

**MURDOCK & ASSOCIATES INC.
INCOME FROM SELF-EMPLOYMENT**

Business Information

Business Name _____ Business Number _____

Business Address _____

(If different from your home address)

Nature of Business: _____

Internet business activity:

How many internet webpages and websites does your business have? _____

If yes your website address: _____

Percentage of gross income generated from webpages and websites: _____

Income

Do not include HST collected

Sales and other income <u>not</u> reported on t-slips	\$ _____
Income reported on T4A slips	\$ _____
Other income: _____	\$ _____
 TOTAL INCOME	 \$ _____

Expenses

If you are HST registered and do not use the Quick Method, do not include HST.

Advertising	\$ _____
Meals & Entertainment \$ _____ x 50% =	\$ _____
Bad Debts	\$ _____
Insurance	\$ _____
Interest	\$ _____
Business taxes, fees, licences, dues, memberships, & subscriptions	\$ _____
Office expenses	\$ _____
Supplies	\$ _____
Legal, accounting, professional fees	\$ _____
Management and administrative fees	\$ _____
Rent (other than your home)	\$ _____
Maintenance and repairs	\$ _____
Salaries, wages and benefits	\$ _____
Property taxes (other than your home)	\$ _____
Travel	\$ _____
Telephone and utilities	\$ _____
Delivery, freight, and express	\$ _____
Other: _____	\$ _____
Other: _____	\$ _____
Other: _____	\$ _____
 TOTAL EXPENSES	 \$ _____

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Business Use of Home

Area used for business sq. ft. Total area of home sq. ft. Business percentage %
Heat \$ Mortgage interest \$
Electricity \$ Property taxes \$
Insurance \$ Rent \$
Maintenance \$ Other: \$

Motor Vehicle Expenses

If you purchased or leased a new vehicle in the year, please provide a copy of your purchase/lease papers.

Business kilometers KM Total kilometers KM Business percentage %
Fuel and oil \$ Maintenance and repair \$
Interest \$ Leasing \$
Insurance \$ Business parking fees \$
Licence and registration \$ Other: \$

Capital Purchases and Dispositions

You might acquire a depreciable property, such as a computers, furniture, or equipment, to use in your business or professional activities. You cannot deduct the cost of the property when you calculate your net business or professional income for the year.

However, since these properties wear out or become obsolete over time, you can deduct their cost over a period of several years. The deduction for this is called capital cost allowance (CCA). Based on the information that you provide, we will determine the amount of CCA that you can deduct in the year.

Capital Purchases Please provide a description and cost of any capital purchases made during the year

\$
\$
\$
\$

Capital Dispositions Please provide a description and proceeds of any capital dispositions made during the year

