

To our small Business Owners:

To make it easier for you to provide us with the revenue and expenses related to your business and reduce the amount of time required by us to compile the income statement to be included with your income tax return, we are providing you with a blank statement of income and expenses on which you can summarize all of your business activities for the year. Providing us with your business information in the format recommended, or one similar to it, will greatly help ensure that:

- Compilation fees remain reasonable
- Ensure accurate preparation of income statement for tax purposes
- Help us defend you in the event of a CRA audit
- Allow us more time to be more proactive at reducing your taxes

As a business owner, remember the following:

Business Expenses – legitimate business expense is an expense you would not have incurred if you did not have the business. Smart Phones are not business expense unless you can prove to CRA what your fees for the phone were before you started the business and how much they increased because of the business. Most clients use their phones for their private lives and there is no additional expense incurred because you now have a business (flat rate plans usually incur no additional costs).

PST - Be sure to enquire with Manitoba Taxation as to whether the revenues are subject to the Manitoba Provincial Sales Tax (generally if revenue more than 10,000 to MB residents).

GST/HST - All goods and services sold and provided in Canada (except for a few exempt products and services) are subject to GST if you're registered. **Should you be registered for GST?** – If your revenues are greater than \$30,000 (rolling 12 month average), you are obligated to be registered. If not, registration is optional; ask us if you should or not.

T5018 - Must be completed if you're in the construction business and hire sub-contractors.

T4s – Must be completed if you have any employees, regardless of how little you pay them (There is no such thing as a casual employee; all employees need T4's).

Workers Compensation – We recommend you ask WCB about your obligations.

Keeping Records – You're required to keep all books and records for at least 6 years; keep records of assets forever.

If you have any questions regarding any of the above, please contact us.

Thank you for your business. It's very much appreciated.

Ste Anne Tax Service

YEAR: _____

STATEMENT OF INCOME AND EXPENSE for CRA T2125

Have you received CEBA, CEWS, CERS or the Manitoba Bridge Grant? If yes, circle and provide amount received \$ _____

REVENUES

\$ _____ Sales or services earned (you have invoiced and may not have been paid yet)

\$ _____ GST collected (if registered); included in above? Yes or No?

COST OF GOODS SOLD

If GST registered: GST Paid on expenses (included? Y or N)

\$ _____ Purchases (cost of goods sold) _____

\$ _____ Subcontract / Wages _____

\$ _____ Closing Inventory (value/cost of items for sale on hand Dec 31)

EXPENSES: THESE EXPENSES ARE 100% BUSINESS; You would not have them if you did not have the business

\$ _____ Advertising and Promotion (which includes gifts, flowers, etc. to clients) _____

\$ _____ Bank charges (on business bank accounts only)

\$ _____ Business taxes, licenses, fees and dues and subscriptions

\$ _____ Capital Asset purchase (tools, equipment over \$500, please provide details on separate sheet)

\$ _____ Insurance (not home insurance)

\$ _____ Interest (not home mortgage interest)

\$ _____ Meals and entertainment (this is when with a customer or potential customer) _____

\$ _____ Office supplies _____

\$ _____ Professional fees (accounting and legal fees) _____

\$ _____ Property taxes (not home property taxes)

\$ _____ Repairs and maintenance (to business assets) _____

\$ _____ Rent for office or shop (not home rent) _____

\$ _____ Salaries and benefits (provide T4 Summary)

\$ _____ Supplies (include small tools less than \$500) _____

\$ _____ Travel (not business vehicle expense – see next page) _____

\$ _____ Phone and internet (only the additional costs incurred because of the business) _____

\$ _____ Parking (receipts required; or details recorded)

\$ _____ Other _____

\$ _____ Other _____

AUTOMOBILE EXPENSES

(Separate sheet if more than one vehicle claimed; or if changed vehicle during year)

Year, model and make of automobile claimed: _____

_____ Business kilometers (you must be able to produce a log of your business-related travel)

_____ Total kilometers driven during year: Odometer January 1 _____ Odometer December 31 _____

if odometer readings not kept, find service records for odometer readings during the past 12-18 months

\$ _____ Fuel & oil _____

\$ _____ Insurance (Autopac) _____

\$ _____ Repairs & maintenance & car wash _____

\$ _____ Interest only on vehicle loan (if applicable) _____

\$ _____ Leasing (if applicable) _____

\$ _____ Cost of new vehicle (please also provide details of purchase and of sale of old car) _____

BUSINESS USE OF HOME WORK-SPACE-IN-THE-HOME EXPENSES

- 1) If space is your principal place of business (more than 50% of your time), can be mix of business and personal, but prorated based on space and time used
- 2) If space is not used as principal place of business, it must be used exclusively to earn income and used to meet with customers (in person, phone, email, text, virtual; must keep log of meetings); most tradespersons or others with business completed away from the home cannot claim; if only equipment or paperwork storage, cannot claim

_____ Square footage of office or workspace in the home (100% business use); if not 100%, prorate for hours used

_____ Total square footage of home

\$ _____ Heating (natural gas / hydro / wood)

\$ _____ Electricity (hydro)

\$ _____ Insurance

\$ _____ Interest only on mortgage (not payments)

\$ _____ Property taxes

\$ _____ Rent (if you do not own your home)

\$ _____ Repairs & maintenance (including cleaning products, repairs to the house); not renovations

\$ _____ Water & Sewer

\$ _____ Other _____ (cannot use internet, alarm, home phone: these are not home operating exp)