 plus applicable taxes. Taxes should be net of any GST Input Tax Credits claimed.
6. Expenses should include GST if you use the quick method. Otherwise, expenses should be listed excluding the GST.
7. Please provide details of coverage and premiums.