
**Tax Preparation Assistance Program
2017 Briefing Session (2016 T1s)**

Problem 1

Joan Wilson, age 39 (D.O.B. May 5, 1977), is separated and the mother of two children who live with her (Jennifer, born February 10, 2011 (age 5), and Jason, born May 15, 2007 (age 9)).

Joan's SIN# is 476-321-568

INCOME:

Employment income per T4 slip from Sears Canada:

Gross pay	\$23,000.00 (box 14)
Income tax deducted	2,110.00 (box 22)
CPP deducted	965.25 (box 16)
EI deducted	432.50 (box 18)
Union dues	75.00 (box 44)

Joan has been receiving **child support payments** from her former husband, Paul, pursuant to a court order which specifies child support payments of \$500 per month. (Total received: \$6,000).

As well as receiving **Canada Child Benefits**, Joan also received \$960 in **Universal Child Care Benefits** for Jennifer and \$360 for Jason (RC62 - box 10 - \$1,320).

Joan collected **Employment Insurance Benefits** while on a 6-week training course. The T4E reports income of \$1,950. No tax was withheld.

Joan was injured during the year at her job and received **Worker's Compensation Benefits** of \$850 (box 10) while she was recuperating. Joan also received **Social Assistance** totaling \$2,500 (box 11). Both amounts are reported on a T5007 slip.

EXPENSES:

Childcare:	Jennifer – Northwest Nursery	\$ 2,500
	Jason – Donna Smith, SIN #489 304 990	\$ 1,000
	– YMCA (for 2 weeks of overnight camp)	\$ 650

Public Transit Passes: Joan brought in receipts for 12 months of public transit passes at \$130.00/month (Total \$1,560)

Children's Fitness Amount: Joan spent \$175 at Aki-Da Karate for karate classes for Jason.

Children's Art Amount: Joan spent \$115 to enroll Jennifer in Sparks (Girl Guides of Canada).

Rent: \$8,400 paid to Joe Lipman for her present residence throughout the year.

Required:

Calculate Joan's refund or balance owing for the 2016 taxation year.

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Problem 2

Mr. and Mrs. George Brown are seniors. George was born May 29, 1936 (age 80) and Dorothy was born August 18, 1937 (age 79). They live at 45 Main Street, Toronto, M5H 2Y2. George's SIN# is 999-999-981 and Dorothy's is 999-999-954.

Dorothy is confined to a wheelchair. She has told you that she has previously filed a Form T2201, Disability Tax Credit Certificate, which has been accepted by CRA.

George received **CPP** benefits of \$5,701 [T4A(P) - box 14]. No tax withheld.

George and Dorothy both have a T4(OAS) slips. George and Dorothy **both** received \$6,878.82 in **Old Age Security (Box 18)** and Dorothy's T4(OAS) also has \$1,300 in GIS – **Guaranteed Income Supplement (Box 21)**.

George received \$75 in **interest income** reported on a T5 slip (box 13) from the TD Bank.

George received \$3,000 from his **registered retirement income fund** reported on a T4(RIF) - box 16 received from Sunlife. Tax withheld was \$313 (Box 28).

George also received 2,133 pounds of **pension income** from the UK (assume an average exchange rate of 1.79, therefore $2,133 \times 1.79 = \$3,818.07$ CDN).

They incurred the following medical expenses in 2016 [*hint - not needed as no tax payable, therefore no need to report, PLUS at a minimum must be at least 3% of net income, Line 236, so for George total must be over \$584 ($\$19,472 \times 3\%$)*]:

George - \$275 paid to the chiropractor, Dr. Jones

Dorothy - \$135 paid to the dentist, Dr. Kone

George has a donation receipt for Princess Margaret Hospital for \$25.00 for a donation made in 2016 (*hint - not needed as no tax payable, therefore no need to report - donations can be carried forward for 5 years*)

They have also heard about the Federal Home Accessibility Tax Credit and the Ontario Healthy Homes Renovation Tax Credit and brought the receipt for installing bathtub railings to assist Dorothy with getting in and out of the tub. The receipt was for \$452.00 paid to Tubs-R-Us on September 15, 2016.

In 2016 they paid \$2,950 in **property taxes** to the City of Toronto for their current residence.

Required:

Calculate the Browns' refund or tax owing for 2016.