

Personal Tax

It doesn't have to be complicated



Tax | Accounting | Business | Consulting

10 Tax Organization Tips

1. Designate a location to gather your paperwork such as your office or top of your dresser. It helps to have a folder or small box to put the papers in.
2. Review the *Personal Tax Checklist*. Additional checklists are available for employment expenses, rental, and business activity.
3. Check that your documents are complete by comparing to your prior year tax package.
4. Let us know about any changes since last year such as employment, investments sold or moved between financial institutions, contact info, family changes (births, deaths, marital status, health).
5. Review medical expenses for eligibility. If you are reimbursed by an extended plan, provide the net cost.
6. Review charitable donations for eligible dates and charities. (Lottery tickets are not eligible.)
7. Acquaint yourself with the tax changes.
8. Include any notes or questions you may have. A one page listing is helpful.
9. Ensure your information is complete. Incomplete information causes delays in processing and may increase the cost of preparation.
10. Access *My Account* so you have easy access to your tax filing status. www.cra.gc.ca

New Clients

Complete the New Client Registration form
www.skidmorecga.com - New Clients
 and send it to us before your first appointment.
 Contact us early to avoid disappointment.

Because accountants do more than file tax returns:

Tax

- Amend prior year returns
- Audit representation
- Corporate tax
- Estate tax
- Multi-year tax preparation
- Personal tax
- Sales tax
- Trust tax

Accounting

- Bookkeeping (Monthly/Quarterly/Annual)
- Budget and business planning
- Notice to Reader financial statements
- Payroll services (T4, T5, T5018)
- Remote access bookkeeping
- Review Engagement financial statements

Business

- Business advice
- Helping your business grow
- Month-end procedures
- Starting a business

Consulting

- Advisory services
- Management consulting
- Purchasing a business
- Software selection and set-up

Running a business takes more than good management. It requires a team of dedicated professional at your fingertips. We have a network of professionals available for your business needs.

Diane Skidmore cga

T 604.949.0992
 F 604.949.0995
diane@skidmorecga.com

Skidmore & Co CGA

Shaughnessy Square

312 — 2099 Lougheed Hwy
 Port Coquitlam BC V3B 1A8
www.skidmorecga.com

Skidmore & Co CGA



Tax Credits

To keep your taxes as low as possible, be sure to claim all the tax credits you are entitled to. Tax credits reduce taxes payable and are the same for all taxpayers – regardless of their tax bracket

Below are the most frequently claimed federal and BC tax credits for 2011.

Tax Credit	Federal Amount	BC Amount
Tax rate applied to credits	15%	5.06%
Basic personal	10,527	11,088
Age 65 and over (born 1946 or earlier)	6,537	4,254
Net income threshold ¹	32,961	31,664
Spouse / partner / eligible dependant	10,527	9,730
Net income threshold ¹	\$0	\$973
Child (born 1994 or later)	2,131	-
Employment	1,065	-
Volunteer firefighters' amount– New for 2011	3,000	-
Children's fitness (max)	500	-
Children's arts (max) – New for 2011	500	-
<i>For children under 16 or 18 if eligible for disability</i>		
Pension	2,000	1,000
Disability (Approved T2201 required)	7,341	7,114
Canada Pension Plan (max)	2,218	2,218
Employment Insurance (max)	787	787

The following credits are limited by the cost to the taxpayer and are calculated as a percentage of the qualifying amount.

Public transit pass costs		
<i>Monthly or Annual transit passes</i>		
Education and textbooks (T2202A required)		
Full Time / per month (max)	465	200
Part Time / per month (max)	140	60
<i>Maximum transferable to supporting spouse, parent, or grandparent</i>		\$5,000.
Medical expense threshold	2,052	1,972
Charitable donations		
Credit on first \$200	15.00%	5.06%
Credit open balance	29.00%	14.70%

2011 Individual Marginal Rates

Taxable Income		Income	Dividends	
From	To		Small Business Eligible	
0	\$36,146	20.06%	4.16%	-12.59%
\$36,147	\$41,544	22.70%	7.46%	-8.79%
\$41,545	\$72,293	29.70%	16.21%	1.29%
\$72,294	\$83,010	32.50%	19.71%	5.32%
\$83,011	\$83,088	36.50%	24.71%	11.08%
\$83,089	\$100,787	38.29%	26.95%	13.66%
\$100,788	\$128,800	40.70%	29.96%	17.13%
\$128,801	Over	43.70%	33.71%	21.45%

Combined Federal and BC Income Tax

Taxable Income	Total Tax ²	Self Employed Tax & CPP ³
\$10,000	-	\$640
\$15,000	\$410	\$1,660
\$20,000	\$1,200	\$2,870
\$25,000	\$2,300	\$4,420
\$30,000	\$3,380	\$5,970
\$35,000	\$4,320	\$7,400
\$40,000	\$5,360	\$8,860
\$45,000	\$6,720	\$10,520
\$50,000	\$8,180	\$12,170
\$55,000	\$9,670	\$13,660
\$60,000	\$11,150	\$15,140
\$65,000	\$12,640	\$16,630
\$70,000	\$14,120	\$18,110
\$75,000	\$15,700	\$19,630
\$80,000	\$17,320	\$21,250
\$85,000	\$19,120	\$22,920
\$90,000	\$21,030	\$24,840
\$95,000	\$22,950	\$26,750
\$100,000	\$24,860	\$28,660
\$105,000	\$26,900	\$30,650
\$110,000	\$28,930	\$32,680
\$120,000	\$33,000	\$36,750
\$130,000	\$37,160	\$40,850
\$140,000	\$41,530	\$45,220
\$150,000	\$45,900	\$49,590
\$160,000	\$50,270	\$53,960
\$170,000	\$54,630	\$58,330
\$180,000	\$59,010	\$62,700
\$190,000	\$63,380	\$67,070
\$200,000	\$67,750	\$71,440

Figures have been rounded to the nearest \$10.

Tax Tips for you and your family

Contribute to RRSPs

Provided you have contribution room, you can defer tax and save for retirement by contributing to your RRSP. Try to contribute a set amount of your gross earnings every pay cheque. Pay yourself first!

Open a Tax Free Savings Account

Utilize this TAX FREE account for your rainy-day fund. Ideal for taxpayers with investment income.

New for 2011

Children's Art Tax Credit

Parents may claim a maximum of \$500 per child (under 16, or 18 for children eligible for the Disability Tax Credit) for fees paid for a prescribed program of art, cultural, recreational, or developmental activity.

Volunteer Firefighters' Amount

Qualifying volunteer firefighters may claim a \$3,000 tax credit if they completed at least 200 hours of eligible volunteer firefighting services during the year.

Due Dates

March 1	Last day to contribute to RRSPs
April 30	Personal Tax Filing Due Date

Tax Owing Due Date

June 15	Personal Tax Filing Due Date for Self-Employed Individuals and their spouse.
---------	--

CRA Contact

Individual	1-800-959-8281
Business	1-800-959-5525

¹Net income threshold is income earned in excess of the net income threshold as indicated, reduces the available credit on a dollar-for-dollar basis with the exception of the Age Credit which is reduced by 15%

²Tax computations reflect basic employment income with claims for the basic personal amount, applicable CPP, EI, and the Federal Employment amount.

³ Tax computations reflect self-employment income with claims for the basic personal amount and applicable CPP.

The information is current as of January 31, 2012. It is of a general nature and is not intended to address the specific circumstances of a particular individual. You should not act on this information without appropriate professional advice after thorough examination of a particular situation. E&OE