

## Welcome to Tax Season!

**Deadline:** We require all your tax information no later than **April 14** to guarantee your taxes will be completed by the **May 1** deadline.

**DO NOT** send any documents to us until you have **all** your documents together to prepare your taxes. If you send it in pieces, it incurs additional costs.

Please review all the pages provided and the checklist.

### How do I submit my taxes to M2?

Couldn't be simpler... use our digital services.

- ✓ You can upload all your documents via M2's secure web portal. [www.m2financial.ca](http://www.m2financial.ca)
- ✓ We can email you a secure link to download your taxes once they are completed.
- ✓ You are able to sign all required documents online.
- ✓ You pay using Interac e-Transfer (email transfer to [pay@m2financial.ca](mailto:pay@m2financial.ca))



**To upload your scanned tax documents through our secure portal visit: [www.m2financial.ca](http://www.m2financial.ca) and click on "Upload Files"**

We have a lockbox mounted to the wall outside the front door for dropping off documents outside business hours.

### Extended office hours:

**(March 7 to April 30)**

Monday-Friday: 8:30 am-5:30 pm

Saturday: 8:30 am-3:30 pm

Sunday: Closed

### Regular hours:

**(May 1, 2023 - March 2024)**

Monday-Friday: 8:30 am-4:30 pm

Saturday & Sunday: Closed

**We are closed April 7 & 8 for the Easter weekend.**

**\*\*Call for special appointments outside of these hours\*\***

If you require a telephone call, web meeting, or in person meeting please visit: [www.m2financial.ca](http://www.m2financial.ca)– click on "Schedule an Appointment"

Email: [tax@m2financial.ca](mailto:tax@m2financial.ca)

Durham: 905-436-1784 Extension 120

Toll Free: 888-436-1784 Extension 120

[Visit our Facebook webpage.](#)



Contact us if you have any questions or needs that we can assist you with.

Sincerely,  
The M2 Financial Solutions Team

## Dear M2 Clients:

### How to prepare:

We have included a very useful tax checklist, articles on “What’s New For 2022 Taxes”, and “Things you should know” to help you assemble your tax information.

Please be sure to collect all tax slips and records before submitting them to us.

If you received a tax slip last year and one has not yet arrived this year, please call the issuer to inquire if one will be coming in the mail this year.

If you have moved, your marital status has changed, you have new children or any contact information has changed, please inform us. If you have moved, contact us to discuss moving deductions you may be entitled to.

Please remember that if you have mutual funds or investments that could be considered “in trust”, you probably will not receive your information slips (T3) until the beginning of April.

### Emails and calls from CRA

There continues to be many phishing schemes circulating. Please keep in mind that CRA will NEVER request personal information of any kind from a taxpayer by email. These emails can look very official; however, they do not come from CRA. Please never reply to any of these emails and contact us if you are unsure if it is valid. If you receive a call from someone claiming to be from CRA, inform them to contact your tax representative (that’s us!). If it is CRA, they will call us or ask you to have us call them. If it is a scam, they will threaten you and refuse to contact us. Always contact us first before dealing with CRA. We are here to protect you!

### Are you planning on retiring soon? Do you need advice on what to do with your pension? Planning on applying for CPP or OAS?

There are a lot of things that you need to be aware of when it comes to avoiding paying unnecessary tax in retirement and protecting your nest egg.

Contact us to find out more.

**Please be sure to collect all tax slips and records before submitting them to us.**

## What's New For 2022 Taxes

### Underused Housing Tax (UHT-2900)

The Underused Housing Tax Act implements a 1% annual tax on underused or vacant housing. While the act targets non-resident owners, it includes provisions that may require Canadian owners to file the UHT-2900 Underused Housing Tax Return and Election Form, even if they are exempt from paying the Underused Housing Tax (UHT). This includes many Canadian corporations (including CCPCs), trustees of a trust and partners in a partnership. [Click here to learn more](#)

### Employment deductions for Working at Home Due to COVID-19

#### Temporary flat rate method

This method simplifies your claim for home office expenses (work-space-in-the-home expenses and office supply and phone expenses). If you worked more than 50% of the time from home for a period of at least four consecutive weeks in 2021 due to the COVID-19 pandemic, you could claim \$2 for each day you worked from home during that period. You can then also claim any additional days you worked at home in 2021 due to the COVID-19 pandemic. The maximum amount that can be claimed is \$500 per individual.

#### Detailed method

This method allows you to claim the actual amounts you paid, supported by documents. You must complete and have the following forms T2200S or T2200 signed by your employer.

### First-time home buyer's tax credit

The amount used to calculate the first-time home buyers' tax credit has increased to \$10,000 for a qualifying home purchased after December 31, 2021.

### Home accessibility tax credit

The annual expense limit of the home accessibility tax credit has increased to \$20,000.

### Ontario Staycation Tax Credit for 2022

Ontario residents can claim 20% of their eligible 2022 accommodation expenses on their 2022 tax return., i.e., a hotel, cottage or campground. You can claim eligible expenses of up to \$1,000 as an individual or \$2,000 if you have a spouse, common-law partner or eligible children, to get back up to \$200 as an individual or \$400 as a family.

### The multi-generational home renovation tax credit

As of January 1, 2023, for expenses related to building a secondary suite for a family member who is a senior or an adult over 65 with a disability. The credit will provide a 15% tax refund on expenses of up to \$50,000 creating a maximum refund of \$7,500.

## What's New For 2022 Taxes

### **Covid-19 benefit repayments**

If taxpayers repaid benefit amounts before January 1, 2023, they may choose when and how to claim the deduction on their tax return. You have the option to claim your repayments as a deduction in the year you made the repayment or in the year you received the benefits. You may also split the deduction between your tax returns, as long as you do not deduct more than what you repaid.

