

Tax Season is approaching quickly!

We'd like to notify you of some changes regarding personal income tax and offer some tips that we hope you will find helpful. We also want to let you know about the various services that we offer at DMC Chartered Accountants. We understand the importance of choosing an accountant and that is why we strive to provide you with the best possible client service.

What We Can Do For You

- We can keep you informed about changes in the tax world.
- We can prepare your return and make sure that it is filed with Canada Revenue Agency.
- We can help you plan for next year so that you can maximize your income.
- We can represent you with Canada Revenue Agency should need arise.
- We can help take the fear and frustration out of the process.
- We will enjoy visiting with you and catching up on your year.
- Retain information for standard CRA information requests.

Personal Tax Preparation Guarantee

- Turnaround time: we guarantee that after we have received all of your personal tax data, your return will be completed and on its way to you within ten business days. Otherwise, we will refund your fee.
- Providing we have all of your information, we guarantee your return will be done correctly, or we will fix it for no additional cost to you.
- When you leave a message, we guarantee one of our Tax Team will return your call within 24 hours.

We are looking at a couple of commitments from you:

- You will do your best to accumulate your tax information in a timely and orderly manner.
- Your fees are due when you pick up your tax return.

We know that these commitments on both our parts will ensure we can provide you with professional, enjoyable, and timely service. If you are not fully delighted with our service, please let us know. We are committed to continuously improving our service quality and your feedback will help us do that.

Fees

The one surprise we don't want you to have is the fee. Our clients have told us that they want to know up front what the cost will be. For clients who require more than the basic tax return preparation there will be charges based on the time required to complete the tax return. Your tax preparer will discuss these fees with you during the initial consultation.



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Meet Your Tax Team

Our 2012 Tax Team is delighted to serve you. And as a team, we ensure that there will always be more than one member to assist you with your questions and tax needs.



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Dean Mason, FCA, CFP

As a trusted advisor, Dean has years of business and taxation experience and has studied in-depth taxation, enjoying the challenges it brings. He was honoured by the Institute of Chartered Accountants of BC with a fellowship in the Institute. It is Dean's vision that the team provide you with knowledge, solutions and the best possible value.



Matt Brown, B.Comm, CA

Matt started with DMC as a student and is now a partner with the firm. He is highly respected and has met with many of you over the years. He is in charge of the firm's operations and is responsible for a large group of corporate clients. You will enjoy Matt's easy going personality and his ability to help you with your accounting and taxation needs.



Janice Bleecker, B.Comm, CA

Janice is a very experienced professional who joined DMC in 2006 and is now a partner with the firm. She has worked as an audit manager in a national firm, coached students and monitored quality control standards. She has experience in the financial/planning investment industry as well.



Miranda Paterson, B.Comm, CA

Miranda joined the firm in 1999 as a UNBC Co-op student and loved it so much that she stayed and earned her CA designation in 2004. She is an experienced professional and is currently working as tax manager, as well as being involved in monitoring quality control within the firm. She is experienced in personal tax and looks forward to meeting with you.



Kevin Agema, B.Comm, CA

Kevin started with the firm six years ago as a Co-op student. He received his CA designation in 2010 and has been on our tax team for 3 years. He is also our computer technician at the firm.



Kevin Sarsiat, B.Comm, CA

Kevin joined our firm in 2008 after attaining his Bachelor of Commerce degree at UNBC. In 2011 he received his CA designation through the Chartered Accountant School of Business. He enjoys the team atmosphere and professionalism at DMC and is looking forward to working with our tax team.



Lida Henderson, B.Sc., CA

Lida came from a background in forestry with a Bachelor in Science in Natural Resources Management before joining our team in 2005. She received her CA designation in 2011 through the Chartered Accountant School of Business. She has been preparing personal tax since 2006 and is looking forward to making sure all your taxation needs are met.



Katie Martin, B.Comm

Katie joined DMC in 2007 after earning her Bachelor of Commerce degree and is planning on pursuing her CA designation through the Chartered Accountant School of Business. Katie enjoys working in a team atmosphere and is looking forward to practicing personal tax this season.



Dineen Cornell

Dineen has been with the firm since 2000 and is very competent in personal taxation. She enjoys participating with the tax team and is looking forward to meeting with you again this year to ensure that all your taxation needs are met.



Tao Xu, B.Comm

Tao joined DMC in 2010 after she graduated from UNBC with her B.Comm degree with a major in Accounting and Finance. She is currently pursuing her CA designation through the Chartered Accountant School of Business. She looks forward to meeting with you this tax season.

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Basic Tax Return Preparation

Here's what you get:

- 2011 Federal and Provincial income tax returns
- Investment Income and expense as reported on T3 and T5 forms
- Child care deductions
- Summaries
- Donation schedule
- Foreign tax calculations
- Medical expense schedule (maximum of five items)
- Additional dependants schedule
- Alternative minimum tax calculations
- RRSP deduction calculations and carry-forward calculations
- We keep your tax return on file for at least seven years
- Copies of your returns for financing purposes at no extra cost
- We maintain carry-forward information on RRSP, charitable donations, capital gains and losses and CNIL amounts
- Off-season representation*

Canada Revenue Agency Penalties

Canada Revenue Agency will impose penalties upon taxpayers, for failure to observe due care in reporting on your income tax returns. It is important to note that any missed slips not provided to DMC in order to prepare your personal tax return appropriately will be subject to a penalty imposed by the CRA. The penalty is severe at 20% of the missed income amounts. It is important that you ensure you have all of your income slips prior to making your appointment with us.

