

Anna Smith Profile

Instruction

based on completing 2024 tax forms for a hypothetical individual named "Anna Smith" using provided financial documents and profiles. To support them, various resources like tax guides, supportive notes, and downloadable forms are available, though accuracy remains format of value that calculate and fill in the form should be in round 2 decimal places without dollar sign and ,

***note: any tax reporting considerations not explicitly stated in the profile should be assumed to not be applicable**

in this case scenario (eg. First Nations status, capital gains, dependents, etc.)

Anna Smith was born January 25, 2005, was born and raised in Canada, is currently single and

graduated from George Brown College several years ago. She lives in Toronto and rents a 600

square foot apartment for \$1500/month which includes all her utilities. Her address, where she has lived for the last few years, is:

160 Kendal Ave

Toronto, Ontario, M5R 1M3

Anna has worked all year for the company Long View Systems as an IT systems analyst and she was paid an annual salary. She has received a T4 slip from her employer that she will use for her tax reporting.

When Anna graduated from George Brown, her parents gave her some money as a graduation present. Because Anna hasn't decided yet if she wants to use the money to put a down payment on a house, pay down her student loans or go on a trip, she is just keeping the money in her PC Financial savings account for now. This year she earned some interest income on that money in her savings account and so she has also received a T5 from PC Financial, which she will use when filing her tax return.

However, she did decide to put some of the money into her RRSP this year. Although her limit from her notice of assessment from last year was \$2,200 she decided to deposit a bit less than that into her RRSP account for now.

Unfortunately Anna's grandfather passed away this past spring from prostate cancer and so she decided to make a charitable donation for the first time in her life. She donated some money to the "Movember" fundraising campaign for prostate cancer to honor her grandfather.

One thing that has been stressing Anna out is her OSAP loan which she borrowed to help pay for her studies at GBC. This year she paid interest on her loan, but thankfully she knows the government gives some sort of tax break on that.

But also, that the Ontario government had some extra tax benefit called the Trillium Benefit where she could claim her rental costs for her apartment. She's planning to fill out the form and also use the on-line calculator to get an estimate of what that payment might be this year and whether she still qualifies since her income has increased. Of course she's also going to apply for the Climate Action Incentive to see if she can get more credit money there too.

Thankfully, Anna has kept a shoebox with all of her relevant receipts and documents so that she can now sit down and figure out her tax return.

BONUS COMPONENT (optional)

In addition, this year she has started to do some private consulting work and from that she earned an additional \$15,225 in professional income this year. Anna has not been setting aside any of that income to account for the taxes that she will have to pay on that income and so she is nervous about owing a large amount in taxes that she is not prepared for. Luckily, because she earned less than \$30,000 this year it was okay that she didn't charge or collect any HST for her services because her self-employment income is below the applicable limit, but she might have to reconsider that for the future.

When Anna decided to begin working for herself, she set up a home office in the extra bedroom in her apartment, which is approximately 150 square feet.

She also made the decision to invest in a home computer from Best Buy that she would use only for professional purposes. Even though the new computer was expensive, Anna felt it was a good investment since she could claim the cost as a business expense. However, a friend told her that since she will be using the computer for several years, she can't claim the total bill all at once but that she needs to check the CCA class and rate to know how much she can claim. From her research she has learned that her computer is in CCA class 50 and therefore at a CCA rate of 55% - somewhere on the self-employment tax form there is a table to help her use this information calculate what she can claim this year.

Anna also plans to claim part of her phone and internet bill as a business expense since she has been using them for business and personal use - a 50/50 split. She knows that, like her rent, there is a way to claim these sorts of things that are partly her home and partly her business.

Otherwise she hasn't had any other real business expenses.

But, Anna does know that her self-employment will complicate her CPP payments and also that she'll have to contribute some extra money to E.I. as well so she'll have a few extra forms, to fill

out. She'll also have to be sure to claim only the 'personal' part of her rent expenses when she applies for the Trillium Benefit since a friend of hers got audited for forgetting to subtract the home office portion she had claimed. Not to mention that whole new self-employment form to complete...better get started!

T4, T5 and Other Receipts information

- **Canadian T4 slip**, officially titled "Statement of Remuneration Paid," issued by an employer, Longview Systems, for the 2024 tax year
T4 to Anna Smith Year 2024
 - BOX NO.14 Employment income = 48000.00
 - BOX NO.22 Income tax deducted = 6186.60
 - BOX NO.16 Employee's CPP contribution = 2647.75
 - BOX NO.24 EI insurable earnings = 48000.00
 - BOX NO.26 CPP/QPP pensionable earning = 48000.00
 - BOX NO.18 Employee's EI premium = 796.80
- **T5 Statement of Investment Income, a crucial tax slip for individuals in Canada who have earned investment income amount of \$198.20.** It details various types of earnings, such as actual amount of eligible dividends and interest from Canadian sources,

which are reported for the tax year 2024. The form also includes important personal information for both the recipient, ANNA SMITH, and the payer, CIBC DIRECT BANKING DIVISION, ensuring proper identification and accurate tax reporting to the Canada Revenue Agency. The

- **Rent payment.** The check is issued by Anna Smith to "Big Bad Capitalist Properties" for an amount of **\$1,500.00**, dated December 21, 2024. The memo line clearly indicates that **this payment covers "Monthly Rent including hydro, water, heating,"**
- **RRSP Contribution Receipt** issued by Investors Group Trust Co. It confirms that Anna Smith made a Registered Retirement Savings Plan contribution of **\$1,558.00** as of December 31st, 2024.
- **Charity donation** This document serves as an official donation receipt issued by Movember Canada, intended for income tax purposes. It confirms that Anna Smith made a charitable donation of **\$100.00** on November 5th, 2024, to support Movember's mission of "changing the face of men's health." The receipt is tax deductible to the extent permitted by law,
- **Official Receipt for Income Tax Purposes from the National Student Loans Service Centre, the interest paid on government-sponsored student loans.** It serves as a crucial record for individuals like Anna Smith, allowing them to claim an Income Tax credit for the interest paid on their student loans during the 2019 taxation year. The primary purpose of this receipt is to provide the exact amount, in this case, **\$2,185.15**
- **Bill from Bell services, issued to ANNA SMITH,** outlining charges for internet and mobility services. It clearly itemizes monthly costs, including a net price after discounts for internet, and distinguishes between recurring service fees and additional usage charges
 - Internet Charge
 - Internet Monthly charges = 69.95
 - Limited-time offers credit = 20.00
 - Internet Net price = 49.95
 - Mobility
 - Mobile Monthly charge = 51.00
 - Usage Charge = 10.00
 - Service Total = 49.95 + 61.00
 - = 110.95
 - = 14.42 (Plus HST tax)
 - **Service Total = 125.37**
- **Computer receipt from Best Buy #938,** indicating a purchase made on April 16, 202X. The receipt details the acquisition of an MB 12.0 Space Gray computer for \$1079.99, along with an Apple Desktop Coupon Bundle for \$100.00 and a Coupon Coupon Bundle

EX for \$120.00. After adding item tax of \$75.60, the total amount paid for these items was **\$1155.60.**