

STRENGTH IN NUMBERS™

# KEMP HARVEY GROUP

CHARTERED PROFESSIONAL ACCOUNTANTS

WINTER 2018  NEWSLETTER

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## TAX DOCUMENTATION CHANGES FOR 2017

2017 has been a newsworthy year for corporate taxation in Canada. Although changes in personal taxation haven't been as turbulent, there are still some changes to keep in mind when bringing us your documentation to prepare your 2017 personal income tax returns.

We are nearing the end for children's fitness and arts tax credits. The federal portion of these credits have been eliminated, but the credits will still be available provincially for one more year.

2017 is the last year that transit passes will qualify for a tax credit. Qualifying passes will still be deductible if purchased for periods prior to July 1, 2017. Any passes which extend beyond this date will be prorated for the eligible period.

Several caregiver related credits have been amalgamated into the Canada



Caregiver Credit. Most taxpayers will receive the same or more from these credits than they had in previous years.

An exception to this will be individuals whose non-disabled senior parents lived with them. The infirm dependant credit will no longer be available for these taxpayers.

There are changes coming to the reporting of work in process for professionals such as doctors, lawyers, accountants, dentists, and chiropractors. However, these rules will not be introduced for most taxpayers until 2018, as they are only

effective for year ends of professionals that started after March 22, 2017.

Income splitting to related individuals was one of the most significant taxation items to be discussed over the past year. The changes related to these measures are still to be finalized, and will not come into effect until the 2018 taxation year.

It is important to keep in mind that there are no changes to pension splitting. There are not likely to be any changes to this valuable credit for the foreseeable future.

This is the second year in which taxpayers are required to notify the Canada Revenue Agency if they sell their principal residence. These dispositions are still not taxable. The form to claim the principal residence exemption can be late filed, but penalties of up to \$8,000 may be assessed if the form is not filed on time.

# INFO SLIPS NEEDED FOR 2017 TI

Yes, it is that time of year again – time to file your personal income tax returns. Before you bring your personal income tax information to your local Kemp Harvey Group office, we encourage you to work through the following checklist. This list will help to ensure you have all of the slips needed in order to complete your return.

## 2017 TI Checklist

**NAME:** \_\_\_\_\_

<b>INFORMATION SLIPS</b>	<b>CHECK</b>
T3 – Estate or trust income including mutual funds	
T4 – Salaries, wages or retiring allowances	
T4A – Pensions, director fees, miscellaneous income or RESP	
T4E – Employment Insurance benefits	
T4A(P) – Canada Pension Plan income	
T4 (OAS) – Old Age Security benefits	
T4 (RRIF) – Registered Retirement Income Fund income	
T4 (RSP) – Registered Retirement Savings Plan withdrawal	
T5 – Interest, dividends and other investment income	
T5007 – WCB or social assistance income	
RC 62 – Universal Child Care Benefit	
RC 210 – Working Income Tax Benefit payments	
2016 Notice of Assessment and any correspondence from Canada Revenue Agency received during the year	
<b>OTHER INCOME SOURCES</b>	<b>CHECK</b>
Rental income and expenses	
Self-employment income and expenses	
Stocks, investments, and mutual fund transactions – summary of all purchases and sales (ensure date of sale is on documents)	
Child care income	
Foreign pension income	
Other – any other income sources, such as tips or alimony	

## DID YOU KNOW...

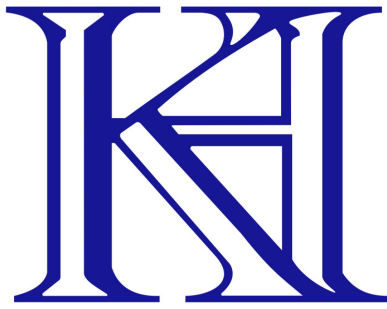
In 2017, you can use a per kilometre value of 50 cents to calculate the medical expense credit for travel to eligible medical appointments.



# CERTAIN EXPENSES CAN REDUCE TAXES

Various deductions and credits can help to reduce the amount of taxes payable to the Canada Revenue Agency (CRA) each year. Please take a few moments to review the following items, to ensure you do not miss out on any eligible expenses for you and your household. Please feel free to contact your Kemp Harvey Group office if you have any questions or concerns about whether you would qualify for any of these deductions and credits.

DEDUCTIONS AND CREDITS	CHECK
RRSP contribution slips	
RRSP Home Buyers Plan / Lifelong Learning Plan details	
Moving expenses if you moved at least 40 kilometres closer to your place of work	
Union or professional dues	
Child care expenses	
Spousal support payments	
Attendant care expenses (paid to allow a person with disabilities to earn income)	
Residential and nursing care facility fees	
Business investment losses (any losses suffered through the failure of an active Canadian business)	
Investment counsel or accounting fees	
Interest paid on loans for investment purposes	
Adoption expenses	
Charitable donations	
Political party donations	
Receipts for expenses that qualify for the Home Accessibility Tax Credit	
T2202 tuition fees: education amounts, textbook credit or Canada student loan interest payment	
Tools acquired by apprentice vehicle mechanic or other trade-worker	
Employment related expenses - T2200 and Declaration of Conditions of Employment	
Public transit passes for periods of more than 5 days, purchased for periods prior to June 30, 2017	
Fitness Tax Credit (amounts paid for physical activity programs for children under age 16)	
Children's Art Tax Credit (amounts paid for eligible activities for children under age 16)	
Medical (vision, dental, prescription, etc.) expenses net of any third-party coverage	
Accommodation, meal and travel details for any out-of-town medical appointments	
Insurance premiums paid for private medical or dental plans, or medical travel insurance	
Documentation indicating that you qualify for either the Volunteer Fire Fighter's credit, or the Volunteer Search and Rescue Credit	
Receipts for any education supply purchases that qualify for the Eligible Educator Supply credit	



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# Q&A: A YEAR IN REVIEW

QUESTIONNAIRE	Y/N
Are you or any of your dependants disabled?	
Are you supporting an infirm relative inside or outside of your home?	
Did you become or cease to be a resident of Canada in 2017?	
Are you a Canadian Citizen?	
Are you a US citizen or currently holding a green card?	
Did you own specified foreign property in 2017? Was the total cost of all of these properties over \$100,000 at any time in the year? If so, please provide the name of the entity with which you held the property, the country in which the property is held, the original cost, market value, and maximum cost of the property, as well as any income earned from the property in the year.	
Do you authorize the Canada Revenue Agency to release your name, address and date of birth to Elections Canada?	
Did you sell any land or other property in the past year? If so, please provide details.	
Did you live in a care home in the past year? If so, please provide receipts for payments.	
Were there any changes in family circumstances such as births, adoptions, marriages, separations, divorces or deaths?	
Did you purchase a home in 2017? If so, please advise if this is the first home you or your spouse have owned and lived in since 2017.	
Have you paid instalments for your 2017 income tax?	
Did you have to leave your metropolitan area in order to obtain medical care which was not available in your town of residence? If so, please provide details.	
Did you generate any sales on the internet in 2017? If so, please note the percentage of your total revenue that came from the internet, and the five webpages and websites that generated the most revenue.	
Are you a teacher or teaching assistant, and carried out at least 10 hours of unpaid work in the year coaching or supervising children in extracurricular activities at a qualified school?	
Did you sell your principal residence in 2017? If so, please provide the address, year of purchase, and the value of the proceeds of sale.	
<b>Please let us know if you would prefer to receive an electronic version of your return, rather than a printed copy.</b>	