

# FAQ: Income Tax

**Please read prior to completing tax info form**

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## 1. Why do you need my non-bankrupt spouse's income?

Married or Common-law partners are required to disclose their income on their spouse's return as it may affect their eligibility for GST/HST rebates and Child Tax Benefits. Not disclosing the non-bankrupt spouse's income will result in an overpayment (or underpayment) of these and expose the Debtor to reassessments to recover the overpayments, which are not covered by their bankruptcy proceedings.

## 2. Do you do my non-bankrupt spouse's return as well?

No. We are required to process only the bankrupt's return. A non-bankrupt spouse should have their return processed as they normally do and provide the bankrupt spouse the information with respect to their income for processing the bankrupt's return.

## 3. Why do you keep my refund?

In the year that you declare bankruptcy and for any year prior to that, the refunds become an asset in the Estate and as such vest with the Trustee for the benefit of your unsecured creditors.

## 4. Eligible Dependant Credit?

You may be able to claim this amount for one other person **if at any time in the year** you have met **all** the following conditions:

- You did not have a spouse or common-law partner or, if you did, you were not living with, supporting, or being supported by that person
- You supported a dependant in 2023.
- You lived with the dependant in a home you maintained. You cannot claim this amount for a person who was only visiting you
- The dependant must have been either: your parent or grandparent by blood, marriage, common-law partnership, or adoption; or your child, grandchild, brother, or sister, by blood, marriage, common-law partnership, or adoption **and** under 18 years of age or had an impairment in physical or mental functions.

## 5. Spousal/Child Support?

Support payments for a child, spouse, or common law partner, under a court order or written agreement made before May 1997, are taxable to the recipient and deductible by the payer. Only spousal support is taxable or deductible after April 1997.

- A copy of payments made and/or received must be sent to Grant Thornton along with a copy of either the court order or written agreement

## **6. Disability Tax Credit?**

Have you or any of your family members received a Notice of Determination and are therefore eligible to claim the DTC? Indicate on the tax information form who is eligible.

## **7. When do I send my tax information to you?**

Wait until you have received **all** of your information slips (i.e., T4's, T4E's (Employment Insurance), T4A (CPP and OAS), RC210 (Advanced Canada Workers Benefit payment) medical printout from your Pharmacy etc.). Fill out the tax form we sent you and attach your information slips to it and send the completed package back to us.

**Frequently “forgotten” slips (T4E & T4RSP).** Did you receive EI or withdraw funds from your RRSP? Did you receive any COVID 19 benefit payment? (T4A)

## **8. Do you need the original copies of my slips?**

Yes. You should make copies of them for your own files. Certain slips, such as donations, must be in original format for them to be claimed. PDF copies are accepted if received by email to [CIITaxes@ca.gt.com](mailto:CIITaxes@ca.gt.com).

## **9. I cannot locate my T4, but I have a copy of my Record of Employment (ROE), will that suffice?**

No. The record of employment does not indicate what income taxes, CPP or EI were withheld from your pay. You should contact your employer and ask for a duplicate copy and/or call CRA and ask for a copy of the T4. Alternatively, you can log on to the CRA's website, create a My Account and view and print any slips allocated to you. (An updated Authorization form can be signed so that we can set up online access – if not already done at signup).

## **10. I have found an additional information slip. What should I do with it?**

Send it to us. If your returns have already been prepared and filed, we can do an adjustment. If they have not yet been processed, we can put it in the file for processing.

## **11. I am self-employed, and my accountant usually summarizes all my receipts and expenses. Do I just send these to you to do?**

No, you are required to provide the Trustee with a **summary** of your self-employment activities and provide the Trustee with two statements. One for the pre-period of January 1, 2023 to the date of your bankruptcy (pre-period) and one from the date of your bankruptcy to December 31, 2023 (post-period).

## **12. I am a truck driver who claims the meal allowance. Do you need my logbooks?**

No, you are required to provide the Trustee with a summary of your days on the road for the period of January 1, 2023 to the date of your bankruptcy and another total from the date of your bankruptcy to December 31, 2023.

### 13. Guaranteed Income Supplement?

Did you qualify for and receive the Guaranteed Income Supplement in 2023? Service Canada and CRA will automatically review your eligibility as of your bankruptcy date. You must reapply for the GIS to continue receiving this benefit. An application for renewal will be sent to you along with copies of your pre & post tax returns. We will include a letter explaining the process needed to have this renewal completed accurately. You will need to forward this to Service Canada as soon as possible to avoid any potential interruption of this benefit.

### 14. Will my returns be filed on time?

If the complete information package was received by us before **March 15<sup>th</sup>, 2024**, we will have them processed by **April 30<sup>th</sup>, 2024**. If they were received after that date, then we cannot guarantee that they will be filed on time.

### 15. Will I still receive my Canada Child Benefit (CCB/CTB) and/or Goods & Services Tax (GST/HST)?

CRA does not process the post-bankruptcy returns right away as they require that the return be paper-filed and then it needs to be entered manually. As a result, your CCB/GST may not be calculated correctly. You may receive a notice from CRA stating that they cannot calculate your CCB because your post-bankruptcy tax return has not been submitted. Rest assured, we have sent your tax return to them, but they just haven't processed it yet. **Do not call us**, CRA will send your CCB/GST cheque once they have completed the tax returns.

### 16. 2024 Tax Returns

If you are still bankrupt in 2024 and you (or someone on your behalf) are preparing your 2024 taxes, you WILL NOT be able to file them electronically (as per CRA regulations). You will need to paper-file the return.

### 17. What happens after my 2023 tax return has been filed by Grant Thornton?

If the tax return information has been received prior to the deadline of March 15<sup>th</sup>, 2024 then we will prepare the **pre-bankruptcy** and **post-bankruptcy** return and file with Canada Revenue Agency's deadline. When the returns have been assessed by CRA we will receive the Notice of Assessments (NOA's) for both returns. These NOA's will confirm the results of the returns filed. When filing the returns, we can electronically file the pre-bankruptcy return so an NOA is usually available right away to view on the CRA online access site. However, the post-bankruptcy return must be printed and mailed to CRA so will take anywhere from 3-6 months to be assessed and to be available online to view. Since there are **two** returns filed for the bankruptcy year there will be **two** Notice of Assessments. If viewing your account online, please ensure that you look at the PDF of the notice and review if it is a pre or post NOA before reaching out to the Grant Thornton tax team.

### 18. CRA's My Account online access?

Canada Revenue Agency (CRA) is encouraging all taxpayers to set up your own online access with "My Account". If you do not have this already set up, we also encourage you to do so (if possible). Visit their website [www.canada.ca](http://www.canada.ca) (CRA-login-services). You can then view your NOA's, info re your CCB and GST payments as well as RRSP deduction limits etc. All mail issued by CRA is also available to view online.

### 19. Copies my tax return?

We will only be mailing tax return copies if you need to renew your Guaranteed Income Supplement (GIS) or if you are owing taxes for your **post-bankruptcy** return. If you do not have an online CRA account please contact the office after May 31<sup>st</sup>, 2024 to obtain a copy via mail. We are not able to send tax returns through email for security reasons.