\$
\$
\$
\$

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Account Definitions

Advertising	<p>You can deduct expenses for advertising, including advertisements in Canadian newspapers and on Canadian television and radio stations. You can also include on this line any amount you paid as a finder's fee.</p> <p>Certain restrictions apply to the amount of the expense you can deduct for advertising in a periodical. You can deduct all the expense if your advertising is directed to a Canadian market and the original editorial content in the issue is 80% or more of the total non-advertising content in the issue.</p> <p>You can deduct 50% of the expense if your advertising in a periodical is directed to a Canadian market and the original editorial content in the issue is less than 80% of the total non-advertising content in the issue.</p> <p>Also, you cannot deduct expenses for advertising directed mainly to a Canadian market when you advertise with a foreign broadcaster.</p>
Meals and Entertainment	<p>The maximum amount you can claim for food, beverages, and entertainment expenses is 50% of either the amount you incur or an amount that is reasonable in the circumstances, whichever is less.</p> <p>These limits also apply to the cost of your meals when you travel or go to a convention, conference, or similar event. However, special rules can affect your claim for meals in these cases.</p> <p>These limits do not apply if:</p> <ul style="list-style-type: none"> • your business regularly provides food, beverages, or entertainment to customers for compensation (for example, a restaurant, hotel, or motel); • you bill your client or customer for the meal and entertainment costs, and you show these costs on the bill; • you incur meal and entertainment expenses to provide a Christmas party or similar event, and you invite all your employees from a particular location; however, you are limited to six of these events each year; <p>Entertainment expenses include tickets and entrance fees to an entertainment or sporting event, gratuities, cover charges, and room rentals such as for hospitality suites.</p>
Bad Debts	<p>You can deduct an amount for a bad debt if you had determined that an account receivable is a bad debt in the year and you had already included the receivable in income</p>
Insurance	<p>You can deduct all ordinary commercial insurance premiums you incur on any buildings, machinery, and equipment you use in your business. In most cases, you cannot deduct your life insurance premiums.</p>
Interest	<p>You can deduct interest you incurred on money borrowed for business purposes or to acquire property for business purposes. The interest related to business use of work space in your home has to be claimed on "Business-use-of-home expenses."</p>
Business tax, fees, licences, dues, memberships, and subscriptions	<p>You can deduct all annual licence fees and business taxes you incur to run your business. You can also deduct annual dues or fees to keep your membership in a trade or commercial association. You cannot deduct club membership dues (including initiation fees) if the main purpose of the club is dining, recreation, or sporting activities.</p>
Office expenses	<p>You can deduct the cost of office expenses. These include small items such as pens, pencils, paper clips, stationery, and stamps. Office expenses do not include items such as computers, filing cabinets, chairs, and desks. These are capital items.</p>
Legal, accounting, and other professional fees	<p>Deduct the fees you incurred for external professional advice or services, including consulting fees.</p> <p>You can deduct accounting and legal fees you incur to get advice and help in keeping your records. You can also deduct fees you incur for preparing and filing your income tax and GST/HST returns.</p> <p>You cannot deduct legal and other fees you incur to buy a capital property. Instead, add these fees to the cost of the property.</p>
Management and administration fees	<p>You can deduct management and administration fees including bank charges incurred to operate your business. Do not include on this line employees' salaries, property taxes, or rents paid.</p>

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Rent	You can deduct rent incurred for property used in your business. For example, you can deduct rent for the land and building where your business is situated. The rent expense related to the business use of work space in your home has to be claimed on "Business-use-of-home expenses."
Maintenance and repairs	You can deduct the cost of labour and materials for any minor repairs or maintenance done to property you use to earn income. However, you cannot deduct the value of your own labour. You cannot deduct costs you incur for repairs that are capital in nature. However, you may be able to claim CCA. The maintenance and repairs related to business use of work space in your home have to be claimed on "Business-use-of-home expenses."
Salaries, wages and benefits	<p>You can deduct gross salaries and other benefits you pay to employees. Do not include on this line salaries and wages included in Subcontracts. Salaries or drawings paid or payable to you or your partners are not deductible.</p> <p>You can deduct the salary you pay to your spouse, common-law partner or child, as long as you meet all these conditions:</p> <ul style="list-style-type: none"> • you pay the salary; • the work your spouse, common-law partner or child does is necessary for earning business or professional income; and • the salary is reasonable when you consider your child's age, and the amount you pay is what you would pay someone else. <p>Report the salaries you pay to your children and spouse or common-law partner on T4 slips, the same as you would for other employees. However, you cannot claim as an expense the value of board and lodging you provide to your dependent children and spouse or common-law partner.</p>
Property taxes	You can deduct property taxes you incurred for property used in your business. For example, you can deduct property taxes for the land and building where your business is situated. The property tax related to the business use of work space in your home has to be claimed on "Business-use-of-home expenses."
Travel	<p>You can deduct travel expenses you incur to earn business and professional income. Travel expenses include public transportation fares, hotel accommodation, and a portion of your meals (see below).</p> <p>In most cases, the 50% limit applies to the cost of meals, beverages, and entertainment when you travel. The 50% limit also applies to the cost of food and beverages served and entertainment enjoyed when you travel on an airplane, train, or bus when the ticket price does not include such amounts.</p>
Telephone and utilities	You can deduct expenses for telephone and utilities, such as gas, oil, electricity, and water, if you incurred the expenses to earn income. The expenses for utilities that are related to the business use of work space in your home have to be claimed on "Business-use-of-home expenses."
Delivery, freight and express	You can deduct the cost incurred in the year of delivery, freight, and express that relates to your business.

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