

29 February 2024

## 2023 PERSONAL INCOME TAX RETURN

Another year is behind us and the deadline to file your income tax return is quickly approaching. We look forward to assisting you in the preparation of your 2023 return. To help you gather your tax information, we enclose a **Personal Income Tax Checklist** that outlines the information and documents required to complete your return. Detailed instructions can be emailed to you at that time or accessed from our website.

### Important Reminders:

1. **Please use our Rolfe Benson PORTAL for the secure transfer of confidential, electronic information, especially any documents containing a social insurance number.** To access the Rolfe Benson client portal to upload or receive digital copies of documents, please contact the administration group at [admin@rolfebenson.com](mailto:admin@rolfebenson.com) (subject line: Portal Registration) or the partner in charge of your file.
2. If you would like to drop off your tax information at our office, you can do so Monday to Friday between 8:30am and 5pm. We will also be holding some designated dates/times between 9am and 11am on Monday, 25 March 2024, on Wednesday, 3 April 2024 and on Wednesday, 10 April 2024. Alternatively, you should contact the partner on your file to make other arrangements.
3. Please advise us of any changes (i.e. marital status, children, address changes, email changes).
4. Please complete the 2023 Personal Income Tax Checklist. Provide the name of each family member for whom you would like us to prepare a return along with their current email address.
5. Please review your information carefully. The CRA automatically assesses penalties for unreported income (i.e. missing T5 slip).
6. If you have no income to report, a return should be filed to obtain child benefits, GST credits and/or other government benefits.
7. CRA scrutinizes nearly all foreign tax credit claims. If you have foreign tax credits to claim, we ask you to provide documents that show the foreign taxes you paid. In most cases, this information is provided on T3 or T5 tax slips and this is sufficient documentation for these types of claims. If you have paid foreign taxes in relation to working abroad, you should provide proof of foreign taxes paid. In particular, if you paid tax to the United States, attach your W-2 information slip, U.S. 1040 return and U.S. tax account transcript. You may need to contact the IRS or your U.S. tax preparer to obtain a U.S. tax account transcript.
8. If you are a U.S. citizen or green card holder, a U.S. tax return must be filed.
9. Certain assets owned outside of Canada must be reported. There are significant penalties for failing to comply. Please provide details of your foreign activities on the enclosed checklist so we can advise you of your reporting obligations.
10. As of 1 January 2024 CRA now requires payments in excess of \$10,000 to be made electronically. When required to pay your income tax instalments for 2024 and onwards or final balance owing as a result of your Income Tax return you should take care to make any payments exceeding \$10,000 by electronic means. Failure to comply with this new requirement comes with a \$100 penalty. Electronic payments accepted include:
  - your Canadian financial institution's online or telephone banking services
  - the CRA's My Payment services at [Canada.ca/cra-my-payment](https://Canada.ca/cra-my-payment)
  - your credit card, Interac e-transfer, or PayPal through one of CRA's third-party service providers
  - pre-authorized debit (PAD) at [Canada.ca/my-cra-business-account](https://Canada.ca/my-cra-business-account)
11. If you sold your principal residence, you must report this on your tax return by providing a description of the property, the date of acquisition, proceeds of disposition, and the adjusted cost base. If you wish the sale to be exempt from income tax you must designate the property on your tax return as your principal residence. If you own more than one property that can be designated as a principal residence (i.e. family cottage) you should contact the partner in charge of your account to determine the best allocation of the principal residence exemption.

12. If during the year you sold a property that you possessed for less than 365 consecutive days prior to the disposition, the new Residential Property Flipping Rule will apply. Such a sale will restrict the ability to claim the principal residence exemption, the capital gains inclusion rate and any losses on the sale. Please ensure to advise us if you believe you sold a property under these circumstances and provide a description of the property, the date of acquisition, proceeds of disposition, and the adjusted cost base.
13. Did you renovate to create a secondary unit for a senior (aged 65 or older at end of the renovation tax year) or an adult with disability tax credit (“DTC”) to live with you? If so, the new Multigenerational Home Renovation Tax Credit (“MHRTC”) is a new refundable tax credit of up to \$7,500 on up to \$50,000 of renovation costs for each completed secondary unit in the home you own, so that a senior or an adult with DTC can live with you. The secondary unit must have a separate entrance, bedroom, bathroom and kitchen, and the renovation was completed in 2023. Please provide a list of renovation costs, supported by receipts paid after 31 December 2022 (maximum amount of expenses is up to \$50,000), who owned the property and details if you shared renovation costs.
14. As of 1 April 2023 the new First Home Savings Account (“FHSA”) came into effect. If during the year you opened a FHSA account at a financial institution, please advise us that you opened this account. You are required to report opening a FHSA account on Schedule 15 of your Income Tax Return. If you made contributions or transfers into your FHSA account during the year please ensure that you provide us with your T4FHSA slip issued by your financial institution to claim the tax deduction. For 2023, the maximum contribution is \$8,000 and the contributions must have been made before 31 December 2023. Lastly, if you withdrew from your FHSA to buy or build a qualifying home, provide the address of the home.
15. A new \$400 B.C. provincial refundable renter’s tax credit is now available for individuals who paid rent for an eligible rental unit and occupied it for at least 6 one-month long periods in 2023. If you and your spouse/common-law partner’s total net income for 2023 is under \$83,000 send us your rental address (if different from your mailing address), amount of rent paid during the year, number of months of tenancy, name of landlord or company you paid rent to. If you were at multiple rental addresses, provide information for each address you lived at for 6 months or more.
16. Effective for the 2023-year new legislation may require you to file a trust income tax return. If you possess any bank or investment accounts that are held *in trust for* (“ITF”) another individual or are part of situations in which an individual is a listed owner on a bank or investment account (or any other property), but all funds and income generated within the account are owned by and for the benefit of another individual, corporation or trust (i.e. joint investment account with spouse where all income is reported on one spouses tax return or for probate purposes you are a listed owner of a parent’s account) you may be impacted by these new requirements. If either of these situations apply to you or any member of your family, please provide us details of the situation. If you have any questions please contact the partner in charge of your file.

To ensure that your returns can be completed by 30 April 2024, please send us all of your tax material, including the Personal Income Tax Checklist, as soon as possible, **but not later than 15 April 2024.**

If you should have any questions, please do not hesitate to contact us.

Yours truly,

Rolfe, Benson LLP