



**SANDRA SCHOFIELD**  
Chartered Professional Accountant

**2022 Tax Newsletter**

To our most amazing clients,

We can't believe this will be the third year of the pandemic and we are still trying to adapt to new ways to deal it. One thing is for certain, we need to continue to work together, be kind to one another and ourselves.

Once again, there have been many changes and only a few are mentioned here. Please be sure to reach out if there is anything we can do to assist you or just to say hello during these stressful times.

We can be reached 905-831-5335 or [admin@schofieldcpa.ca](mailto:admin@schofieldcpa.ca)

*Sandy*

**Important Dates to Keep in Mind**

**February 28, 2022**

- T4/T5 Filing Due Date
- Last day to contribute to your own or spousal RRSP for the 2021 tax year

**March 15/June 15/September 15/December 15, 2022**

- Personal Income Tax Instalments due for the 2022 taxes

**March 31, 2022**

- T3 Trust Return Due Date

**May 2, 2022**

- Personal income tax filing & payment due date for individuals who do not earn self-employment income

**June 15, 2022**

- Last day to file 2021 income tax returns for self-employed individuals (note the payment of tax owing is still due April 30<sup>th</sup>)

For assistance with additional tax due dates, such as for GST/HST and payroll remittances and instalments or for corporations with non-fiscal year ends please contact us and

**Expenses you may be able to deduct**

- ✓ Employment Expenses
- ✓ Work From Home
- ✓ Carrying Charges & Deductible Interest
- ✓ Childcare Expenses
- ✓ Legal Fees
- ✓ Medical Expenses
- ✓ Moving Expenses
- ✓ Student Loan Interest

**Working from Home**

Employees working from home in 2021 due to the pandemic will once again be able to claim a deduction against their employment income. The temporary flat rate method has increased to \$500 in 2021.

**Climate Action Incentive**

The credit will no longer be a refund on your tax return, but rather quarterly instalments for 2022. The first payment will be made July 2022 and will be a double payment. Subsequent payments will be made in each January, April, July and October.

**2021 Income Tax Package**

We will be emailing a tax package which will include the forms required to complete your tax return for 2021 based on your previous returns. We will also have forms available to help organize rental income, moving, self-employment and auto expenses and will be happy to send these to you, just let us know or check our website.

**2022 Combined Federal & Ontario Marginal Tax Rates\***

<u>Taxable Income</u>	<u>Ordinary Income</u>	<u>Capital Gains</u>	<u>Eligible Dividends</u>	<u>Small Business Dividends</u>
Up to \$46,226	20.05%	10.03%	-6.86%	9.24%
\$46,226 - \$50,197	24.15%	12.08%	-1.20%	13.95%
\$50,197 - \$81,411	29.65%	14.83%	6.39%	20.28%
\$81,411 - \$92,454	31.48%	15.74%	8.92%	22.38%
\$92,454 - \$95,906	33.89%	16.95%	12.24%	25.16%
\$95,906 - \$100,392	37.91%	18.95%	17.79%	29.78%
\$100,392 - \$150,000	43.41%	21.70%	25.38%	36.10%
\$150,000 - \$155,625	44.97%	22.48%	27.53%	37.90%
\$155,625 - \$220,000	48.35%	24.17%	32.19%	41.79%
\$220,000 - \$221,708	49.91%	24.95%	34.34%	43.58%
Over \$221,708	53.53%	26.76%	39.34%	47.74%

*\*to be used as a guideline only, please contact us if you need more specific information*

**TFSA Dollar Limit for 2022**

The TFSA dollar limit for 2022 is once again \$6,000, bringing the cumulative total to \$81,500 for anyone born in 1991 or earlier.

**Property Rental**

If you rent out one or more rooms in your home, or if you own a rental property, there are many expenses that can be deducted from your rental income. These expenses include mortgage interest (but not principal, property tax, utilities, insurance, maintenance, advertising and property management fees.

If you only rent out a portion of your home, you would only be able to claim a portion of the costs.

If you rent a room to a friend or relative at less than fair market value and this results in a rental loss, you would not be able to deduct the rental loss.

Some expenses may be considered capital expenses which can not be claimed as a current expense. Capital expenses provide a lasting benefit or improves the property, or are separate from the property such as appliances.

**Change in Use of the Cottage**

There is no deemed disposition if a person moves into their cottage, so no tax will be payable as a result of this move. However, if the use of the property changes from personal use to being used for the purpose of producing income, such as rental property, there is a deemed disposition. This must be reported on the tax return.

The same applies for a change of use of your principal residence to a rental property or vice versa.