CRA Acceptable Documentation – Such as agreements, invoices and receipts, must clearly show the type and quantity of goods purchased and services provided including but not limited to the following: Information that clearly identifies the vendor, their business address, and if applicable, GST/HST number; a description of the goods and date of purchase; the date when the goods were delivered and/or when the work was performed; a description of the work performed including address; the amount of the invoice; and proof of payment. Receipts or invoices must indicate paid in full or be accompanied by other proof of payment, such as credit card slip or cancelled cheque.

Income Tax Preparation – Wondering What to Bring In?

- All your T4s and interest slips from banks and investments
- Your 2010 Notice of Assessment from Revenue Canada that you received after you filed last year
- Correct birthdates for your family members
- Correct address and telephone numbers
- If your marital status and/or surname has changed, please inform the interviewer
- Your RRSP, union, charitable and medical receipts
- Tax instalments you may have already paid
- Child care receipts with Social Insurance Number and address of your caregiver
- Child support payments
- Canada Savings Bond information
- Pension receipts
- Business, rental or commission income and expenses
- Employment expenses – signed T2200
- Safety deposit box receipts
- Investment expenses
- Capital Gains information
- Mileage log (if applicable)
- Tuition receipts

Canada Revenue Agency Audits

Canada Revenue Agency randomly selects individuals for tax audits. Should you be selected for a tax audit, we are available to assist you through this difficult process. Fees for this service are charged on an hourly basis.

Off-Season Representation*

Every year, after income tax returns are filed, Canada Revenue Agency requests various pieces of information from us. This information is used by CRA to sample and check the returns.

This information will consist of RRSP receipts, providing reconciliation and proof of RRSP carry-forwards, donation and medical receipts, support for investment expense deductions, child care receipts, copies of business income and expense statements, rental income and expense statements, moving expense forms, etc. As part of our service, we are pleased to provide this information on your behalf.

Additional Tax Preparation Services Available

Fees are based on time requirements. The following are examples of the extra services we provide:

- Capital Gains Schedule
- Business income and expense statements (including depreciation and income-splitting calculations)
- Rental income and expense statements (includes depreciation calculations)
- Employment expense schedule
- Moving expenses
- RRSP calculations
- Large medical expense claims
- CRA Audit representation

• Important •
Please bring in your Notice of Assessment from the 2010 taxation year to allow us to obtain your "My Account" access code.

Did You Know...

February 2012



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Capital Gains Exemption

The lifetime capital gains exemption is from \$500,000 to \$750,000 on the disposition of qualified small business corporation shares and qualified farming and fishing property.

Child Tax Credit

A child tax credit is available for all children under the age of 18 at the end of the calendar year. Previously, the CTC could be claimed by only one of the individuals sharing a home with two or more families. In 2011, the restriction has been eliminated and permits each parent in a shared household to claim the child tax credit.

Pension Splitting

As of 2007, Canadian residents have been able to split up to 50% of their income that qualifies for the existing pension income tax credit to their resident spouse for income tax purposes. The amount allocated is deducted from the taxpayer's income who received the pension income and it is included in computing the income of the spouse. The income tax withheld at source will have tax allocated from the taxpayer to the spouse in the same proportion as the taxpayer's pension income is allocated.

The optimal amount of pension income to allocate will be influenced by relative marginal rates, access to personal credits and claw-backs such as OAS.

Tax-Free Savings Account

A Tax-Free Savings Account (TFSA) is a new way for Canadian residents to set aside money, tax-free, throughout their lifetimes. Contributions to a TFSA and the interest on money borrowed to invest in a TFSA are not tax deductible. The income generated in the TFSA is tax-free when withdrawn.

Children's Art Tax Credit

New for 2011, for parents of children under 16 for enrolment in a prescribed program of artistic, cultural, recreational or developmental activities, a new non-refundable tax credit up to \$500 may be claimed.

Children's Fitness Amount

You may be able to claim up to \$500 per child for the fees paid in 2011 that relate to the cost of registering you or your spouse's or common-law partner's child in a prescribed program of physical activity. The child must have been under 16 years of age at the beginning of the year in which an eligible fitness expense was paid.

Home Buyer's Tax Credit

Continued from a prior year based on an amount of \$5,000 for certain home buyers is available, that acquire a qualifying home after Jan. 27, 2009 (i.e., closing after this date). For 2009 the HBTC is calculated by multiplying the lowest personal income tax rate by \$5,000. The 2009 HBTC is \$750 (15% x \$5,000).

Volunteer Firefighters Tax Credit

Commencing in 2011, a new 15% non-refundable tax credit based on a flat amount of \$3,000 for volunteer firefighters was introduced. The credit is available to individuals who perform a minimum of 200 hours of volunteer firefighting during the year. Written certification must be obtained from the chief or designated official to claim this amount.

Employed Tradespersons (including apprentice mechanics)

You may be able to deduct the cost of eligible tools you bought to earn employment income as a tradesperson and as an eligible apprentice mechanic. This cost includes any GST, and PST or HST you paid.



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