

DALEVIEW

Business Services Inc.

Since 1983



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Contributing to an RRSP?

MARCH 2nd, 2020 is the deadline for contributing to an RRSP for the 2019 tax year. If you are unsure of your contribution limit, please check your Notice of Assessment from your 2018 tax return or call 1-800-267-6999, or contact me to set up secure access to your info through Canada Revenue Agency's (via the "Represent a Client" option). (This year's Maximum RRSP Contributions are the lesser of \$26,500 (for 2019) or 18% of earned income from your previous tax year, minus any pension adjustments*, plus unused contribution room from previous years.)

Age Limit for Contributing to an RRSP

After 71, if you continue to have earned income, you can contribute to a spousal RRSP up until December 31 of the year your spouse or common-law partner turns 71. There is no minimum age for contributing to an RRSP, but you must be at least 18 to contribute more than \$2,000.

Anyone who has earned income in the previous year and filed a Canadian tax return can contribute to an RRSP up until December 31 of the year they turn 71.

2019 Tax Rates (Fed. + Prov. combined)	
\$0 - 43,906	20.05%
\$43,907 - 47,629	24.15%
\$47,630 - 77,316	29.65%
\$77,317 - 87,812	31.48%
\$87,813 - 91,097	33.89%
\$91,098 - 95,258	37.91%
\$95,259 - 147,666	43.41%
\$147,667 - 150,000	46.41%
\$150,001 - 210,370	47.97%
\$210,371 - 220,000	51.97%
\$220,001 and up	53.53%
OAS clawback starts at \$37,789	
Social Repayment Starts at \$77,580	

Did You Move in 2019 or change your bank account?

Call 1-800-959-8281 and have your social insurance number and new information ready.

Spring Cleaning?

Keep all supporting documents for 7 years. Canada Revenue Agency has seven years to review and audit your files. Even if you do not have to attach certain supporting documents to your return, or if you are filing your return electronically, keep them in case the CRA selects your return for review. The CRA may ask for documents other than official receipts, such as cancelled cheques or bank statements as proof of any deduction or credit you claimed. If you own stocks, rental property, cottage - don't throw out your documents confirming your purchase price.

Late Filing Penalties

Even if you cannot pay your full balance owing on or before April 30, 2020, you can avoid the late-filing penalty by filing your return on time.

- Late filing penalty is 5% of the unpaid balance
- 1% is charged for each month on then unpaid balance
- Interest rates on past due payments are 5%

If you owe more than \$3,000 on your personal taxes, you are required to pay tax installments. If tax installments are not made, Rev Canada will charge you interest on the unpaid balance.

Ready, Set, Let's Go!

Do you have all your receipts and forms ready? Please check the handy checklist (over) and if you've received all of your forms, then please call 519-654-2284

or

email daleviewinc@rogers.com

You may also call and arrange to drop them off at my home office at 10 Karl Court, Cambridge, ON

TFSA

The limit for Jan. 1, 2019 is \$69,500. The Tax-Free savings account (TFSA) program began in 2009. It is a way for individuals who are 18 and older and who have a valid social insurance number to set money aside, tax-free throughout their life-time.

Contributions are not deductible for income tax purposes.

Don't over contribute as penalties are assessed at 1% per month.

Deadlines

Tax deadlines for individuals are April 30, 2020 and for Self-employed, the deadline is June 15, 2020

If you or your spouse or common-law partner carried on a business in 2019 (other than a business whose expenditures are primarily in connection with a tax shelter), your return for 2019 has to be filed on or before June 15, 2020. However, if you have a balance owing for 2019, you have to pay it on or before April 30, 2020.

Corporate Taxes must be made three months after your year end, unless you are required to tax corp tax instalments. Corporate Taxes must be filed 6 months after your year end.

Tax Changes 2019

Home buyers' plan: withdrawal limit increased from \$25,000 to \$35,000.

Corporate income tax rates: general and M&P rate decreasing from 12% to 11% on July 1, 2019, and gradually to 8% by January 1, 2022; small business CCPC rate unchanged

Tax-free savings accounts: annual contribution limit increased from \$5,500 to \$6,000 in 2019.

Medical expense tax credit: For expenses incurred after October 16, 2018, amounts paid for cannabis products to be used by a patient for medical purposes may be eligible for this credit.

Non-eligible dividends from private Canadian companies are subject to a 15% gross-up when you calculate your income and a 10.38% non-refundable federal DTC in 2019.

Employment Insurance (EI) Premiums are being decreased slightly. The EI rate is being reduced from 1.62 percent in 2019 to 1.58 percent in 2020.

CPP contribution rates for employees and employers will each increase to 5.25 per cent in 2020, up from 5.1 per cent in 2019. If you're self-employed, you pay both the employer and employee portions, for a total of 10.5 per cent.

Business Checklist

- Bank Statements
- Corporate Documents
- Revenue in the year (copies of invoices)
- Expenses in the year (through company cheques, company credit card statements, cash payments)
- Travel log to customers
- Home office expenses*
- HST Statements
- Personal Tax Returns (prior three years)
- Cell phone/internet costs - split of business vs. personal use*

Accessing your Tax Information Online

Sign up for "My Account" to access your tax information (individuals and business) "Represent a Client" is another secure service option that permits me to log in with your permission to access your tax information such as prior years' tax returns, Notice of Assessment, Tax Information receipts such as T4s, and other tax receipts. Pensions, etc. Benefits received for Child Tax Benefits, Ontario Rent/Property Tax, RRSP amounts, TFSA Limits. If you are applying for a mortgage or bank loan, banks are requesting a more detailed assessment or a "Form C NOA".

* Defined as a dedicated room in your home based on sq. footage of room vs. total square footage. (10 to 15% is generally allocated). Summary of expense are - Property Tax, Union Gas, Hydro, Reliance, Water, Home Repairs, Mortgage Interest, Home Insurance

INCOME

- T4 Company Wages
- T4A Other Income
- T4AP Pensions
- T4OAS Old Age Security
- Elected Pension Split
- T4RSP/T4RIF
- T4E Employment Insurance
- T3 Income from Trusts
- T5 Interest Income/Bonds
- Capital Gains
- Reg'd Disability Savings Plan
- T5007 Worker's Compensation
- Rental Income
- Other Income

DEDUCTIONS

- RRSP
- Interest Expense on Investments
- Child Care Costs
- Safety Deposit Box
- RRSP Home Buyers Plan
- Professional Union Dues
- T1M Moving (40 km)
- Travel Expense (that has not been fully reimbursed by company)
- T2202 Tuition (Federal)
- Disability Tax Credit
- Medical/Dental Expenses
- Donations
- Student Loan Interest
- First Time Home Buyers

TAX CREDITS

- Rent Paid
- Property Tax
- Tax Installments
- Eligible Educators
- Private School Tuition
- Ontario Home Renovation Credit

Note:
Please advise
if you sold your Principal Residence
in 2019

**We look forward
to seeing you soon!**

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