**Old Age Security (OAS) Clawback**

OAS is clawed back at a rate of 15% of net income in excess of \$79,845 (2021) and \$81,761 (2022). If you are receiving full OAS, the full amount will be clawed back if your 2021 income is \$129,757 or higher.

**Converting your RRSP to RRIF at Age 71**

If you turned 71 this year, your RRSP must be converted to a RRIF, or used to purchase an annuity, by Dec 31st. Your financial institution may automatically convert it if you don't. If you turned 65 this year, you may want to convert some of your RRSP to a RRIF before December 31st, to take advantage of the pension income tax credit, and perhaps pension splitting with your spouse.

**Our Services**

The world of self-employment and business can be tricky. We can help. Visit our website [www.schofieldcpa.ca](http://www.schofieldcpa.ca)

Year-round services include:

- ✓ Business and Personal Taxes
- ✓ Accounting and Bookkeeping
- ✓ Payroll preparation – including source deductions, WSIB, EHT, etc.
- ✓ Government remittances, including HST, Payroll, T4s, T5s, etc.
- ✓ QuickBooks Certified ProAdvisors (Online & Desktop)

**For more information, just ask. We'll be happy to help.**

Personal Tax Organizer	Personal Information	Receipts and Information Slips	Deductions and Credits
<p>This is a list of some of the most common forms and information required to complete a personal tax return and should help make sure you take advantage of all eligible credits.</p> <p>If you are unsure if an item should be included or is deductible; please call, we'll be happy to advise you.</p> <p>Please be kind to your accountant and get your info in early! In 2021, we prepared over 1,800 tax returns.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Birth dates &amp; SIN #'s. - self, spouse, dependents</li> <li><input type="checkbox"/> RRSP Limits (from 2019 Assessment Notice)</li> <li><input type="checkbox"/> Home Buyers Plan Repayment Schedule</li> <li><input type="checkbox"/> Direct Deposit Information</li> <li><input type="checkbox"/> Foreign Property over \$100,000 in value (includes bank accounts, investments and real property)</li> <li><input type="checkbox"/> Did you sell property/stock?</li> <li><input type="checkbox"/> Did you move?</li> </ul> <p><b>Business, Self-Employed, Comm. Sales</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Employment Expenses*</li> <li><input type="checkbox"/> T2200 – Employment Expenses*</li> <li><input type="checkbox"/> TL2 Meals and Lodging*</li> <li><input type="checkbox"/> Home Expenses*</li> <li><input type="checkbox"/> Office Expenses*</li> <li><input type="checkbox"/> Automobile Expenses*</li> <li><input type="checkbox"/> Rental Properties*</li> </ul> <p>*Additional worksheets available</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> T4 Employment Income</li> <li><input type="checkbox"/> T4A Other Income</li> <li><input type="checkbox"/> T4E Employment Insurance</li> <li><input type="checkbox"/> T4A (OAS) Old Age Security</li> <li><input type="checkbox"/> T4AP Pension Income</li> <li><input type="checkbox"/> T4RSP RRSP Withdrawals</li> <li><input type="checkbox"/> T4RRIF RRIF Withdrawals</li> <li><input type="checkbox"/> T5 Interest and Dividends</li> <li><input type="checkbox"/> T3 Investments, Gains, etc.</li> <li><input type="checkbox"/> T5007 WSIB Benefits</li> <li><input type="checkbox"/> Social Assistance Benefits</li> <li><input type="checkbox"/> Alimony/Child Support</li> <li><input type="checkbox"/> Capital Gains/Losses</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> RRSP Contributions</li> <li><input type="checkbox"/> Union &amp; Professional Dues</li> <li><input type="checkbox"/> Charitable Donations</li> <li><input type="checkbox"/> Medical Expenses</li> <li><input type="checkbox"/> Home Accessibility Credit</li> <li><input type="checkbox"/> Caregiver Credit</li> <li><input type="checkbox"/> Child Care</li> <li><input type="checkbox"/> Property Taxes/Rent</li> <li><input type="checkbox"/> Moving Expenses*</li> <li><input type="checkbox"/> T2202 Tuition Receipts</li> <li><input type="checkbox"/> Student Loan Interest</li> <li><input type="checkbox"/> Political Contributions</li> <li><input type="checkbox"/> Alimony/Child Support Paid</li> <li><input type="checkbox"/> Carrying Charges &amp; Interest Expense</li> <li><input type="checkbox"/> Disability Credit</li> <li><input type="checkbox"/> Legal Expenses</li> <li><input type="checkbox"/> Instalments Paid</li> </ul>

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