

# Small Business Tax Checklist For 2022.

Sole Proprietorship.



This tax checklist is an accumulation of all basic and critical documents required to help gather an updated set of records for your yearly tax filing.



# Sole Proprietorship

This checklist is meant as an overview of the information necessary to prepare the tax returns of your personal tax returns for sole proprietors, including financial records, applicable government forms and assets records. The use of this checklist will ensure that the filing process will be efficient while optimizing the tax situation of your corporation.

Find useful resources for your daily accounting efforts and a link to a free consultation session with Accountero.

## 1. Basic Information

- Legal name, SIN, date of birth, address and marital situation.
- Province of operation.
- Previous federal and provincial tax returns. (if applicable)
- Business numbers on the federal level and identification numbers on the provincial level. (if applicable)
- Total quarterly installments made in 2021.
- Latest notice of assessment.

## 2. Government Forms (if applicable)

- T4- Statement of remuneration paid.
- T4A- Information for payers.
- T5- Statement of Investment income.
- T3- Statement of Trust Income Allocations and Designations.
- T5013- Statement of Partnership Income.
- Any other T- slips received from the federal government and slips from the provincial government. (if applicable)
- RRSP contributions slips. (if applicable)

## 3. Self-employed Business Income And Expenses

- Income statement. (including the cost of goods sold)
- Invoices and receipt, payroll information and GST/HST/QST returns. – **if bookkeeping needs to be completed**
- Accounts receivable at end of the fiscal year.
- Amounts payable at end of the fiscal year.



## 4. Financial Records

### Business Income

- Sales records.
- Returns and allowances.
- Business chequing /savings account interest.
- Cost of Goods Sold, (if applicable)

### Inventory (if bookkeeping needs to be completed)

- Beginning inventory total dollar amount.
- Inventory purchases.
- Ending inventory total dollar amount.
- Items removed for personal purposes.
- Materials and supplies.

### Expenses

- Advertising.
- Business insurance.
- Vehicle expenses – fuel, insurance, lease/bill of sale, payments with interest, repairs, maintenance, parking.
- Mileage records for kilometres driven for business purposes.
- Professional fees – lawyers, accountants, and consultants.
- Office supplies.
- Interest expense – business loans, investments expenses and interest.
- Travel.
- Rent/Property tax.
- Utilities
- Meals and entertainment: only 50% are deductible in general.
- Home Office Expenses: a portion of the home offices expenses may be deductible such as mortgage interest (not principal) or rent, property tax payments, utilities, home insurance payments, home maintenance and repair costs, cable/Internet.



## 5. Assets Records

- Additional details on the assets acquired and disposed of in the year: date of purchase or disposal, cost of acquisition, proceeds of disposition, the place of business use and nature of the asset as well as any costs related to the sale.

## 6. Others

- Charitable donations made in the year.
- Dividends issued and received in the year.
- Foreign property having a cost over \$100K information (if applicable). If yes, information required includes maximum cost at the end of the year, cost at the end of the year, gross income generated and gain (loss) on disposition (usually available in the investment report provided by the financial institution for example).
- Foreign earned income and taxes paid, including any foreign tax returns filed in other jurisdictions.
- Details around transactions with related non-residents entities (individuals and corporations)
- Investment in foreign entities.
- K1 slips received from American investments in partnerships and other foreign slips.
- Information on any other income.
- Medical expenses not reimbursed by insurance.
- T2202- Tuition and enrollment certificate for you or you minor children.
- Alimony expenses/ income.
- Moving expenses.
- Childcare expenses.
- Additional details if you are a caregiver for your spouse or common-law partner or an eligible dependent 18 years of age or older.
- Interest paid on student loans.
- Annual unions or professional dues.



## 7. What To Give Your Bookkeeper

To prepare the required information for your CPA.

- Trial balance and financial information from the previous bookkeeper.
- Last year's tax return.
- Adjusting entries from last year.

Please ensure to keep proof and documentation for any expenses claimed and formed filed for at least seven years.

*This checklist is not a tax advice, or a business/legal document. You are advised to consult your own tax advisor with respect to finalizing the matters referenced in the blog post. Accountero is not liable for actions taken in reliance with the information and suggestions shared above in the checklist.*

## Helpful Resources On Our Blog

[Last-minute bookkeeping. What to do? and How to do it?](#)

[8 Tax pitfalls to avoid as a Canadian founder.](#)

[The basics of the Canadian tax system.](#)

## Are you frustrated for the tax season?

Let us help you **clean up your books**, and ensure your financials **books** are **up-to-date, error-free, reconciled, categorized, balanced,** and **audit-ready** to the present date for your CPA.

We offer flexible cloud bookkeeping services for growth-focused founders.

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