

# Lepore & Company Chartered Accountants

## 2010 Tax Season

As with last year, we request your assistance in ensuring the accurate, timely preparation of your 2010 income tax return. A review of your prior year's return will assist you in providing us with the most relevant information necessary to prepare your return.

Once again this year, we will be offering the Efile process to electronically file tax returns, at no additional cost to you. Most returns last year were eligible for this process, which accelerates the processing of your return as well as the receipt of your assessment and refund.

Additional information may be required for 2010 returns due to changes and proposed changes in legislation:

- **Children's Activity Tax Credit** - The Children's Activity Tax Credit (CATC) is a new tax credit designed to make it easier for parents to get their children involved in sports, arts and other activities. Under the CATC, parents or guardians who incur eligible expenses of up to \$500 per child who was under 16 years of age at the beginning of the taxation year, will be eligible for the credit. Eligible expenses incurred on or after January 1, 2010 will qualify for the credit.
- **Medical expenses** - Cosmetic procedures and related expenses qualify as a medical expense when incurred after March 4, 2010, only if they are required for medical or reconstructive purposes. This restriction only applies to procedures after this date.
- **Universal Child Care benefits (UCCB)** - If you were a single parent on December 31, 2010, you can choose to include all UCCB amounts you received in 2010 in the income of a dependant.
- **Employment Insurance premiums on self-employment and other eligible earnings** - You may be able to enter into an agreement with the Canada Employment Insurance Commission through Service Canada to participate in the new Employment Insurance (EI) Measure for Self-Employed People.
- **Rollover of RRSP proceeds to a registered disability savings plan (RDSP)** - As of July 1, 2011, for deaths occurring after March 3, 2010, the existing RRSP rollover rules will be extended to allow a rollover of a deceased individual's RRSP proceeds to the RDSP of the deceased individual's financially dependent infirm child or grandchild. In addition, where the death of an RRSP annuitant occurs after 2007 and before 2011, special transitional rules will allow a contribution to be made to the RDSP of a financially dependent infirm child or grandchild of the annuitant that will provide a similar result to these measures.  
  
To be eligible, the contribution to an RDSP can only be made after June 30, 2011, and, when the death of the annuitant occurs after 2007 and before 2011, the contribution must be made before 2012. This means individuals will have six months in which to make the contribution to an RDSP.
- **Investment tax credit** - eligibility for the mineral exploration tax credit has been extended to flow-through share agreements entered into before April 1, 2011.

In order to avoid any possible delays, please bring or send your information to us at your earliest opportunity, so that we may prepare your return before the April 30, 2011 filing deadline. No appointment is necessary. We suggest that you get your information to us before April 15<sup>th</sup> to ensure that we are able to meet the filing deadline. We look forward to serving your tax needs once again this year.

**If you need extra copies of our tax checklist, please call our office or a copy can be downloaded from our website address below.**

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