
ARTBOOKS

A DIVISION OF LOOSE CHANGE INC

Greetings Fellow Taxpayer!

Artbooks was launched twenty years ago as Canada's first organization dedicated to financial management in the arts. As well as Income Tax Preparation, we also offer Business Management Consulting, Budgeting and Cash Flow Techniques.

At Artbooks we try to provide a relaxing atmosphere. A big friendly Golden Retriever named Martha will be present unless you specifically ask that she stay at home for the day.

Income Tax Preparation

Artbooks works as a team. You and a preparer will work together for at least a hour. At the end of this time you should have a pretty good idea of the damage. After your meeting we provide three levels of checking before the return is xeroxed and copies are sent to Ottawa and you. We will keep one on file.

Prepare to Meet Your Preparer

We have enclosed a checklist of what to bring, a GST checklist, a sample of categories and a fee schedule. If you have several years of taxes to catch up, we suggest five basic steps to organize yourself:

1. Gather all the bits of paper that might pertain to the task.
Don't forget that storage locker or the pile in the junk drawer.
Rest.
2. Sort the pile by year.
Rest.
3. Sort the first year into envelopes, lunch bags or baggies by category.
Rest.
4. Borrow an adding machine with a tape and add the contents of each envelope.
Rest.
5. Go over the tax check list and see if there is anything that you are missing and begin to track it down. (Especially RRSP receipts, T4 slips and large medical receipts)

If, as a model citizen, you have only one year to prepare, you can follow the above steps skipping the second one.

If you wish to cancel an appointment please give us at least two working days notice or we will apply a cancellation fee equal to the fee for completing your return.

We look forward to working with you.

Yours in bureaucratic servitude.



Amanda Mills

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ARTBOOKS TAX CHECKLIST

Most Important

- Bring a picture of yourself in the throes of preparing for your appointment.
A prize for the most amusing photograph will be awarded.
- While preparing for your meeting at Artbooks, consume a good bottle of wine
- Listen to some music

Slips and Receipts - Where Applicable

- All T4's (if you had a 'job' job we can't do a thing without these)
- T4A's (all of 'em)
- T4E (unemployment)/T4RSP (RRSP cashed)
- T3/T5's (interest & dividends)

You need to actually submit receipts with your tax return if you are claiming a deduction for the following items:

- RRSP Contributions
- Union dues (just in case)
- Charitable & Political donations
- Tuition & Education deduction (T2202A)

Other Things You Will Need

- Your ****Notice of Assessment***** for last year's taxes from CRA (the government)
- RRSP Deduction Limit form from CRA (on the Notice of Assessment)
- Cheque(s) ready to leave with us to pay your taxes, your GST, and your accounting bill
- A copy of last year's return if we did not prepare it
- Your rent or property taxes - address(es), landlord(s), amount(s)
- Amount spent on monthly transit passes (4 weekly passes in succession = 1 month)

NEW! Home Renovation tax credit

If you have Home Reno's that you will be claiming for a tax-credit, please records your receipts on the Home Reno Sheet BEFORE your tax meeting. Download Artbooks' **Home Reno Sheet**.

Medical Expenses

When claiming your medical expenses you may use **ANY** 365 time period that ends in the tax year, i.e. January 3, 2007 to January 2, 2008. Therefore choose the 365 day period during which you spent the most on medical bills.

For each receipt please list:

- The date of the treatment or purchase
- Total amount spent
- The amount (if any) that was reimbursed by insurance
- Your share of the cost
- The name of the patient
- The name of the practitioner or supplier
- The treatment or service provided

At the head of the list write the time period covered & at the bottom write total. Download **Medical Expense Sheet**.

Childcare Expenses

If you are claiming childcare expenses please list **for each child**:

- The name of the childcare provider
- The SIN Number of the childcare provider (for individual babysitters only)
- The address of the childcare provider
- The amount paid for childcare
- For camps, please include the number of days
- Bring in a list of what you spent on each of your children's fitness

Download **Artbooks' Childcare Expense Sheet**.

ARTBOOKS TAX CHECKLIST - 2

For Both Medical & Childcare Expenses

For years the oodles of receipts have been the bane of our dispatcher's existence. So if you have more than 3 receipts, *please* attach your originals and make photocopies yourself to keep at home.

