

## Tax Talk

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# Fire up the Wi-fi (and other tax to-dos)

**I**n life, taxes are inevitable but there are times when they don't need to be a high priority.

This is not one of those times.

February is a busy month. You've heard the thud of tax packages hitting the counters at Canada Post outlets and Service Canada offices. Tax software companies are all shouting about how simple it is to file a return. And with the RRSP contribution deadline on Feb. 29 this year, you'll gladly take the extra day to try to come up with the money.

Let's slow down and make a to-do list for the month. Before we begin, make sure your Internet connection is up and

running. You're going to need it.

### Organize your paperwork

Most accountants (or whoever prepares your taxes) will send you a checklist of what he or she needs to file your return. Take a few moments to read it and ensure that you're gathering all of the necessary tax slips and information.

I hesitate to call this "paperwork" because in today's world not everything is mailed to you anymore. You have to go online and get certain items. Printing these documents and slips is great but also start keeping folders on your computer for each year to save these files to.

Since you are now responsible for going to get some tax slips, that

means you have to be proactive at this time of year. You simply cannot just wait for everything to show up in the mail, throw it on your desk, and in early March throw it at your accountant.

### Credits and benefits

Changes in your life can make you eligible for benefits you never considered before.

For example, if your kid went to college or university, you can transfer up to \$5,000 of your child's tuition and education amount to your return as a deduction. The school will issue a tax slip showing the tuition paid for the year and number of months attended to calculate the education

amount. Problem is, no school I know of actually mails these out. Students must go into their student portal and download it. Second problem is, your kid isn't going to think about this so you'll likely have to chase after him/her to do so.

Students can also claim moving expenses if they moved away from home to go to school. If they live in Ontario they can also claim the rent that they paid. You may have paid it, but they claim it. Did your child get a new job or go into apprenticeship? I can't tell you how often our clients' kids who are working and apprenticing forget to get their EI slip for when they were in school and collecting. Service Canada no longer mails T4E slips to recipients of unemployment insurance benefits. You must go online and download this tax slip.

Speaking of apprenticeship, Service Canada has a wonderful program called the Apprentice Incentive Program. This program will pay \$1,000 per year, up to a maximum of \$2,000 per person, to registered apprentices once they have successfully finished their first or second year in certain trades. So the first piece of advice here is if you have a family member apprenticing make sure they apply for this. The second piece of advice is that this grant is taxable and has to be shown on their tax return.

The third is to make sure you keep your accountant up to date on the family news, and to have your spouse and kids' tax returns prepared at the same place.

I've never understood why cou-

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ples have different service providers preparing their returns. Unless your spouse is in a specialized business like you are in trucking, having all of your family's returns done by the same person will help ensure all income and deductions are used to the maximum benefit.

Consider charitable donations. It doesn't matter whether your name or your spouse's name is on the slip; it is generally best to group all your donations together and claim them on one tax return. This is especially true if the total is more than \$200 as you will get a larger tax credit deduction.

Taxes never really go away but February is not the month to bury your head in sand. Be proactive: gather up your slips, work with a trusted tax pro, and set up your desk within range of a good Wi-fi connection. ●

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