Sunil and Nita LLP
Tax and Business Advisors Chartered Professional Accountants

February Newsletter

Important dates to remember
This is good time to gather all personal tax information for preparing 2017 personal tax return. Remember to update automobile records (if this applies to you). We would suggest making 2018 RRSP, RESP and/or TFSA contribution as early as possible to maximize the tax free growth.

February 14, 2018 – pay back to your employers for personal use of a company car, otherwise the cost will be added to your income as taxable benefit.

February 28, 2018 – due date to file T4 to CRA for your employees including nannies.

March 1, 2018 - due date for 2017 RRSP contribution.

March 15, 2018- due date for first 2018 tax instalment (does not apply to self-employed farmers/fishers).

April 3, 2018 – due date for T3 trust return for family trusts.

April 30, 2018 – due date for 2017 personal tax return and foreign property reporting (T1135) if you do not have business income.

June 15, 2018 – due date for 2017 personal tax return and foreign property reporting (T1135) if you do have business (i.e. self-employed) income. Also, 2018 second tax instalment is also due.

Why should you file tax return on time even if you are expecting a refund or have no income?

Failure to file income tax return on time can result in penalties and interest charges. Since these penalties/interest are based on the tax owing.

Many people, who are expecting a refund or have no tax due, may not feel the urgency to file tax return on time. Actually, we recommend to always file your tax return on time because of following reasons:

1. If tax liability is determined by CRA due to an error in the return or due to denial of a deduction, you may end up paying penalties and interest on top of your tax due,
2. We recommend that a taxpayer

should file tax return on time to get the refund as soon as possible to help cash flow. CRA does pay interest on refunds but their interest clock starts after 30 days of due date (i.e. April 30) and the date of the return actually filed.

Therefore, you may be losing interest on refund due to 30 days grace period if you are late in filling your tax return.

TFSA vs. RRSP

TFSA and RRSP both are valuable tools for building investment for future. Income under TFSA is completely tax free because you do not get tax deduction upon contribution. On the other hand RRSP is a tax deferral program. One important factor to remember, since TFSA withdrawals do not count as income, it will not impact certain benefits such as Canada Child Tax, GST Credit, Old Age Security Benefit, Guaranteed Income Supplement or Employment Insurance Benefits. Depending upon your circumstances, we recommend that there should be a good mix of TFSA and RRSP. Talk to your tax accountant to realize maximum benefits.

Click here to get 2017 Tax Return Check List