

To our clients with rental properties:

In an effort to make it easier for you to provide us with the revenue and expenses related to your rental property and reduce the amount of time required by us to compile the rental 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 rental activities for the year. Providing us with your rental information in the format recommended, or one similar to it, will greatly help ensure that:

- Accounting 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 rental property owner, you have several obligations and responsibilities. The following are a few of them for your consideration:

Rental Expenses – legitimate rental expense is an expense you would not have incurred if you did not have the rental property.

Keeping Records – You're required to keep all books and records/receipts for at least 6 years

Multiple Properties – please use one statement per rental property

New for 2018: Assets purchased after November 20 2018: CCA is tripled!

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

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

Best Regards,

Ste Anne Tax Service

STATEMENT OF RENTAL INCOME AND EXPENSE

REVENUES

\$ _____ Rental Revenue

_____ Address of Rental Property

EXPENSES; THESE EXPENSES ARE 100% RENTAL EXPENSE; You would not have them if you did not have the Rental Property

\$ _____ Advertising that your property is available for rent

\$ _____ Property Insurance (only premiums related to current year; if prepaid, must be prorated)

\$ _____ Interest (mortgage or credit line)

\$ _____ Office Expenses (specific to earn rental income)

\$ _____ Professional fees (accounting and legal fees)

\$ _____ Management fees paid to a third party to manage your property

\$ _____ Repairs and maintenance

\$ _____ Property taxes

\$ _____ Travel to collect rent (if more than one property), maintain & repair, manage properties (must use requirements to claim Motor vehicle expenses, see attached)

\$ _____ Utilities (not paid by the tenant)

\$ _____ Condo fees (not paid by the tenant)

\$ _____ Other _____

\$ _____ Capital Asset purchase (tools, equipment, appliances over \$500, please provide details). Repairs that improve the property beyond its original condition or the addition of new appliances or equipment are considered to be capital expenditures and must be deducted over the life of the asset created using Capital Cost Allowance.

AUTOMOBILE EXPENSES

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

Year, model and make of automobile claimed: _____

_____ Rental Business kilometers (you must be able to produce a log of your rental travel)

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

(if odometer readings not available check service records for odometer readings during the year)

*** keep in mind "cents-per-kilometer" claims are not audit proof and CRA may disallow "estimated vehicle use" ***

\$ _____ Fuel & oil

\$ _____ Repairs and maintenance/ Car washes (receipts generally not received or required)

\$ _____ Insurance (Autopac)

\$ _____ Other

\$ _____ 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)

If you own one rental property – You can deduct reasonable motor vehicle expenses if you meet **all** the following conditions:

- you receive income from only one rental property that is in the general area where you live
- you personally do part, or all, of the necessary repairs and maintenance on the property
- you have motor vehicle expenses to transport tools and materials to the rental property

You **cannot** deduct motor vehicle expenses you incur to only collect rents. These are personal expenses.

- **If you own two or more rental properties** – In addition to the expenses listed above, you can deduct reasonable motor vehicle expenses you incur to do any of the following:
 - collect rents
 - supervise repairs
 - manage the properties

This applies whether your rental properties are located in or outside the general area where you live. Your rental properties have to be located in at least **two different sites**, away from your principal residence.

You can deduct motor vehicle expenses only when they are reasonable and you have receipts. You also have to keep records of the kilometers you drove for your rental properties and the total kilometers you drove in the year. You must also determine the total expenses paid for the vehicle in the year.