

Tax Season Survival Guide

For small business owners and sole proprietors

This document outlines the personal tax items that commonly apply to small business owners and sole proprietors like you.

You do not need to have everything ready at once, and there are several things on this list that may not apply to you. You should use this as a working document as slips and receipts arrive.

Most importantly, if you are unsure whether something is relevant, flag it anyway. It is far easier to review now than to correct later.

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Personal Income and Benefit Documents

- T4 – Statement of Remuneration Paid**
Employment income from any jobs held during the year
- T4A – Statement of Pension, Retirement, Annuity, and Other Income**
Honoraria, contract income, awards, stipends, or other non-employment income received personally
- T4E – Statement of Employment Insurance and Other Benefits**
Employment Insurance benefits
- T4A(P) – Statement of Canada Pension Plan Benefits**
Canada Pension Plan benefits
- T4A(OAS) – Statement of Old Age Security**
Old Age Security benefits
- T5 – Statement of Investment Income**
Interest or dividend income
- T3 – Statement of Trust Income Allocations and Designations**
Income from trusts or certain investments
- T5008 – Statement of Securities Transactions**
Sale of investments such as stocks or exchange-traded funds
- Rental income and expense summaries, if you personally own rental property
- Any other personal income not included in your business records

Registered Savings and Retirement Items

- Registered Retirement Savings Plan (RRSP) contribution receipts
- Registered Retirement Savings Plan repayment notices for the Home Buyers' Plan or Lifelong Learning Plan
- Registered Pension Plan (RPP) slips, if applicable
- T4RIF – Statement of Income from a Registered Retirement Income Fund**
Income earned from a Registered Retirement Income Fund (RRIF)

Medical and Health Expenses

- Medical and dental receipts* for any out-of-pocket medical costs for yourself and eligible dependents, including:
 - Prescription drugs
 - Vision care
 - Certain therapy and specialist services
 - Medical devices or mobility aids
 - Travel expenses related to medical treatment (usually >40km)
 - Private health insurance premiums paid personally

Heads up! When claiming medical expenses, you don't have to provide specifics about your medical condition. For example, if you keep a copy of your receipt, we can simply write "Prescription Drugs" and the total spent out of pocket throughout the year.

Education and Skills Development

- Tuition and enrollment statements for post-secondary education
- Student loan interest statements
- Professional exams or certification fees paid personally
- Education or training costs not reimbursed by your business

Housing and Living Expenses

- If you work from home, rent, heat, electricity, internet, and utility costs paid during the year
- Property tax statements, if you own your home
- Mortgage interest statements
- Moving expense receipts related to work or business changes

Family, Care, and Support

- Childcare expense receipts
- Child support or spousal support paid or received
- Adoption expense receipts, if applicable

- Caregiver-related expenses for dependents

Charitable Giving and Other Credits

- Charitable donation receipts
- Political contribution receipts
- Union or professional dues paid personally

Disability and Accessibility Items

- Disability Tax Credit approval or renewal documentation
- Disability supports or accessibility-related expense receipts
- Attendant care receipts, if applicable
- Caregiver-related expenses for dependents

Taxes, Payments, and Government Correspondence

- Personal income tax installment payments made during the year
- Last year's Notice of Assessment, statements, or reassessments from the Canada Revenue Agency
- Prior-year balance owing or refund information

Foreign Income and Investments

- Foreign income statements and details of foreign assets or accounts, if applicable
- Records of investments or property sold during the year

Heads up! If you have any dependents such as a spouse or child, each of the sections above apply to them, too!

Commonly Overlooked Personal Tax Items

These items are frequently missed because they are irregular, arrive late, or do not feel tax-related at the time.

Income That Is Easy to Miss

- Honoraria, stipends, or one-off payments received personally
- Prize money, awards, or appearance fees
- Tips or cash income received personally
- Retroactive pay or settlement payments
- Refunds or rebates that relate to a prior year

Family and Status Changes

- Marriage, divorce, separation, or reconciliation during the year
- Changes in shared custody arrangements
- A dependent becoming eligible or no longer eligible during the year
- Temporary periods of supporting a family member

Investments and Financial Activity

- Sale of stocks, exchange-traded funds, or cryptocurrency
- Small or inactive investment accounts
- Foreign interest or dividends, even if modest
- Investment accounts opened or closed during the year

Government and Tax Administration Items

- Installment payments made outside your regular schedule
- Letters or notices received from the Canada Revenue Agency
- Carryforward amounts from prior years, such as unused tuition or capital losses

Your Business Income and Expenses

There are a few situations where something may not appear in your day-to-day books yet. This is the right time to flag anything that may have happened outside your normal flow so it can be reviewed before tax filing.

Do any of the following apply? Keep your records if they do.

- Income received outside your usual business accounts
- Cash or electronic transfer payments not deposited into the business account
- Reimbursements, refunds, or rebates not already recorded
- Investment accounts opened or closed during the year
- Investment accounts opened or closed during the year
- Personal funds used to pay for a business expense
- Business expenses paid on a personal credit card or personal account
- Large or unusual purchases that may require special treatment
- New assets or equipment purchased during the year
- Business loans, grants, or funding received outside normal operations
- One-time or irregular business transactions