

Self-employed worker form

All expenses must be reasonable, related to your business activities and supported by supporting documents.

1. General information

Company Name:	
NEQ:	
Period (maximum one year):	
Type of activity:	

2. Income

Income **totals** of the **year** . Without GST/QST. If you started the business during the year, calculate only for the months concerned.

Gross sales, commissions and fees		\$
Tips		\$
Other income		\$

3. Current expenses

Current business expenses **totals** of the **year**: If you are registered for GST/QST, expenses are GST/QST-free. If you are not registered for GST/QST, expenses are GST/QST-included. Special considerations apply if the quick calculation method or the simplified calculation method has been adopted by a business registered for GST and QST taxes. You must have all the invoices.

Advertisement		\$
Meal expenses with clients. List the people present on the back of the invoice.		\$
Insurance premiums - business		\$
Short-term interest and bank charges on the business bank account		\$
Long-term interest on the business bank account		\$
Business taxes, membership fees, permits and dues		\$
Office expenses		\$
Supplies		\$
Legal fees - business		\$
Professional contributions - company.		\$
Accounting fees and professional fees		\$
Management and administration fees		\$
Rent for premises other than the home		\$
Routine maintenance (e.g. painting, floor repair) for premises other than the home		\$

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Maintenance and repairs for machinery, equipment or other (not a premises)		\$
Travel expenses for the company		\$
Telephone, pager, cell phone, etc.		\$
Internet		\$
Utilities (electricity) other than home		\$
Fuel and oil (except for motor vehicles)		\$
Delivery, transport and courier services		\$
Commissions paid		\$
Congresses and training: in the region and the sector of activity		\$
Subcontracting		\$
Application software (e.g. Office suite)		\$
Small tools (less than \$500)		\$
Uniform (nurse), gown (lawyer), lab coat (doctor) and safety shoes (construction) that are not used in everyday life. Washing costs for these clothes.		\$

4. Capitalizable expenses incurred during the year

Furniture		\$
Computer		\$
Equipment (over \$500)		\$
Improvements (e.g. adding a room) for premises other than the home		\$
Cost of installing and repairing a new production machine		\$

If the merchandise is purchased from a private individual (e.g., garage sale or Kijiji), keep an invoice signed by the seller. You can take a photo of the merchandise purchased and keep it with the invoice.

It is advisable to have a bank account and a credit card dedicated to the company. It does not need to be a business account.

You must keep your invoices in a ziplock bag for 7 years and in the dark. Save invoices and records online as PDFs.

Do not put your social security number or date of birth on customer invoices

Home office expenses

To deduct home office expenses, your name must be on the lease or deed for the property.

1. Home information

Living area		ft2
Company area		ft2
Number of hours of home office use per week		h
Number of months home office was used during the year		m
Part of the home that is used for personal purposes, also taking into account the number of hours of use		%
Is it a dedicated room or do you work in common areas (e.g. on the kitchen table)		

2. Current expenses

Home office expenses **totals of the year**. Do not multiply by a percentage. Must be related to your business activities.

Heating		\$
Electricity		\$
Firewood		\$
Hydro-Solution		\$
Home insurance premiums		\$
Maintenance and repairs related in whole or in part to the home office, specify the %		\$
Mortgage interest		\$
Condo fees		\$
Rent, if tenant		\$
Property taxes (municipal taxes)		\$
Property taxes (school taxes)		\$
Telephone - home, if used in whole or in part for business, specify the %		\$
Alarm system		\$
Extermination		\$

3. Conditions for having a home office

The home office is your primary workplace (more than 50% of the time). Therefore, no rented space outside the residence.

Or

The office is used exclusively (90%, so it is not used for any other purpose) to earn employment income and to meet regularly and continuously with clients or other people in the context of work.

