

DEDUCTIONS/CREDITS MOST FREQUENTLY QUESTIONED BY CRA

Below are some of the most frequently deductions/credits that Canada Revenue Agency (CRA) questions each year. In such situations, if the supporting documents do not meet CRA's requirements, the claim is likely to be denied. The below list is not exhaustive and in certain cases further supporting documentation may be required. Further guidance may be found for more specific claims at the links provided.

Foreign tax credit

<http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/spprt/lcs-15440-eng.html>

CRA requires: i) notice of assessment or statement from the foreign tax authority (ie transcript); ii) foreign income tax return and attachments; iii) all information slips.

A foreign transcript cannot be requested until the foreign tax authority has processed the return. Generally it takes a significant amount of time for foreign tax authorities to process these returns.

Charitable contributions

<http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/spprt/lcs-15436-eng.html>

Receipt must include: name and address of the charitable organization, date the donation was made, serial number of the receipt, name and address of the donor, amount of the donation, registered charity number of the charity, signature of an authorized official, statement that it is an official receipt for income tax purposes and Canada Revenue Agency's name and website address.

Child care expenses

<http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/spprt/lcs-15415-eng.html>

Receipt must include: the name of the child(ren), signature of the person who provided the services, amount paid for the services, dates when the child care expenses were incurred, the name(s) of the child(ren)'s parents, address and SIN of the person providing the services.

Eligible dependant

<http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/spprt/lcs-15404-eng.html>

Proof of custody must be provided.

Medical expenses

<http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/spprt/lcs-15435-eng.html>

Receipts must include: name of the patient, type of service provided by the medical practitioner, amount and date of the payment for the service provided and proof of payment for amounts paid in respect of a dependant who is 18 years of age or older at the end of the year.

In some instances a letter from a medical practitioner certifying the taxpayers need for the device/service may be required.

Moving expenses

<http://www.cra-arc.gc.ca/tx/ndvdls/tpcs/ncm-tx/spprt/lcs-15418-eng.html>

In some cases, a letter from your employer confirming the first date of employment and whether any part of the moving expenses were reimbursed by the employer may be required.

Rent/property tax expense

<http://www.cra-arc.gc.ca/tx/ndvdls/tpcs/ncm-tx/spprt/lcs-15446-eng.html>

Receipt must include: amount of rent/property taxes paid, date paid, name of person paying rent/property taxes, name of person/business paid to, address of property rented/owned.
NOTE: lease agreements are not acceptable as proof of rent paid.

Support payments

<http://www.cra-arc.gc.ca/tx/ndvdls/tpcs/ncm-tx/spprt/lcs-15419-eng.html>

To support this claim you will need to provide: receipts confirming total amount of child/spousal support paid, name, address, date of birth and SIN to whom support was paid, name and date of birth of each child support payments were paid on behalf of, complete copy of the court order or written agreement detailing the amount of child/spousal support required to be paid, dates the support payments required to be made, date of separation and custody arrangement and the agreement must be signed and dated by both parties and must be signed by an official of the court and bear the court seal.

Tuition and education amounts

<http://www.cra-arc.gc.ca/tx/ndvdls/tpcs/ncm-tx/spprt/lcs-15430-eng.html>

Approved government forms:

T2202A, Tuition, Education and Textbook Amounts Certificate issued by educational institutions in Canada

TL11A, Tuition Education and Textbook Amounts Certificate issued by educational institution outside Canada

TL11B, Tuition, Education and Textbook Amounts Certificate issued by a flying school or club

If tuition is being transferred to a spouse/parent/grandparent the T2202A (tuition receipt) must be signed and dated by the student. Please leave the amounts blank as the maximum transferrable will be determined by our office.