

# PERSONAL TAX CHECKLIST - SELF EMPLOYMENT



Use this checklist to ensure you have provided us with all the information we need to complete the self-employment section of your tax return.

## 1. IDENTIFICATION

- Name of Business
- HST Registration number (if registered)
- Brief description of what business does
- Address of business (if different from your home address)
- If business started or ended during the year, provide start or end date
- If income generated directly from internet sales, provide url(s) and percentage of income from web sales

## 2. REVENUE & EXPENSES (excluding home office and automobile expenses)

Please summarize your expenses wherever possible into the following categories. In most cases, we do not need to see actual receipts related to self-employment.

If you are an HST registrant, please show your revenues and expenses net of tax, and the taxes charged or paid separately. If you are not an HST registrant, just indicate the total amount paid.

**Total revenue**   
Self-employment income from information slips such as T4A's should be shown separately

*The following three categories relate only to businesses that purchase or manufacture goods for resale. If you have a service business, please do not use these categories*

**Opening inventory**   
**Purchases of goods for resale** (including raw materials you manufacture or produce)   
**Closing inventory**

**Advertising & Promotion expenses**   
**Meals and Entertainment** - Include meal expenses where you are entertaining clients or meals at remote locations where it would be reasonable to assume you would not return home at the end of the day. In general, meals for your personal consumption during the day are not deductible.

**Bad Debts**   
**Insurance** - Please note that the tax you pay on insurance is *NOT* HST and therefore the total amount should be included as expense with no HST ITC available

**Interest and bank charges** - Include credit card interest and merchant fees.   
*Interest on government (CRA) debt and taxes is not deductible*

**Business taxes, licenses and memberships**   
**Office expenses**

**Office stationary and supplies**   
**Professional fees**

**Management and administration fees**   
**Rent** - not including rent for home office - see below under home office

**Repairs and maintenance** - not including maintenance for home office   
**Salaries paid to employees**

**Travelling expenses** - do not include expenses for automobile here - see below   
**Utilities** - do not include utilities for home office here see below

**Telephone** - do not include home landline For cellphone enter business use only   
**Delivery costs** - if amounts are minimal, just group with office expenses

**Other expenses** - please specify what any other significant expenses relate to.

### 3. AUTOMOBILE EXPENSES

Please provide the following information regarding your automobile that you use for business purposes:

- Make, model and year of automobile \_\_\_\_\_
- If you have acquired a new vehicle during the year, please provide us with purchase or lease agreement
- Total number of kilometres driven during the year
- Number of kilometres driven for employment purposes during the year (do not include kilometres driven from your home to your office)
- If you lease your car, total lease payments during the year
- If financed the purchase, the interest portion only of your loan payments
- Provide us with the total amount of the following expenses - for all expenses except parking, please provide total expense incurred during the year - not estimated work portion
  - Fuel
  - Automobile insurance
  - Repairs and maintenance
  - Parking expenses (business parking only)
  - License and registration fees

### 4. HOME OFFICE

In order for expenses for your home office to be deductible, it must meet one of two criteria:

- i) It must be your principal place of business; or
- ii) You must regularly meet clients at your home

If you have a regular place of business outside your home, and simply keep a home office for working outside of regular business hours, this does not qualify, even if you use the space exclusively for business

If you have qualifying home office expenses, please provide us with the following information:

- Total square feet of residence (include finished areas only)
- Total square feet used exclusively for business

Also provide us with the following expenses for the year:

- Heat
- Electricity
- Water
- Home internet access
- Insurance
- Routine maintenance (do not include major renovations)
- Interest portion of mortgage payments (available on annual statement from lender)
- Property taxes
- Other expenses (specify)

### 4. LARGE EQUIPMENT PURCHASES

If you have purchased assets for use in your business such as furniture, computers, machinery or other equipment specific to your business, these amounts should not be grouped with your expenses

Please provide us with a list of all these purchases indicating the cost before tax and HST separately.