4. Example of usage percentage

A daycare uses 100% of the house for 50 hours/week

100% of the house X 50h/168h = 30%

Note: if the room is used exclusively for the business, the percentage of use of the room is considered to be 100% (168h/168h)

5. Deductible home office expenses

	Autonomous	Commissions	Employee
Electricity and heating	YES	YES	YES
Maintenance (cleaning products and minor repairs)	YES	YES	YES
Rent	YES	YES	YES
Property taxes	YES	YES	
Home insurance	YES	YES	
Rent or mortgage interest	YES		
Telephone (residential line)	YES		
Renovations: changing doors and windows	YES		

6. Conditions for not having a capital gain (non-exempt) when selling the residence

Home office expenses

1. Business use is incidental to the main use as a residence, there is no % determined by the tax authorities.
2. No depreciation "DPA" is claimed in the business with respect to the business part of the residence.
3. No structural changes are made to the residence for the business part, for example, a large commercial window, an opening in an exterior wall (installation of a door) or an extension.

From Income Tax Folio S1-F3-C2, Main Residence, item 2.59

Motor vehicle expenses

If you used two vehicles for business, do not mix mileage and expenses. Use two tabs. You cannot deduct expenses that are paid by someone else (e.g., a car that belongs to a friend).

1. General information

Period of use (maximum one year):	
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Must have a logbook (see corresponding tab). If there is no logbook, the percentage must be realistic and credible. Be careful if more than 75% for business purposes

Mileage traveled for the company		km
Total mileage traveled (company + personal)		km
Vehicle model		
Vehicle make		

2. Vehicle purchased

Date of purchase of the vehicle	
Vehicle purchase cost	\$
Approximate value of the vehicle as of January 1	\$

3. Rented vehicle

Rental fees during the period	\$
Start date of the rental contract	
End date of the rental contract	
Value of the leased car (list price)	\$

4. Motor vehicle expenses incurred **totals** of the **year**. Do not multiply by a percentage.

Fuel costs	\$
Insurance premiums	\$
Registration	\$
Driving license	\$
Car Loan Interest Charges	\$
Maintenance and repairs (tire changes, car washes, windshield wipers, cleaning, etc.)	\$
Parking Fee	\$
Tolls (example Highway 25)	\$
Purchase GPS	\$
Snow removal	\$
Car shelter (tempo)	\$

Note: Car accident and parking fees are not based on the "business" percentage, but rather on the time of occurrence. If an accident occurs while traveling on business, all expenses related to that event will be considered 100% business.

Fines and tickets are not deductible.

Note: Car expenses based on a mileage allowance (e.g. \$0.45/km) are not acceptable. You must calculate the expenses and multiply by the percentage used for business.

Logbook for vehicle travel (adapt to your needs)
An app on your cell phone can replace the mileage log.

Note: a tool like www.Odotrack.com that automatically records all your business trips can make your life easier.

For your personal use, no need to print

Simplified register for motor vehicle expenditure provisions

Following a federal initiative to simplify the task for businesses, they can choose to keep a full record for one year to determine the business use they make of a vehicle during a base year.

After a full year of record keeping to determine the base year, a record for a representative three-month period may be used to extrapolate the vehicle's business use for the full year, if the use is within the same range (plus or minus 10%) as the base year results. Businesses will need to demonstrate that the vehicle's use during the base year remains representative of normal vehicle use.

For your personal use, no need to print

Full register

The best way to demonstrate that a vehicle is being used for business purposes is to keep accurate records of all trips made for the entire year, specifying for each trip the destination, the reason of the movement and the distance traveled.

Other registers

The fact that a viable business exists is usually a tangible indicator that the person has engaged in expenses for a vehicle, since it is extremely difficult to operate a business without traveling occasionally. A minimal refund request does not require extensive documentation to demonstrate that the travel took place for business. As the percentage of use of the vehicle for the purpose of business and related deduction claims increase, as discussed below, it is expected that that more substantial documentation is available to this effect.

For many people, the accounting records they keep as part of their business operations common records can show the presence and extent of the vehicle's use for commercial purposes. A register appointment book which indicates the addresses where one went as well as the reason for the trip or a notebook of service calls may be sufficient. Purchase or sales invoices may indicate that the taxpayer has passed take the items or that he delivered them himself. Other examples of evidence that may be considered include that the following:

- if the person has another vehicle at their disposal for personal travel;
- the type of vehicle;
- the nature of the business and the justification for the travel;
- if another person is driving the vehicle (e.g., a family member);
- the type of car insurance;
- other evidence of personal travel.