### **The Residential Property Flipping Rule**

A new deeming rule to ensure profits from flipping residential real estate are always subject to full taxation. Starting on January 1, 2023, profits arising from dispositions of residential property (including a rental property) that was owned for less than 12 months would be deemed to be business income, subject to the exceptions.

[Click here to learn more](#)

### **Tax-Free First Home Savings Account (FHSA)**

The FHSA offers prospective first-time home buyers the ability to save \$40,000 tax-free. Like a registered retirement savings plan (RRSP), contributions to an FHSA would be tax deductible. Like tax-free savings accounts (TFSA), income and gains inside an FHSA as well as withdrawals would be tax-free. [Click here to learn more](#)

### **Air quality improvement tax credit**

If you were self-employed or a member of a partnership in 2022, you may be eligible to claim a refundable tax credit equals to 25% of your total ventilation expenses to improve ventilation or air quality at your place of business. [Click here to learn more](#)

### **Labour mobility deduction for tradespeople**

The labour mobility deduction provides eligible tradespeople and apprentices working in the construction industry with a deduction for certain temporary relocation expenses. Eligible individuals may be able to deduct up to \$4,000 in eligible expenses per year.

[Click here to learn more](#)

### **Digital News Subscription Tax Credit**

A non-refundable tax credit for amounts paid by individuals from 2020 to 2024 for qualifying subscription expenses. A qualifying subscription expense is the amount you paid in the year for a digital news subscription with a qualified Canadian journalism organization that is primarily engaged in the production of original written news content, and it is not engaged in a broadcasting undertaking as defined in the Broadcasting Act.

## Things you should know

There are many forms on our website that you will find helpful as you assemble your tax information. <https://www.m2financial.ca/financial-tools/>

### Principal Residence

CRA changed the reporting requirements for the sale of a principal residence (Your personal home). Though the sale continues to be non-taxable, the reporting is now required for all sales on or after January 1, 2016. If a principal residence sale is not reported there is a penalty of up to \$8,000.

**Please let us know of any principal residence sales!**

### Reporting of Tips

Canada Revenue Agency has been aggressively auditing industries that receive tips.

Myth: If you claim 10% of your income as tips you are safe. False! You are required by law to report 100% of all tips received and, during audits, CRA tends to find a percentage of 20-25% of income as tips. The penalties for not reporting all your income can be quite excessive and punitive.

### Foreign Reporting Requirements

All foreign pensions must be reported as income on your personal tax return. The pension may be fully or partially exempt from tax in Canada according to a tax treaty with the country of origin. A Canadian resident must file a Foreign Income Verification statement if that person owns foreign property or investments valued at more than \$100,000(CDN) in total. The penalty for not reporting this information is \$2,500 per tax year.

### Tax Free Savings Account (TFSA) limit for 2023

The TFSA contribution limit for 2023 is \$6,500.

### RRSP Home Buyers Plan

You can withdraw \$35,000 or less without taxes being deducted. Some RRSPs, such as locked-in or group RRSPs, do not allow you to withdraw funds from them.

[Click here to learn more](#)

### Medical expense tax credit (for surrogacy and other expenses)

The list of eligible medical expenses has been expanded to include amounts paid to fertility clinics and donor banks in Canada to obtain donor sperm or ova to enable the conception of a child by the individual, the individual's spouse or common-law partner, or a surrogate mother on behalf of the individual. In addition, certain expenses incurred in Canada for a surrogate or donor are considered medical expenses of the individual. [Click here to learn more](#)



## 2022 Personal Tax Checklist

New Address/Phone number/ Email address? Dependants? Change in Marital Status?

Your Name: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Spouse's Name: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_ Spouse's Email: \_\_\_\_\_

For electronic signature we need different emails for everyone signing

Marital Status: \_\_\_\_\_ Date if changed (2022) (DD/MM): \_\_\_\_\_

New child: \_\_\_\_\_ Date of Birth (DD/MM/YY): \_\_\_\_\_

Please complete the following checklist and return with your required tax documentation.  
To upload your scanned tax data and slips through our secure portal 24/7  
visit: [www.m2financial.ca](http://www.m2financial.ca) and click on "Upload Files"

### Slips

- All T slips (T4, T3, T5, T4E, T4A, T4AP, T5007)
- Withdrawals from your RRSPs (T4RSP, T4RIF)
- Tuition/Education amounts for qualifying students (T2202A)
- RRSP contributions (RRSP Slip)

### Receipts

- Interest and dividend Income (may be reported on a T3 or T5)
- Sale or deemed sale of stocks, bonds, or real estate (Please provide the cost and proceeds of sale)
- Receipt or payment of support for a child, spouse or common-law partner
- Professional fees or union dues
- Tool expenses (tradespersons)
- Medical expenses you paid for that were not fully reimbursed (statements from your benefits)
- Charitable and political donations (First time making a donation?)
- Childcare expenses, Camps, Adoption expenses
- Buy/Sell home? Moving expenses? Rental Property? First Time homebuyer?
- Interest paid on student loans (Government form required)
- Carrying charges and interest expenses
- Property Taxes/Rent
- Ontario Staycation Expenses

### Other Documentation Required

- Capital gains/losses must be recorded in the year they occurred
- Rental income & expense records ([www.m2financial.ca](http://www.m2financial.ca), Financial Tools)
- Business, farm & expense records ([www.m2financial.ca](http://www.m2financial.ca), Financial Tools)
- Declaration of Conditions of Employment (T2200 or T2200S)
- Automobile, Travel, Home Office expenses
- Direct Deposit Information- Void Cheque/Direct deposit form from the Bank