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2010 PERSONAL INCOME TAX RETURN CHECKLIST

Please review this checklist to ensure that you have received all information before submitting your tax information to us. **To ensure that your return is processed on a timely basis, please return this completed package with your tax information to us by March 31, 2011 (earlier is preferred). It is important that you complete the attached checklist and schedules (if applicable) to ensure that your return is accurate and complete.** If you are unsure about any of the information below, do not hesitate to include additional documentation.

Our 2010 *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 2009. 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. 2010: ______________________________

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TAX HIGHLIGHTS FOR 2010

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:

2010	$22,000
2011	$22,450

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) – Canadian residents over 18 years of age can contribute up to $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.

Harmonized Sales Tax (HST) - effective July 1, 2010 the Ontario provincial sales tax (PST) was harmonized with federal general sales tax (GST). The harmonized rate is 13% which represents 8% PST plus 5% GST previously in place.

Canada Pension Plan (CPP) – changes have been made to CPP that will be phased in gradually between 2011 and 2016. The first major change is effective January 2011. If you apply for CPP after age 65, your monthly CPP retirement pension amount will increase by a larger percentage (gradually from 2011 to 2013). You will not be affected by these changes if you started receiving a CPP retirement pension before December 31, 2010 and you remain out of the work force. These changes do not apply to the Quebec Pension Plan (QPP).

ADMINISTRATIVE DETAILS FOR 2010

Electronic filing (E-filing) for Ontario Residents - We cannot E-File without your permission in advance. As in previous years, we are offering an **E-File** service to Ontario residents whereby your 2010 Federal return may be filed electronically with the Canada Revenue Agency ("CRA"). 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 form is provided for your spouse, if applicable. We are required to maintain on file one form for each return we prepare. We will insert the remaining information once your return has been prepared. If you would like the CRA to directly deposit your income tax refund, GST credit or Child Tax Benefit into your bank account, please complete Part C of the T183.

E-filing for Quebec Residents – We are now able to e-file returns for residents of Quebec. **We cannot E-File without your permission in advance. In addition to the federal T183 discussed above, you must also complete Part 1 and sign Parts 2 and 3 of one of the enclosed TP1000.** The second form is provided for your spouse, if applicable. We are required to maintain on file one form for each return we prepare. We will insert the remaining information once your return has been prepared.

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.

2010 INCOME TAX DETAILS

Income **✓ and submit applicable documents**

- ☐ T3 slips for investment income from a trust or mutual fund
- ☐ T4 for employment income and commissions
- ☐ T4A (OAS) old age pension, T4A (P) Canada pension
- ☐ T4A for other income
- ☐ T4E slips for Employment Insurance benefits
- ☐ T4RSP, T4RIF, completed T3012A slips for withdrawals from an RRSP or RRIF
- ☐ T5 slips for investment income
- ☐ T5007 for Worker's Compensation receipts
- ☐ T5013 Statement of Partnership Income
- ☐ T5018 Statement of Contract Payments (for amounts received)
- ☐ Capital gain/loss schedule if you disposed of capital property (shares, bonds, real estate, etc.) in 2010 and related documents (including broker's transaction slips and statements). Please feel free to provide your investment broker's contact information such that we can contact them on your behalf

  Broker Name: ______________________

  Broker Contact Information: ______________________
- ☐ Details of property addresses, income and expenses for rental properties

- ☐ If you are engaged in a self-employed business, please complete the attached schedules: *2010 Self-Employed Business Worksheet* and *2010 Motor Vehicle and Home Office Worksheet*
- ☐ If you are self-employed and a HST registrant, please advise if you require our assistance in preparing the HST return. If you prepared the return yourself, please provide a copy for our records
- ☐ Details of alimony, maintenance or child support received
- ☐ Details of foreign income and foreign taxes paid
- ☐ Details of Canada Savings Bonds (including series number) and other interest bearing investments, including principal, date of issue, interest rate and interest received during the year, income reporting method for each (cash, accrual, three-year accrual)
- ☐ Details of stock options exercised in 2010, 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

