

LAVEN ACCOUNTING LTD

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December 31st, 2022

2022 INCOME TAX LETTER

I hope that 2022 has treated you well. There have been a few changes during the year.

Please read through this letter and the attached checklist of income and deductions; and use it to assemble your information for me. If you had a proprietorship (self-employed income) or rental income, there are additional checklists created just for you. If you need either one, just let me know, and I'll send it to you.

Important Tax Dates 2023

E-file Opens: <i>(first date to file)</i>	February 20th (not yet confirmed by CRA)
First 60 days for RRSP:	ends March 1st
Standard Filing Date:	May 1 st (30 th lands on Sunday)
Interest Start Date: <i>(interest date for proprietorships owing tax or CPP)</i>	May 1 st
Filing Date (self-employed):	June 15 th

Other Tax Information to Consider:

Personal tax brackets (Provincial and Federal), personal exemption and other tax credits (age, dependent, etc.) have been adjusted for inflation.

Increases in federal personal credit are scheduled for 2023. No additional adjustments for inflation for this tax credit are planned (an increase of \$602 over 2022). The federal personal credit for 2022 is 14,398.00.

The tax-free savings accounts (TFSAs) additional contribution room for 2023 is \$6,500. If you have not made any TFSA contributions to date, your total contribution room would be \$88,000. If you have made TFSA contributions in the past, please contact me to find out your current limit. Any withdrawals made in 2022 will increase your 2023 limit.

Significant changes to the CPP maximum annual pensionable earnings and contribution rates continue on January 1st, 2023. In 2023 the contribution rate increases to 5.95% from 5.70%, and the maximum annual pensionable earnings increases to \$66,600. (Employee contributions increased by a maximum of \$254.65 over last year)

Office-in-Home Deduction:

Many of you worked from home during the pandemic, and you may be entitled to claim an “office-in-home” deduction this year. ***To qualify, you must have worked at home for more than 50% of your scheduled work time during four consecutive weeks*** (it doesn't matter if you're part-time or full-time, just the percentage you worked at home). Details are similar to last year, and the government has confirmed an extension of this option for 2022. You can claim \$ 2.00 per day working from home credit to a maximum of \$500.(250 days to reach max claim) No confirmation by CRA on this credit for 2023. This could indicate that this option may not be available for 2023.

Changes to the authorization process

CRA has been moving to require My Account for all taxpayers. (Several benefits are now only available through this or by calling in by phone) This year this has been expanded to the authorization process for business accounts. This has not yet happened for personal tax authorizations, but I expect to see this change in the next few years.

CRA interest

CRA has increased the interest rate on outstanding balances to 8% starting January 2023.

TFSA Successor Holder

There are three designations for TFSA: Estate, Beneficiary and Successor holder. Only a spouse (Married or Common Law) can be the successor holder. This designation allows the transfer of the balance without impact to the TFSA room of the successor, so it is worth checking to ensure that this is set up correctly.

Credits during 2022

There were several non-taxable payments during the year. Payments could include GST (including extra November payment), BC climate tax credit, rent subsidy top-up, and children's (under 12) dental coverage credits. I have a link to the details of dental and rent subsidy programs included on my business Facebook page.

Outside of CRA, amounts from ICBC (fuel and rebate amounts) and Hydro credits would be considered a reduction of premiums and would be non-taxable.

If you have any questions, please do not hesitate to contact me. I look forward to meeting with you in 2023.

Yours truly,

Casey Laven

Casey Laven, CPA, CGA.

