

February 8th, 2017

2016 Personal Income Tax Information Sheet

Please find enclosed a copy of our 2016 Individual Income Tax Return Checklist. Your review and completion of the checklist should assist you with the assembly of your 2016 personal income tax information and will assist us with the completion of your 2016 individual income tax return (T1). We request that you return the checklist with your personal tax information as soon as possible. We remind you that our receipt of your information prior to April 7th, 2017 will ensure that we are able to complete your return on a timely basis. Please note that if a return is filed late which has a balance owing, CRA will assess penalties and interest.

What's New

Principal Residence Exemptions

The CRA has implemented changes to the reporting requirements for the disposition of a principal residence for the 2016 and subsequent tax years. The change requires that taxpayers report the disposition of any real property, including a principal residence, on their tax return. If the property was the principal residence of the taxpayer for all years owned, only the address, year of acquisition, and proceeds of disposition are required to be reported.

Eligible Educator School Supply Tax Credit

The federal government has introduced this new credit starting in the 2016 tax year. This credit allows teachers and early childhood educators to claim a refundable tax credit of 15% of up to \$1,000 in eligible teaching supplies where these employees were required to purchase supplies for their classrooms or regulated child care facility and for which they were not reimbursed or given an allowance. Please note that in addition to receipts, the CRA may request written certification from the taxpayer's employer confirming the eligibility of the expenses incurred.

For more information, go to: <http://www.cra-arc.gc.ca/gncy/bdgt/2016/qa03-eng.html>

Home Accessibility Tax Credit

The federal government has also introduced a home accessibility tax credit starting in the 2016 tax year. This credit is similar to the Ontario provincial Healthy Homes Renovation Tax Credit previously available to seniors. However, the Home Accessibility Tax Credit is also available to individuals of any age with disabilities who are eligible for the disability tax credit, as well as seniors over 65. This credit is also available to certain family members of qualifying individuals who reside with them.

For more information, go to: <http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/rtrn/cmpltng/ddctns/lns360-390/398/398-eng.html>

Children's Arts Amount and Children's Fitness Tax Credit

Both of these credits have been reduced for 2016. The children's art amount has been reduced to a maximum of \$250 per child in eligible fees which can be claimed, and the children's fitness tax credit has been reduced to \$500 per child in eligible fees which can be claimed. The federal government has announced that both of these credits will be eliminated in 2017.

Charitable donations

The federal credit for donations over \$200 has increased for taxpayers with taxable income over \$200,000. For donations made in 2016, taxpayers can claim a federal tax credit of 29% of donations over \$200 unless their taxable income exceeds \$200,000, at which point the credit increases to 33% of donations over \$200.

Reminders

Office location: Our office is located at 123 Slater Street, 3rd floor.

E-File: All tax returns will continue to be e-filed in order to comply with CRA's policy for tax preparers.

Making Payments with CRA: We continue to encourage our clients to pay any taxes owing online. This will ensure the payments are made on time and the date of payment is confirmed. Please see CRA's website for more information on how to make payments online (<http://www.cra-arc.gc.ca/mkpymnt-eng.html>).

Elections Canada: Every year, Elections Canada asks for your consent to allow the CRA to provide them with your name, address and date of birth in order to update the National Register of Electors. If you do not consent or are not a Canadian citizen, please ensure to note this when submitting your 2016 personal tax documents.

Instalments: If you are required to pay tax instalments, the first 2017 instalment must be received by the Canada Revenue Agency ("CRA") by March 15, 2017. As your 2017 instalments may be based upon your 2016 income tax liability, it would be prudent for you to provide us with your 2016 information as soon as possible so that we may provide you with the necessary 2017 instalment advice before the first payment is due. As an alternative, if you are required to pay your tax by way of instalment, you should receive a statement from the CRA indicating what your March 15 instalment amount should be, based upon your 2015 tax liability.

Internet Business Activities: If you are self-employed and you have a business webpage or website from which income is earned, information about your website/internet presence must be reported to CRA as part of your tax return. Information-only websites are excluded from this reporting requirement. Websites that are generating income would need to be reported including websites such that a customer would be able to complete and submit an order form as well as websites that have a shopping cart or the ability to process payments. The following information must be provided: the URL addresses for the top five webpages or websites that earn business income and the percentage of gross income that is generated from the webpages or websites. More information is provided on pages 12-13 of the CRA T4002 Business and Professional Income (<http://www.cra-arc.gc.ca/E/pub/tg/t4002/t4002-16e.pdf>).

Should you have any questions concerning the enclosed checklist or if we can be of further assistance to you, please do not hesitate to contact us.

Yours very truly,

Welch LLP

Chartered Professional Accountants, Licensed Public Accountants

2016 INDIVIDUAL INCOME TAX RETURN CHECKLIST

NAME: _____ **SPOUSE'S NAME:** _____

EMAIL: _____ **EMAIL:** _____

*emails will only be used for personal tax correspondence and not for any other Welch correspondence

Would you like to receive a PDF of your personal tax return via email? Yes ___ (include email address above) No ___

*Please note if you select 'Yes' you will not receive a paper copy.

