

Welcome to Tax Season!

Deadline: We require all your tax information no later than **April 15** to guarantee your taxes will be completed by the **April 30** 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
- ✓ 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)



To upload your scanned tax documents through our secure portal visit: 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 9 to April 30)

Monday-Friday: 8:30 am-6:00 pm

Saturday: 8:30 am-3:30 pm

Sunday: Closed

Regular hours:

(May 1, 2024 - March 2025)

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

Saturday & Sunday: Closed

We are closed March 30 & 31 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 – click on "Schedule an Appointment"

Email: 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 2023 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 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!

Watch for RRSP Scams!

Promoters of financial schemes promise RRSP owners that they can make tax-free withdrawals from their RRSPs. Typically, the arrangement involves using an individual's self-directed RRSP to purchase the shares of a private company or interest in mortgages (usually at highly inflated values). The funds used to make the purchase are then loaned back to the owner of the self-directed RRSP at low or no interest.

Before you withdraw from your self-directed RRSP:

Does the promoter’s fee you are paying appear to be more than what is normally paid?

Do you understand the service being offered to you and why a fee is being charged?

Are you getting the funds back immediately, seemingly tax free?

Are you getting the funds back by debit/credit cards, offshore bank accounts or ownership in time-shares or any other type of benefit?

Are you promised unrealistic returns based on the current investment rates? Do some research of average returns to see if what you are being promised is reasonable.

Are you re-investing the original funds removed from your RRSP in order to get a new RRSP tax deduction receipt?

If you answered “**yes**” to any of the considerations above, this could be a scheme. Be wary of ads, word of mouth or seminars in which any of the above are present.

What's New For 2023 Taxes

Trust Reporting:

Examples of types of trust that must file T3 returns:

- Bare trust arrangements (trust acts as a beneficiary)
- Partnerships (i.e. if individual partners hold assets in trust for the partnership)
- Joint financial accounts – example: between parents and adult children
 - Who is on title, who contributed the funds, deemed disposition of the asset to reflect new shared ownership
 - Who is reporting the income

Bare Trustee:

Generally, a “bare trust” is a relationship where one person (the agent) holds property in their name, but the other person (beneficial owner) controls the property, including all rights and obligations.

What if a filing is missed?

Failure to file: a minimum late filing penalty of \$100 and a maximum penalty of \$2,500, subject to interest charges until the penalty is paid.

Gross negligence penalties:

May be assessed if you knowingly failed to file a trust return which is 5% of the maximum fair market value of the property held by the trust during the year, with a minimum penalty of \$2,500.

When is the filing deadline for Trusts? March 30, 2024.

Surrogacy

Costs related to surrogacy arrangements and sperm, ova or embryo donations are now eligible for the medical expense tax credit.

Tax-free First Home Savings Account (FHSA)

Contributions are deductible from taxable income. Income earned in an FHSA, and qualifying withdrawals made to purchase a first home are non-taxable. This plan has an \$8,000 annual contribution limit and a \$40,000 lifetime contribution limit. However, the limit will not accumulate until the account is opened.

First-Time Home Buyers' Tax Credit doubled

Eligible first-time home buyers can now claim a \$10,000 non-refundable income tax credit, which could result in tax savings of up to \$1,500.

What's New For 2023 Taxes

Short Term Rentals

Starting Jan. 1, 2024, in provinces and municipalities that have prohibited short-term rentals, CRA will deny income tax deductions for expenses incurred to earn short-term rental income, including mortgage interest expenses. The CRA will also deny income tax deductions when short-term rental operators are non-compliant with the applicable provincial or municipal licensing, permitting or registration requirements when it comes to their rental properties.

Multigenerational Home Renovation Tax Credit

This refundable credit was introduced to assist Canadians with the cost of renovating a home to create a secondary unit so that a family member who is more than 65 years of age (or 18 if they qualify for the disability tax credit) can live with you. The credit is available for renovation expenses incurred in 2023 and beyond.

If eligible, you can claim up to \$50,000 in qualifying expenditures for each qualifying renovation completed, up to a maximum credit of \$7,500 for each claim.

New Residential Real Estate Property Anti-Flipping Rules

Beginning January 1, 2023, profits from the sale of residential real estate properties, including rental properties or personal use properties, that are owned for less than 365 consecutive days will be fully taxed as business income, and not treated as a capital gain, as part of the new “anti-flipping” rules. An exemption may apply if the sale is related to death, the breakdown of a marriage or common-law partnership, an eligible relocation, or certain other life-changing events.

Tradesperson's Tools Expenses

The deduction for a tradesperson's tools expenses doubled from \$500 to \$1,000 in the 2023 taxation year. Employees can now deduct up to \$1,000 annually for eligible tools of the trade required for employment.

Things you should know.

New update for Underused Housing Tax:

How can owners determine whether a residential property qualifies for the exemption from the underused housing tax (UHT) for vacation?

The CRA has launched an online tool to help make the determination. By entering the property's postal code, the tool reports whether the property is located in an eligible area of Canada for purposes of the election, or whether eligibility is unclear.

<https://www.canada.ca/en/services/taxes/excise-taxes-duties-and-levies/underused-housing-tax.html>

Claiming Childcare Expenses? Surprises Await

Childcare expenses can be claimed as a deduction on your tax return and that's important because these costs reduce family net income, which is the number used to calculate the monthly Canada Child Benefit (CCB).

If you qualified for the new \$10 a day childcare, or you spent less on childcare in 2023, an unpleasant surprise may be coming your way.

For those taxpayers, whose net income is around the top of the income-tested ceiling levels, a smaller childcare expense deduction could reduce the amount of tax-free Canada Child Benefits available to the family.

Please note: The cost of paying a babysitter or nanny for the care of the children while the parent(s) work or attend school maybe deductible.

Home Office Expenses

The COVID tax deduction for working at home ended in 2022. For 2023 if you worked from at home 50% or more then you will be required to get a signed T2200 from your employer. Then provide us the square footage of your home and the square footage of your home office, and totals for your household expenses. i.e. Heat, Hydro, Water, Home internet, repairs, and maintenance (not renovations). If you are paid commission, then you can also claim home insurance and property Taxes.

Filing your taxes on time

It is very important to file your taxes on time and pay on time. The interest and penalties can now be as high as 15%!!!

Ontario Staycation Tax Credit Expired at the end of 2022.

2023 Personal Tax Checklist

New Address/Phone number/ Email address? Dependents? 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 (2023) (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 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

Other Documentation Required

- Capital gains/losses must be recorded in the year they occurred
- Rental income & expense records (www.m2financial.ca, Financial Tools)
- Business, farm & expense records (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