

## Welcome to Tax Season!

**Deadline:** We will require all your tax information no later than **April 13** 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 client portal. [www.m2financial.ca](http://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](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 "Client Portal"

We have a wall-mounted lockbox beside 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, 2026 - March 2027)**

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

Saturday & Sunday: Closed

**We are closed on April 3 & 4 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 2025 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 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.

**NEW: Our new client portal will enable you to upload and download files. As long as you are an M2 client, we will provide a copy of your tax return for download from the portal.**

[See the last page for our new add-on service bundles to enhance your tax preparation experience.](#)

## What’s New For 2025 Taxes

### Digital News Subscription Credit

This tax credit has been discontinued as of the 2025 tax year.

### 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 made between January 1, 2022, and December 31, 2025. Accordingly, the 15-year repayment period begins in the fifth year after the first withdrawal.

### First Home Savings Account (FHSA)

FHSAs can be set up by first-time home buyers, allowing annual contributions of up to \$8,000, with a lifetime limit of \$40,000. Like an RRSP, contributions are deductible from income. Withdrawals from an FHSA are 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 2025 will be included in income at a 50% rate. While it was proposed that net capital gains realized from June 25, 2024, onward would be included in income at a 2/3 (66.67%) rate, the Federal government has abandoned that change.

## Lowest Tax Rate Reduction

The federal tax rate for the first income bracket (up to **\$57,375**) was reduced from 15% to 14% effective July 1, 2025. For the full 2025 tax year, this results in a blended effective rate of **14.5%**.

## Non-Refundable Tax Credits

Because most non-refundable tax credits are calculated using the lowest tax rate, their value decreases with a rate cut. A new Top-Up Tax Credit has been introduced for 2025–2030 to ensure no taxpayer pays more due to high claims, such as medical expenses or tuition.

## 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 changed as of January 1, 2024. Broadly, the changes target higher-income individuals, with lower- and middle-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 per credit to \$900, applicable to the 2025 and subsequent taxation years.

## Short Term Rentals

Starting Jan. 1, 2024, in provinces and municipalities that have prohibited short-term rentals, the 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 applicable provincial or municipal licensing, permitting, or registration requirements for their rental properties. The Department of Finance is cracking down on short-term rentals. If you are non-compliant with the municipality, you will be denied rental expenses with CRA. That could result in significant additional tax!

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

## Things you should know

## Filing Deadlines

**RRSP Contribution Deadline:** March 2, 2026.

**General Filing Deadline:** April 30, 2026.

**Self-Employed Deadline:** June 15, 2026 (Taxes owed must still be paid by April 30).

## 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%!!!

## 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 annual contribution limit of \$8,000 and a lifetime contribution limit of \$40,000.

## 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 of your work time, you must obtain 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 2025 and beyond.

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

## TFSA Dollar Limit

**TFSA contribution limit** for 2026 is \$7,000

**RRSP annual limit** for 2025: \$32,490 (your personal limit depends on prior-year earned income + pension adjustments, etc.)

## What to watch for in 2026

### Emails and calls from CRA

Phishing schemes continue to circulate. Please remember that CRA will **NEVER** request personal information from a taxpayer by email. These emails may appear 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 shares in a private company or interests 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 via debit/credit cards, offshore bank accounts, ownership in time-shares, or any other type of benefit?

Are you being promised unrealistic returns based on the current investment rates? Conduct research on average returns to assess whether the promised returns are 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 2025

Budget 2025 has expanded the CRA's ability to gather information and collect taxes by issuing notices of non-compliance and by asking 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. These companies have submitted this information to the CRA for the 2025 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 2026**

A pre-authorized debit arrangement is an online service-payment option that authorizes the CRA to withdraw a pre-determined 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 2026 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 the 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 included a tax credit to support up to 25% of eligible fertility treatment costs, with a maximum credit of \$5,000 per year.

## 2025 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(s), we need different emails for everyone signing

Marital Status: \_\_\_\_\_ Date if changed (2025) (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

### 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

## Add-on Bundles

**Core:** Included in all personal tax returns at no additional charge.

**Enhanced:** Faster filing, plus a short video walkthrough so you understand your return.

**Premier:** White-glove, priority tax service with the fastest turnaround and live review support.

	Premier	Enhanced	Core
<b>Tax Preparation</b>			
•Stress-free digital submission (Dedicated client portal)	✓	✓	✓
•A guided, paperless workflow with secure messaging, easy uploads, and e-signatures	✓	✓	✓
•Tax optimization checklist	✓	✓	✓
•Professionally prepared and reviewed	✓	✓	✓
•Electronic filing	✓	✓	✓
•Digital copy of taxes available for download	✓	✓	✓
•Tax preparation time	1-3 days	4-5 days	7+ Days
<b>Post filing (After Tax Season)</b>			
•Review of Notice of Assessment	✓	✓	
•Installment reminders (Tax/HST)	✓	✓	
•Tax planning (1 return)	✓		
•T1 adjustment (1)	✓		
•Priority scheduling	✓		
<b>Tax Return Review</b>			
•Email Q&A	✓	✓	✓
•Loom video review (3-4 minutes)	✓	✓	
•Live telephone/In person review & Q&A	✓		
<b>Firm Access</b>			
•Email - staff only - within 48 Hours	✓	✓	✓
•Telephone and Email - staff only - within 36 hours	✓	✓	
•Telephone and Email - staff & partners - within 24 Hours	✓		
<b>Price-per taxpayer</b>	\$300	\$120	Included
Number of packages available - <b>First Come First Serve</b>	10	40	All
<b>Optional add-ons:</b>			
•Printed summary of taxes/tax letter/5 year summary available- per return	Included	\$ 5.00	\$ 10.00
•Printed full copy of taxes - per return	Included	\$ 20.00	\$ 25.00
•CRA support - Audit Insurance(Standard CRA Review Only) - per return	\$ 75.00	\$ 100.00	\$150.00
•CRA support - Standard CRA Review + Appeal Insurance (1) - per return	\$ 150.00	\$ 200.00	\$250.00