Indicate with an (V) where applicable

INCOME	Self	Spouse	Supporting Information
- Employment	_____	_____	T4
- Other employment income not on T4 slip	_____	_____	Details
- Stock option benefit from public companies	_____	_____	Details
- Severance package	_____	_____	T4A
- Old age security pension	_____	_____	T4A(OAS)
- Canada or Québec pension plan benefits	_____	_____	T4A(P)
- Other pensions or superannuation's/RRSP income	_____	_____	T4A/T4RSP
- U.S. Social Security benefits	_____	_____	Details
If yes, continuously since before 1996 (yes/ no)	_____	_____	
- Universal Child Care Benefit	_____	_____	RC62
- Employment insurance benefits	_____	_____	T4E
- Investment Income (Dividends, Interest)	_____	_____	T3/T5/Details
- Foreign income	_____	_____	Details
- Limited partnership income	_____	_____	Details/Statements
- Rental property	_____	_____	Details
- Realized capital gains (losses) – provide summary	_____	_____	Details including dates
- Alimony or separation allowance	_____	_____	Details
- Self-employment	_____	_____	Details/Statements
- Guaranteed income supplements, spouse's allowance, social assistance, workers' compensation payments	_____	_____	Details/T5007
- GST rebate	_____	_____	Details/Notice of Assess.
- Other	_____	_____	Details
DEDUCTIONS AND/OR CREDITS			
- Pension contributions	_____	_____	T4/T4A
- RRSP contributions	_____	_____	Receipts
- Tax shelter investments	_____	_____	Report/Receipts
- Union or professional dues	_____	_____	Receipts
- Child care expenses	_____	_____	Details
- Attendant care expenses	_____	_____	Details
- Allowable business investment losses	_____	_____	Details
- Moving expenses	_____	_____	Details
- Alimony or separation allowance	_____	_____	Details
- Management/accounting fees	_____	_____	Details
- Employment expenses, including GST/HST portion (e.g. car, office at home, etc.)	_____	_____	Receipts/T2200/GST 370
- Interest paid to earn investment income	_____	_____	Details
- Other employment expenses	_____	_____	Details
- Eligible educator school supplies	_____	_____	Receipts/Letter from employer
- Public transit passes (you or dependants under 19)	_____	_____	Receipts
- Adoption expenses	_____	_____	Receipts
- Tuition fees (self, spouse, dependants)	_____	_____	Receipts/T2202
- Student loan interest	_____	_____	Details
- Medical expenses other than amounts reimbursed (prescription summary from pharmacist preferred)	_____	_____	Receipts
- Charitable donations	_____	_____	Receipts
- Political donations	_____	_____	Receipts
- Loss carry overs	_____	_____	Details
- Fees to register a child in a qualifying physical or artistic activity	_____	_____	Receipts
- Renovations to improve accessibility for a senior or an individual with a disability	_____	_____	Receipts

2016 INDIVIDUAL INCOME TAX RETURN CHECKLIST

OTHER	Indicate with an (v) where applicable		
	Self	Spouse	Supporting Information
1. Did any of the following change in 2016? - Address - Marital status (if applicable, include date of change) - Dependents (i.e. birth, going to University, working)	_____	_____	_____
2. Was real property (including your home) acquired or disposed of in 2016? - Address: - Purchase date and cost: - If applicable, Date of sale and proceeds:	_____	_____	_____
3. Did you make federal income tax instalments for 2016?	\$ _____	\$ _____	CRA Instalment Sum
4. Did you make Québec income tax instalments for 2016?	\$ _____	\$ _____	Revenu Québec Sum
5. Did you pay property tax or rent during 2016?	\$ _____		Final Property tax bill or rent receipts
6. If we did not prepare your return last year, please ensure we have a copy of your 2015 return and Notice of Assessment.	_____	_____	T1 & Notice of Assessment
7. Are there any investments with accrued interest income which has not been received but must be reported for tax purposes? Interest income must be reported annually (even if not received) for investments purchased after 1989.	_____	_____	Details
8. If we will not be preparing your spouse's 2016 return, please enclose a copy of his/her return or provide us with their net income (line 236 of their return) for 2016.	_____	_____	T1
9. Attach a copy of your 2015 Notice of Assessment from CRA (and Revenu Québec if applicable) if it has not otherwise been provided.	_____	_____	Notice of Assessment and any Reassessments
10. For Québec residents, were you involved in any "Aggressive Tax Planning" transactions?	_____	_____	Details
11. Provide names of other dependants whose return our office will be completing.	_____		
12. Are you or your spouse a U.S. citizen?	_____	_____	
13. Did you or your spouse own, at any time during 2016, any foreign property with a total cost exceeding \$100,000 Cdn? -Foreign property includes U.S. securities even if held in a CDN account, but does not include personal use property	_____	_____	Details
14. Do you and your spouse wish to make a joint election [T(1032)] to split your pension income if applicable?	_____	_____	
15. The Government of Canada plans to eliminate the issuance of paper cheques and switch to direct deposit for all types of payments. Please provide your direct deposit details: Branch #: _____ Financial Institution #: _____ Bank Account #: _____			