Your Business

- A complete revenue listing.
- A complete breakdown of expenses using the **SAME** categories that you used last year.*
- Don't forget that meals are only 50% deductible so don't lump them in with anything like promotion or other types of travel expenses.
- Interest expenses - on your mortgage or on business loans.
(Note: this is not the mortgage or loan payment which includes some portion of the principal)
- Any reimbursements for your expenses.

* You will find these categories on the left side of last year's red folder. It's called your income statement and has a blue corner. I can't tell you how many of you reinvent your categories every year & this costs both of us a ton of extra time. Please feel free, however, to add or retire categories.

* If you're new to Artbooks, you can download a P & L (Profit and Loss) form [HERE](#).

Partners, Offspring and Sundry Individuals

- Your (spouse or common-law) partner's SIN & Date-of-Birth
- Your (spouse or common-law) partner's Net Income from Line 236

Decide with your partner who will be claiming the following goodies:

- ◆ Sales Tax Credit, Tuition Expense, Medical Expenses, Donations, Rent Credit, GST Credit, transit passes
- ◆ How much of the following Business Deductions will your partner be claiming – percentage of the home, percentage of car. Are you claiming that you're paying each other?
- ◆ The credits for children including the Federal & Provincial credits for children, tuition, child fitness expenses, Equivalent-to-Married deduction.

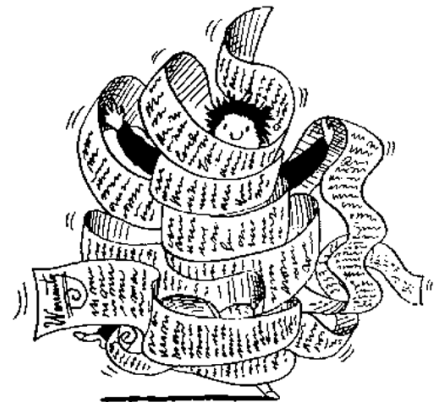
- For each child, bring date-of-birth, also SIN & income if applicable, the RC62 Universal Childcare Benefit slip

Investment Income

- A statement of Capital Gains & Losses (you can ask your broker to do this for you.)
- If you have more three T3's or T5's, please summarize the slips.
- Rental Property totals including rent collected, mortgage interest (NOT mortgage payments), heat, light, water, property taxes, insurance, advertising, repairs & maintenance, capital purchases and any expenses you pay on behalf of your tenants.

Other things you may need?

- Your separation agreement, child support payments, alimony
- Moving expense receipts
- Form T2200 if you are claiming employment expenses
- Proof of installment payments
- Financial Statements from other businesses or partnerships owned by you.



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GET THE GST OUT OF YOUR POCKET AND OUT OF YOUR HAIR!



GST is a regressive and ridiculously expensive tax.

Paying GST on everything from a cab fare to false teeth is bad enough. Worse is that

steady debt we build every time we earn a dime. There are ways of making the GST

process fairly painless - both in the paying and in the reporting.

Your tax preparer will be happy to suggest ways to minimize the administration, the debt and the frustration.

At Artbooks we prefer not to charge for assistance with GST preparation - just to tuck it in as part of the income tax service. Because of this we don't keep copies of your GST returns but simply hand you the completed form to pop into the mail yourself.

When you call to book your appointment, please tell us:

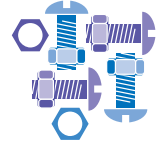
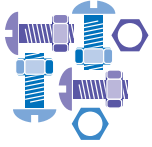
- If you are registered for GST
- If you think you will be registering for GST in this year
- If you need to talk about GST in your appointment
- Your GST number
- If you are on the Quick or Long Method
- If you file annually or quarterly (and how many quarters filed this year so far)
- If you are on the Long Method, whether you have factored GST out of your expense totals

For GST non-registrants

CCRA or The Agency is now scanning tax returns to see who bills more than \$30,000 and then cross referencing them with GST registrants to make sure that everyone who should be registered is in fact out there doing their bit to collect GST taxes from the population at large.

So be careful! If you are close to the thirty mark, consider the concept of registering now.

Often when our income shoots up for the first time we are too busy to initiate anything so anxiety provoking as a new GST status.