Deductions/Credits

- ☐ RRSP contribution receipts for 2010 and the first 60 days of 2011. Also, please include details of Home Buyer's Plan repayments and any pension adjustment reversals
- ☐ Form T2202A Tuition Fees Certificate. Please note that the T2202A includes the total eligible tuition fees paid during the year. Most educational institutions provide a copy of the T2202A online. All other proof of payment for tuition is insufficient
- ☐ Form T2202A Tuition Fees Certificate for your spouse or dependents. For transfer of tuition credits please ensure that form T2202A is signed by the transferee (the student). We will complete the fields for the amount transferred as part of the preparation of your return
- ☐ Amount of safety deposit box rental
- ☐ Interest paid on investment loans requires a letter or statement from the lending institution stating the purpose of the loan and the amount of interest paid
- ☐ 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, address and social insurance number of the recipient. If you have not previously done so, please provide a copy of your separation agreement for retention in our files

☐ Amount of child support paid in the year made pursuant to a court order or a written agreement. Please indicate the name, address and social insurance number of the recipient. If you have not previously done so, please provide a copy of your separation agreement for retention in our files

☐ Form T2200 Declaration of Employment Conditions - Office and Employment Expenses if you are an employee and entitled to deduct employment expenses. This form **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 social insurance number of the caregiver

☐ Medical and dental bills for yourself, spouse and dependents

☐ Charitable donation receipts

☐ Political contribution receipts

☐ Ontario Property 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

☐ The cost of public transit passes purchased

☐ For children 17 or under, please provide their social insurance number and date of birth. If the child does not have a social insurance number, please provide a copy of his or her birth certificate

☐ Invoices to support claim for the child fitness tax credit. Please note that this credit is limited to $500 per child

☐ Supporting documentation related to the purchase of your first home if purchased after January 27, 2009

Other Matters

☐ Have you made income tax instalments for 2010? (Yes / No)

If yes, 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 2009 return and your 2009 notice of assessment (and reassessment if applicable)

☐ Please provide us with your spouse's and dependants' 2010 net income (unless we prepare their returns). This information is pertinent for determining the transfer of credits and deductions between spouses and dependants such as: tuition, medical, child care, etc

☐ Please provide a copy of your 2009 notice of assessment and notice of reassessment, if applicable

☐ Please provide a copy of your statement of 2010 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 2010 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

2010 SELF-EMPLOYED BUSINESS WORKSHEET

Business Name: ____________________

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

If yes, please provide your GST/HST registration number ____________________

Have you filed your 2010 GST/HST return? ____________________ (Provide copy)

GST/HST reporting method (Quick/Regular) ____________________

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

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

INCOME

Sales, commissions, fees (exclude GST/HST)	$
Sales adjustment for GST/HST - 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/HST	
Restricted meals and entertainment (Footnote 4)	
Business taxes, fees, licenses, 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 $

2010 MOTOR VEHICLE AND HOME OFFICE WORKSHEET

MOTOR VEHICLE		HOME OFFICE	
(use for employment or business purposes)			
Total kilometres traveled in 2010	________	Total square footage of home	________
Portion related to business travel (Footnote 2)		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 2010, including the cost and applicable taxes, net of any GST/HST Input Tax Credits claimed or sales proceeds.
4. The deductible portion of meals and entertainment costs was 50% throughout 2010. Please enter the total of these costs in the 2010 Self-Employed Business Worksheet. We will eliminate the restricted portion.
5. The restriction on capital cost allowance claims for passenger vehicles acquired in 2010 is $30,000 plus applicable taxes. The maximum deductible monthly lease cost is $800 plus applicable taxes. Taxes should be net of any GST/HST Input Tax Credits claimed.
6. Expenses should include GST/HST if you use the quick method. Otherwise, expenses should be listed excluding the GST/HST.
7. Please provide details of coverage and premiums.