

CASE 6: MARCUS & DOREEN CAPLAN – BUSINESS & EMPLOYMENT

Doreen and Marcus Caplan are new clients. Doreen is self-employed and Marcus is employed at a large engineering firm. They have one teenaged child, Christopher, who was born on December 3, 2007 (SIN 885 775 150). The following is personal information we will need for their return along with notes from our review of their file and previous year returns.

Personal Information:

Address: 88 Plymouth Road, Sydney, Nova Scotia, B8T 2Y4

Doreen Caplan

SIN 698 750 444
Date of birth November 6, 1991

Marcus Caplan

SIN 588 497 978
Date of birth June 12, 1990

Doreen is a self-employed marketing consultant and graphic designer. Her business name is Bespoke Marketing. This is a successful proprietorship where she runs the social media accounts of larger clients. A big part of her business involves the management and staffing of their trade shows as well. She does her own bookkeeping and has provided us with a detailed listing of her income and expenses an Excel spreadsheet (attached).

When we reviewed the prior year's tax return for Doreen we took note of the ending Undepreciated Capital Cost of all the assets and asset classes used in her business which mainly consists of computers, computer & printing equipment, and all the office furniture:

Class 8	\$ 876.20
Class 10	\$ 2,899.18
Class 50	\$ 1,686.20

A number of years ago (in 2015), Doreen had entered into an agreement with Service Canada to pay premiums on her self-employment income so that she would be able to collect on maternity or other benefits. Doreen and Marcus were planning to have another child, but unfortunately it did not pan out. Doreen was able to take some time under the EI program to care for her sick mother a few years ago, so it wasn't completely in vain with respect to paying the EI premiums.

Marcus is employed as a full-time sales associate for a mid-sized engineering firm. Part of his job involves travelling to clients' place of business in his sales role. Marcus works in a hybrid work environment where he works from the office 3 days a week, and from home the other two days. He provided us with his T4 slip along with a signed T2200 form. Marcus also provided us with a breakdown of his employment expenses which was also put together by Dorreen. We noticed that Marcus did not receive a GST/HST rebate last year even though we know he is eligible.

Doreen would like to completely pay off the remaining balance on her Home Buyers Plan loan from a few years back. When we examined her Notice of Assessment from last year, we were able to determine the following:

Current year required payment	\$ 1,100
Outstanding balance of HBP	\$ 6,600

In her tax package, we see that there is an RRSP deduction contribution slip for 2022 (remainder of year From Investor's Group) in the amount of \$ 10,000. Her Notice of Assessment from last year shows an RRSP contribution limit of \$ 77,410

Doreen made her 4 instalment payments of \$11,000 for a total of \$44,000

In the package, we also found a number of donation receipts as follows:

Donations	
United Way	\$ 960
ShareLife	\$ 250
St. Patrick's Catholic Church	\$ 520
Canadian Cancer Society	\$ 150
GoFundMe – Co-workers donation	\$ 200
US Animal Cruelty Society	\$ 450 USD

The only medical expenses for the year were for Christopher's braces (which were not covered by Marcus' benefits at work). The total invoice was dated September 10, 2022 from Dr. Emerson and Totally Wired Orthodontics for a total fee of \$ 6,750. Marcus & Doreen chose to pay the amount in 3 instalments:

Instalment 1: September 10, 2022	\$ 2,250
Instalment 2: December 10, 2022	\$ 2,250
Instalment 3: March 10, 2023	\$ 2,250

Doreen and Marcus would like us to prepare their 2022 tax returns.