GST - THE NUTS & BOLTS

For all GST registrants, both quick & long methods

- List all GST taxable revenues
- List all Non-GST taxable revenues
- List all GST that you charged
- Bring copies of all the GST returns that you filed (Quarterly filers only!)
- Bring a list of payments to and refunds from GST (not including the personal rebate cheques)

For Quick Method Registrants

- List your new assets with the GST noted and factored out

For Long Method Registrants (Do this and save yourself \$50!!)

- Also total your expenses for each category excluding GST (factor it out!)
 - And total your GST for each category of expenses
 - And bring to your appointment all three lists of totals
 - Grand Total for each category
 - GST Total for each category
 - Net Total (expenses without GST) for each category
- Note:** It is this Net Total that we need for the preparation of your tax return

GST/HST Methods

Long or Regular Method

- 1) You collect GST/HST → Send it to Ottawa
 2) You spend GST/HST ← Get it back from Ottawa

For Example

Total Income	\$30,000	
Total GST/HST Collected	= 30,000 x .13 =	\$3,900
Total GST/HST Spent	GST/HST paid on expenses	(\$1,300)
YOU PAY THE NET		\$2,600

Quick Method

- 1) You collect 13% GST/HST
 2) You send 8.8% to Ottawa minus 2 things

For Example

Total Income	\$30,000	\$30,000
Total GST/HST Collected	= 30,000 x .13 =	\$3,900
Entire Amount (GST/HST Collected and Income)		<u>\$33,900</u>
Take 8.8% of entire amount	= 33,900 x .088 =	\$2,983
Less 1% of income up to 30K		(\$300)
Less GST/HST paid on new assets (eg. computer)		(\$195)
YOU PAY THE NET		<u>\$2,488</u>

HISTORICAL PERCENTAGES

	Long/Regular Method	Quick Method
1991 - June 30, 2006	7%	5%
June 30, 2006 - Dec 31, 2007	6%	4.3%
Jan 2008 - June 30, 2010	5%	3.6%
June 30, 2010 - present	13%	8.8%

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Fee Schedule

At Artbooks, your tax return goes through a minimum of 8 stages and at least 5 pairs of hands before we mail out the final version. The real work of processing your return cannot begin until we receive your last piece of information. This is much easier to do earlier in the season, simply because we have more time.

This year, instead of basing your pricing time zone on the date of your appointment, it will be based on the date you get your last piece of information into our office. This change better reflects the level of pressure placed on your accounting team.

We are not only trying to encourage you to come in as early as possible, but also to get your missing information in quickly. This way we can process your file before our workload quadruples and time pressures mount as we approach the dreaded April 30th deadline.

TIME ZONES	Returning Clients	NEW Clients	Short Appt*	Simple T4**	T4 + (Rental Income)
Before April 1	\$ 260	\$ 285	\$ 210	\$ 125	\$ 185
April 1 (+ \$25)	\$ 285	\$ 310	\$ 235	\$ 150	\$ 210
April 15th (+ \$25)	\$ 310	\$ 335	\$ 260	\$ 175	\$ 235
April 22nd (+ \$25)	\$ 335	\$ 360	\$ 285	\$ 200	\$ 260
May - Feb	\$ 260	\$ 285	\$ 210	\$ 125	\$ 185

Appointments with Amanda are subject to a \$35 premium.

Be aware that the schedule will fill up fairly quickly so book your appointment early. Please note that we require 2 full business days' notice to cancel an appointment or the full fee for that appointment will apply.

***NOTE:** Short appointments are by invitation only.

****NOTE:** Simple (or complex) T4 returns do NOT include meetings with a preparer. If you wish an appointment to discuss your finances consider booking a Loose Change session after the tax season.

Medical Expenses from _____ / _____ to _____ / _____

Taxpayer's Name: _____ SIN # _____

Date	Total	Reimbursed By Insurance	Net	Patient	Practitioner	Treatment
_____	_____	_____	\$ _____	_____	_____	_____
_____	_____	_____	\$ _____	_____	_____	_____
_____	_____	_____	\$ _____	_____	_____	_____
_____	_____	_____	\$ _____	_____	_____	_____
_____	_____	_____	\$ _____	_____	_____	_____
_____	_____	_____	\$ _____	_____	_____	_____
_____	_____	_____	\$ _____	_____	_____	_____
_____	_____	_____	\$ _____	_____	_____	_____
_____	_____	_____	\$ _____	_____	_____	_____
_____	_____	_____	\$ _____	_____	_____	_____
Total Paid by Taxpayer:			\$ _____			