2022 INCOME TAX INFORMATION:

INCOME:

Employment income (T4's) _____
Wage loss benefits, taxable COVID benefits (T4A's) _____
Business income (loss). Partnership or proprietorship _____
Dividends, interest and investment income (T5's and T3's) _____
Capital gains and losses (Property or Investments) _____
Rental income (loss) _____
OAS/PPP (T4OAS/T4AP) _____
Pension income (T4A) _____
RRSP income (T4RSP and T4RRIF) _____
Employment insurance income (T4E) _____
Alimony received _____
WCB income (T5004) _____
Social assistance income _____
Scholarship, fellowships and bursaries _____

DEDUCTIONS/Tax Credits:

RRSP contribution receipts _____
Pension Plan contributions (RPP) and Pension adjustment information _____
Volunteer Firefighting/Search and Rescue hours _____
Childcare expense receipts, names and SIN of babysitters _____
Interest paid to earn investment income _____
Investment counsel fees _____
Allowable business investment losses _____
Employment expenses (T2200, T2200S) _____
Office in home details (Utilities, Internet, Maintenance, Rent) _____
Addition office in home (Commission Employee – Insurance, Property Tax) _____
Alimony paid _____
Moving expenses _____
Professional dues or Union dues _____
Charitable donation receipts _____
Medical expenses (dentist, eyeglasses, chiropractor, prescriptions etc.) _____
Medical travel hotels, mileage, meals, parking _____
Private medical insurance plan (EHB, Dental or Travel) premiums _____
Disability deduction for self or family member _____
Transportation employee expenses (TL2) _____
Tuition fees (T2202) for self or dependents _____
Political contributions _____
Interest paid on student loans _____
Home Buyers Plan and Life Long Learning Plan repayments _____
Teacher Early childhood educator Suppliers _____
Tools acquired by apprentice mechanics _____
Dependent relative or caregiver in home care costs _____
Digital subscription tax slip (Should include QCJO number) _____

OTHER

2021 Assessment Notice with RRSP carry-forward amounts _____
Income tax installments paid for 2022 _____
Dependent's income tax information _____
New home buyers credit _____
Sale of property (Including principal residence) _____
Any change in marital status _____

Business income (loss). Partnership or proprietorship – T2125

Business Income

- Total income
- GST for the year and copy of returns
- Are any accounts receivable at yearend? Are these amounts included in the total?
- Are any accounts receivable for the prior year? Are these included in the total?

Business Expenses

- Advertising
- Meals/entertainment – is an amount at 50% was GST only claimed at 50%?
- Office
- Any asset additions (Computers, equipment, tools, furniture, or vehicles) during the year?
- Bank charges
- Business use of a vehicle (Proportion business usage, total KM for the year, gas, insurance, repairs, car wash, BCAA)
- Office in the home (Area of home, Portion for business, Insurance, Repairs, Interest, Property Tax, Hydro, Water/Sewer/Garbage, Heat)
- Inventory (Ending balance details/Purchases/Opening balance)
- Travel – Does this contain meals? If so needs to be segregated.
- Supplies
- Insurance
- Bad Debts (Are amounts included in sales?)
- Wages (Have benefits been included in T-4's)
- Subcontract (Construction – Has T5018 been completed for contractors)
- Dues, fees, and licenses
- Legal/Accounting
- Telephone and utilities
- Delivery
- Rent

- If your expense category is not listed here it is likely not on the tax return schedule and will require additional time to categorize.

- Any amounts at year-end that have been billed (Relate to 2022) but not yet paid? (Are they included in totals) Any amounts at prior year-end that were paid in 2021 but related to 2022 and are included in totals)

Rental income (loss) –T776

Rental Income

- Rent
- Other Income

Rental Expenses

- Subcontract
- Wages
- Source Deductions (CPP, EI, Tax)
- WCB
- Referral Fees
- Advertising
- Insurance
- Interest/Bank charges
- Legal/Accounting
- Office
- Management and Admin Fees/Strata Fees
- Maintenance & Repairs
- Property Tax
- Travel
- Utilities
- Capital Additions (Appliances/Major Renovations)
- Auto expenses (Gas/Insurance/Repairs/Rental KM/Total KM drove) (Limited to repair/maintenance work unless multiple rental properties)
- Damage deposits outstanding and interest accrued on deposits