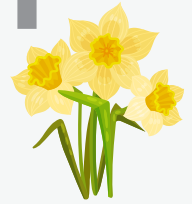


THE BALANCE SHEET

SMITH | SYKES | LEEPER | TUNSTALL LLP
CHARTERED PROFESSIONAL ACCOUNTANTS



HAPPY (ALMOST!) SPRING!

We hope you are doing well and the snow has melted or is almost gone wherever you are.

It's been a noisy start to 2025, and as your trusted accounting partners, we are here to help you navigate the turbulent times we find ourselves in.

In this issue, we are sharing some of the frequently asked questions we receive at this time of year including instalment timing, eligible medical expenses and filing deadlines.

A reminder that for us to complete your 2024 tax return we require all documentation by April 14th at the latest to ensure we can e-file your return by April 30th. You can access our [personal tax checklist here](#).

As always, please do not hesitate to [contact us](#) with any questions.

George, Bryan, Dale, Trent, Brad, David, Paul, Brennan & Lucas

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PERSONAL TAX & SELF-EMPLOYED FREQUENTLY ASKED QUESTIONS

Spring might mean warmer weather and longer days, but it's also personal tax season. Each year, we receive similar questions from our clients. *What medical expenses are eligible? If I am self-employed, when do I have to file my taxes? When are my tax instalments due?* We thought we'd break things down in a handy-to-reference FAQ to help you put all your information together and stay on top of important deadlines.

Tax Instalments

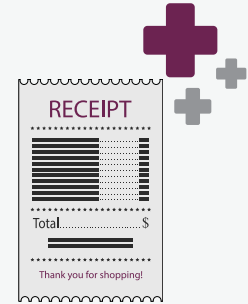
Why is CRA asking me for instalments when I've already paid my taxes owing?

Instalments (or prepayments) are required if your net tax owing exceeds \$3,000 in 2024 and in either 2023 or 2022. These payments act as prepayments toward your 2025 tax return and are based on the amount owed in your previous tax return. The CRA issues instalment notices in February and August if you are required to make payments. Instalments are due on: March 15, June 15, September 15, and December 15. Failure to make these instalment payments may result in interest charges (currently 8%) and possibly penalties.

Why don't the instalment amounts on my tax return match the amounts on the CRA notice?

The difference arises because there are three different methods for calculating instalment requirements. The method used by our tax software may not match the method the CRA uses in its notice. You can choose which method to follow, but we highly recommend using the instalments detailed in the CRA notice to avoid potential interest or penalties.

PERSONAL TAX & SELF-EMPLOYED FREQUENTLY ASKED QUESTIONS



Medical Expenses

Can I deduct medical expenses?

Yes, however, there is a minimum amount required for the deduction ... either 3% of your net income or \$2,759 (whichever is lowest). Be sure to keep your receipts, as this is a popular item for review by the CRA.

What qualifies as an eligible medical expense?

Common eligible expenses include prescriptions, dental services, glasses, physiotherapy fees, chiropractor fees, hearing aids and premiums paid to a private health insurance plan.

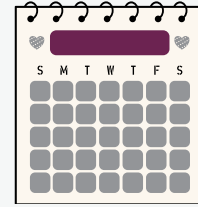
Some common expenses that are not deductible include parking at the hospital (unless the person needs to travel more than 80km from their home for medical services), supplements and vitamins, over-the-counter medications and cosmetic surgery solely for cosmetic procedures.

When in doubt, you can find out more on the [Government of Canada's website](#). An easy rule of thumb to remember is that if it includes GST/HST, it is likely not an eligible expense.

My benefits plan doesn't cover the full expense. What amount can I claim?

If you have a benefits plan, the medical expense is the net amount after coverage. For example, if the expense is \$100 and \$80 is covered you can claim \$20 (assuming you meet the minimum amount for deduction).

PERSONAL TAX & SELF-EMPLOYED FREQUENTLY ASKED QUESTIONS



Filing Deadlines

When are tax payments due?

If you owe tax, the payment is due by April 30th.

What if I'm self-employed?

Taxes still have to be paid by April 30th but you have until June 15th to file without incurring a penalty.

What is the interest rate on overdue taxes?

The current interest rate is 8%.

What is the penalty for missing the filing deadline*?

On the first occurrence, the penalty is 5% of the unpaid taxes. Subsequent occurrences are penalized at a rate of 10%.

** deadline = April 30th for non-self employed and June 15th for self-employed*

Can I be charged a penalty if I don't owe any tax?

Yes, if you have to report certain information on your return.

This includes the following:

Principal Residence: If you omit to designate a principal residence in the year of the sale, there may be a penalty of \$100 for each complete month late in reporting to a maximum of \$8,000. In addition, a late filed Principal Residence Election form (T2091) may increase your risk of being subject to a CRA audit.

Foreign Income Verification Statement: You are required to file form T1135 if the cost of all specified foreign investment property income exceeds \$100k any time during the year. The penalty for late filing is \$25 per day with a minimum penalty of \$100 up to a maximum of \$2,500 per year.

KEY DATES

March 31, 2025: General trust return deadline; Partnership information return deadline

April 30, 2025:

- Individual tax return deadline
- Self-employed HST balance due
- Self-employed Tax balance due

June 16, 2025:

- Self-employed individual tax return filing deadline (taxes payable due April 30);
- Self-employed HST return filing deadline (taxes payable due April 30)
- Second personal tax instalment due

June 30, 2025:

Contract payment reporting information return deadline (or six months after your reporting period if it is not December 31)

ARTICLES OF INTEREST

Personal Tax Checklist

[Help to stay organized!](#)

Life in the Tax Lane

[Catch up on all the latest in tax news.](#)

Did you sell clothes or concert tickets online last year?

[You might owe taxes :\(](#)

Tax season is underway.

[Here's what you need to know](#)

Medical Expense Tax Credit (METC)

[Find out more](#)

Capital Gains Update:

[Federal government announces deferred implementation date of the capital gains inclusion rate change](#)

HA HA HA! 😂

ACCOUNTING FUNNY

We're getting a tax refund ... so naturally the clothes dryer stopped working!