

Welcome to Tax Season!

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

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

Please review all the pages provided and the checklist.

How do I submit my taxes to M2?

It couldn't be simpler... use our digital services.

- ✓ You can upload all your documents via M2's secure web portal. www.m2financial.ca
- ✓ We will email you a secure link to download your taxes once completed.
- ✓ You will be 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 10 to April 30)

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

Saturday: 8:30 am-3:30 pm

Sunday: Closed

Regular hours:

(May 1, 2025 - March 2026)

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

Saturday & Sunday: Closed

We are closed on April 18 & 19 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 2024 Taxes”, and “Things you should know” to help you assemble your tax information.

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

If you received a tax slip for the last tax year and one has not yet arrived for this tax 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 and principal residence exemptions 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.

What’s New For 2024 Taxes

Efile

CRA will start accepting electronic filings on February 24th, 2025, at 8:30 am.

Home Buyers’ Plan

The withdrawal limit has been increased to \$60,000 for withdrawals made after April 16, 2024. In addition, the start of the 15-year repayment period is temporarily deferred by an additional 3 years for withdrawals between January 1, 2022, and December 31, 2025. Accordingly, the 15-year repayment period now starts the fifth year following the year the first withdrawal was made.

First Home Savings Account (FHSA)

FHSAs can be set up by first-time home buyers, allowing annual contributions of up to \$8,000, to a lifetime limit of \$40,000. Like an RRSP, contributions are deductible from income. The withdrawal is not taxable if FHSA funds are withdrawn to acquire an eligible property. If you plan to buy your first home soon, contact us before purchasing for planning possibilities.

Capital gains/losses

Capital gains realized in 2024 will be included in income at a 50% rate. While it was proposed that net capital gains realized from June 25, 2024, onwards would be included in income at a 2/3(66.67%) rate, the Federal government has deferred the proposed implementation date to January 1, 2026. CRA will provide relief in respect of filing penalties and arrears interest until June 2, 2025, for impacted personal tax return filers.

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; broadly, the changes target higher-income individuals, with lower and mid-income individuals generally at reduced risk of AMT exposure.

Volunteer firefighters and search and rescue volunteers tax credits:

The amounts for these credits are doubled to \$6,000, increasing the maximum tax relief to \$900 for each credit, applicable to the 2024 and subsequent taxation years.

Charitable Donation Extension

Donations eligible for deduction in the 2024 tax year will be permitted for donations made up to February 28, 2025.

[CRA Donation Website](#)

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 regarding their rental properties. The Department of Finance is cracking down on short-term rentals, announcing a new \$50 Million Enforcement Fund to assist municipalities with enforcement and compliance activities. If you are non-compliant with the municipality, you will be denied rental expenses with CRA. That could cause you a lot of excess tax!

<https://housing-infrastructure.canada.ca/housing-logement/stref-farlcd/index-eng.html>

Things you should know

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%!!!

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 to purchase a first home are non-taxable. This plan has an \$8,000 annual contribution limit and a \$40,000 lifetime contribution limit.

First-Time Home Buyers' Tax Credit

Eligible first-time home buyers can claim a \$10,000 non-refundable income tax credit.

Home Office Expenses

If you worked from home for 50% or more, you must get a signed T2200 from your employer. Then, provide us with the square footage of your home and 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, you can also claim home insurance and property taxes.

Multigenerational Home Renovation Tax Credit

Created to assist Canadians with renovating a home to create a secondary unit so that a family member over 65 (or 18 if they qualify for the disability tax credit) can live with you. The credit is available for renovation expenses incurred in 2024 and beyond.

The claim is up to \$50,000 in qualifying expenditures up to a maximum credit of \$7,500.

New Residential Real Estate Property Anti-Flipping Rules

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 taxable 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.

TFSA Dollar Limit

The TFSA contribution limit for 2025 is \$7,000

What to watch for in 2025

Emails and calls from CRA

There continue to be many phishing schemes circulating. Please remember that CRA will NEVER request personal information from a taxpayer by email. These emails can look very official; however, they do not come from CRA. Please never reply to these emails. Contact us if you are unsure if the email 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!

Not today, scammer!

To check the validity of a CRA communication, CRA has a scam alerts web page: <https://www.canada.ca/en/revenue-agency/corporate/scams-fraud/recognize-scam.html>
To Verify it's the CRA calling you can check out the number at: <https://www.canada.ca/en/revenue-agency/corporate/scams-fraud/verify-cra-contact.html>

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 with 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 on 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.

Budget 2024

Budget 2024 has expanded the CRA's ability to gather information and collect taxes by issuing notices of non-compliance, questions under oath, etc.

CRA knows what you are Earning!!

Earning any digital platform income??

All digital platform income operators are now required to collect and report all income earned to the CRA. This includes but is not limited to, AIRBNB, ETSY, VRBO, SKIP, UBER, and any crypto-asset service providers in Canada, etc. These companies have submitted this information to the CRA for the 2024 calendar year. The information sent to the CRA will also be made available to the taxpayer. The CRA will be able to use the information provided for its compliance activities to ensure you have reported all income earned on your tax return.

Instalments required for 2025

A pre-authorized debit arrangement is an online service-payment option that authorizes the CRA to withdraw a pre-determined payment amount directly from a bank account on a specific date to pay taxes. This may help avoid penalties for late and/or missing instalment payments. The CRA interest rate on late or insufficient instalments for the beginning of 2025 is 8%. Such interest is not deductible.

Are you watching your CRA Account?

CRA's My Account (website) – Taxpayers can set up an online account with CRA that provides tax filing information and communications in addition to the information in MyCRA mobile App.

<https://www.canada.ca/en/revenue-agency/services/e-services/cra-login-services.html>

CRA Online Services – Account alerts – Individuals can register with CRA to be notified by email when CRA's record of an individual's address has changed, banking information for direct deposit has changed or if mail sent by CRA was returned.

Eligible Fertility Treatments

Ontario released its **2024 Fall Economic Statement**, which included a tax credit for 2025 to support up to 25% of eligible fertility treatment costs, up to a maximum credit of \$5,000 per year.

2024 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 (2024) (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