

4 March 2025

2024 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 2024 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.

Important Reminders:

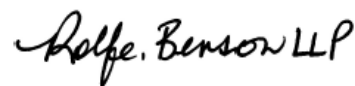
1. **Please use our Rolfe Benson PORTAL for the secure transfer of confidential, electronic information, especially any documents containing a social insurance number.** To access the Rolfe Benson client portal to upload or receive digital copies of documents, please contact the administration group at admin@rolfebenson.com (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 during our regular office hours (Monday to Friday, 8:30am to 5pm. Or 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 2024 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. Provide the full name, social insurance number, date of birth of all your dependent children.
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. CRA is also expanding its automatic filing services such as the invitation-based service SimpleFile by Phone.
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 final tax liability and proof of 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. If the foreign country taxes based on a non-calendar year, please provide for both tax years that include days in the 2024 calendar year.

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. CRA regularly reviews returns after sending out the notice of assessment. These reviews are an important part of the self-assessment tax system and generally require a response within 30 days of the date of the letter. If you have received such requests from CRA, make sure to review it and/or send it to your partner if you wish us to assist you with the appropriate response. If you do not provide the required response to CRA, CRA could reassess your taxes. Once CRA issues a reassessment notice, there is a time limit within which you can file an objection. Once the time limit expires, you can no longer object to the reassessment.
11. Tax legislation has changed rapidly and significantly in recent years. Please review the attached list for some of the most recent and relevant changes.
12. All GST/HST and QST returns (except for those of charities and selected financial institutions) must now be filed electronically for reporting periods starting after 31 December 2023. Registrants who paper file GST/HST improperly will be charged a penalty. If you are a sole proprietor, please ensure you have provided us your web access code to ensure your GST/HST return can be electronically netfiled.

To ensure that your returns can be completed by 30 April 2025, please send us all your tax materials, including the Personal Income Tax Checklist, as soon as possible, **but not later than 14 April 2025.**

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

Yours truly,



Rolfe, Benson LLP

List of Tax Changes - 2024

13. **Update: Capital gains/losses** – Capital gains realized in 2024 will be included in income at a 50% rate. However, for reporting in the 2024 T1, CRA still requires reporting of pre-25 June 2024 capital gains/losses and post-24 June 2024 capital gains/losses. As of 31 January 2025, CRA has confirmed that it is administering the increase to the Lifetime Capital Gains Exemption (LCGE) to \$1.25M for dispositions of qualified small business corporation shares and qualified farm or fishing property occurring on or after 25 June 2024. However, the LCGE increase is not passed into law yet, and requires the legislation to be passed in the House and Senate after Parliament resumes.
14. **New: Alternative minimum tax (AMT)** – The AMT ensures that taxpayers pay a minimum amount of tax, even when using legitimate tax incentives. Historically, AMT applied when tax incentives, such as the capital gains exemption, significantly reduced an individual’s regular income tax. The computation of AMT has changed as of January 1, 2024. Please consult the partner in charge of your file if you require further details.
15. **New: Short-term rental compliance** – If you earned income from a short-term rental (Airbnb, VRBO, etc.), was the rental operation compliant with all provincial and municipal licensing, permitting and registration requirements by December 31, 2024? If not, deductions against gross rental revenues will not be allowed. A “short-term rental” means a residential property that is rented or offered for rent for a period of less than 90 consecutive days. Commencing in 2024, digital platform operators (e.g. Airbnb, Etsy, Uber) must report seller information to CRA. This includes identification details, income earned by the Canadian sellers, and, for rentals, specifics of the rental property. CRA will be able to use the information provided for their compliance activities.
16. **New: Charitable donations** – Proposed legislation will allow donations (cash, credit card, electronic transfer) made between 1 January 2025 and 28 February 2025 to be claimed either in the 2024 or 2025 personal tax return (but not both). Donation of securities, donations made through payroll deductions or as part of an individual’s will, if the individual died after 2024, are not eligible for this extension. CRA has confirmed that it is administering this proposed legislative measure for the 2024 personal tax return, even though this is not passed into law yet.
17. **Update:** The Home Buyers’ Plan (HBP) withdrawal limit has increased from \$35,000 to \$60,000 for withdrawals made after 16 April 2024.
18. **Reminder:** As of 1 January 2024 CRA 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 <https://www.canada.ca/en/revenue-agency/services/e-services/payment-save-time-pay-online.html>
 - your credit card, Interac e-transfer, or PayPal through one of CRA’s third-party service providers
 - pre-authorized debit (PAD) at <https://www.canada.ca/en/revenue-agency/services/about-canada-revenue-agency-cra/pay-authorized-debit.html>.