DSJM Accounting Inc.

CHARTERED PROFESSIONAL ACCOUNTANT · VANCOUVER, BC

The BC year-end tax checklist.

For owner-managed corporations in British Columbia. Work through this 60 to 90 days before your fiscal year-end, while the decisions are still open.

1 — PLANNING MOVES, 60 TO 90 DAYS OUT

- ☐ Decide this year's salary-versus-dividend mix
  Drives RRSP room, CPP contributions and your corporate tax position. Hard to unwind after year-end.
- ☐ If corporate income is approaching $500,000, decide whether to bonus down
  Above the small business deduction limit, the next dollar is taxed at the general rate.
- ☐ Check passive investment income against the $50,000 threshold
  Passive income above $50,000 starts grinding down the small business deduction, and eliminates it entirely at $150,000. Worth knowing before year-end, not after.
- ☐ Time equipment and vehicle purchases
  Buying before year-end and having the asset available for use pulls capital cost allowance forward.
- ☐ Review the shareholder loan balance and clear or document it
  A loan left outstanding too long can be included in your personal income.
- ☐ Make corporate charitable donations before the year-end date
  After the date, the deduction lands in the following year.
- ☐ Confirm GST/PST filed to date reconciles to the books
  Mismatches between sales-tax filings and the T2 are a common review trigger.
- ☐ Review accounts receivable for anything genuinely uncollectible
  Bad debts recognised before year-end reduce this year's income.

2 — DOCUMENTS TO GATHER FOR YOUR ACCOUNTANT

- ☐ Bank and credit card statements for every business account, full fiscal year
- ☐ Loan, lease and financing statements, plus any new agreements signed during the year
- ☐ Accounts receivable and accounts payable listings as at year-end
- ☐ Inventory count at year-end, if you carry inventory
- ☐ Payroll records and remittance confirmations
- ☐ Vehicle logbook (date, destination, purpose, kilometres) and vehicle expenses
- ☐ Home office costs, if the corporation reimburses you
  Utilities, insurance, property tax, and the square-footage calculation.
- ☐ Invoices for asset purchases, and details of anything sold or scrapped
- ☐ Prior-year T2, Notice of Assessment, and any CRA correspondence received

- [ ] Details of any legal or share-structure changes during the year

3 — DEADLINES THAT CATCH PEOPLE

T2 corporate return	6 months after your fiscal year-end
Corporate tax balance owing	2 months after year-end; 3 months for many CCPCs claiming the small business deduction
T4 and T5 slips	Last day of February
GST/HST, annual filers (corporations)	Return and balance 3 months after fiscal year-end
T1 personal return	April 30; June 15 if self-employed, though any balance is still due April 30
RRSP contribution for the prior tax year	60 days after December 31

Selling or handing over the business in the next few years?

Year-end planning and exit planning pull in different directions. Bonusing income down each year keeps tax low, but leaving surplus cash and investments in the company can put your shares offside the tests for the lifetime capital gains exemption. If a sale is on your horizon, ask for the Exit Readiness Checklist instead, or as well.

Questions on any line above? Book a free 15–20 minute call.

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