ARC auditors will generally consider the use of the vehicle in relation to the overall of the activities of the company in question. A proposal that prohibits part of a refund request relating to automobile expenses would only occur when travel-related expenses appear disproportionate in such a context and that they are not sufficiently justified, as described here. However, It should be noted that individuals will be responsible for providing sufficient evidence to demonstrate the accuracy of their requests regarding the distances traveled for commercial purposes, throughout the year.

Register for a representative period

The CRA says it is willing to place great importance on a register maintained for a representative period as proof of use of a vehicle throughout a year, if it meets the following criteria.

- The taxpayer has previously completed and kept a register covering a 12-month period that was typical to the business ("the base year"). The 12-month period does not have to be a calendar year.
- A record was kept for a representative period of at least three continuous months for each year subsequent (the "representative year period").
- The distances traveled and the use of the vehicle for commercial purposes during the representative period of three months are within 10 percentage points of the corresponding figures for the same period three months of the base year (the "base year period").
- The calculation of the annual use of the vehicle for business purposes in any subsequent year does not increase nor decrease by more or less than 10 percentage points compared to the base year.

The use of the vehicle for business purposes during the subsequent year will be calculated by multiplying its use for business purposes, as determined in the base year, by the ratio between the period representative and the period of the base year. The formula for this calculation is as follows:

$$\frac{\text{Percentage of representative period of year}}{\text{Percentage of base period of year}} \times \text{Annual percentage of base year} = \text{Business use calculated annually}$$

If the use for business purposes calculated annually increases or decreases by more than 10% in a year subsequent, the base year is not an appropriate indicator of that year's annual usage. In such a case, the register for the representative period would only be reliable for the three-month period during which it been held. For the remainder of the year, the use of the vehicle for commercial purposes must be determined based on current travel files or any other files, as mentioned above. In such circumstances, the taxpayer should consider establishing a new base year by keeping a register for a further period of 12 months.

Example :

An individual completed a log for a 12-month period, which indicated a percentage of use for commercial for each quarter of 52/46/39/67 and an annual vehicle use of 49% for commercial purposes commercial. In a subsequent year, the register was kept for a representative period in April, May and in June, which shows a 51% commercial use. During the base year, the percentage vehicle use for commercial purposes was 46% for the months of April, May and June. The calculation for the use of the vehicle for commercial purposes would be as follows:

$$51\% \div 46\% \times 49\% = 54\%$$

In such a case, the CRA would accept, in the absence of any contradictory evidence, the calculation relating to annual use of the vehicle for commercial purposes at 54% (i.e. the annual use for commercial purposes is within 10% of annual commercial use for the base year — this is not less than 39%, nor more than 59%).

Although only records and supporting documents need to be kept for a period of six years from the end of the financial year to which they relate, the register for the 12-month period must be kept for a period of six years following the end of the financial year for which it was used in order to establish the use of the vehicle for purposes commercial.

Quick method for calculating the amounts of GST and QST to be remitted

The quick method is a simplified accounting method that was developed to help you calculate the amounts of GST and QST that you must remit to us.

Who can use the quick method?

The quick method can be used by small businesses. However, the total annual taxable sales made worldwide, during four consecutive fiscal quarters included in the five most recent fiscal quarters, must not exceed

\$400,000 (including GST and HST), under the GST regime;

\$418,952 (QST included), under the QST regime.

In addition, this total includes tax-free sales and sales made by their partners. The annual total must exclude exempt sales, supplies of financial services, sales of real estate or fixed assets, and the sale of goodwill.

Estimation tool

To estimate the amount of taxes you will not have to remit if you use the quick method, use the Quick Accounting Method – Tool for estimating the reduction in taxes to remit on the Revenu Québec website.

Exclusions

Some businesses cannot use the quick method to calculate the amounts of GST and QST to be remitted. These include:

- designated financial institutions;
- charities;
- eligible non-profit organizations;
- specific public service bodies;
- companies that provide legal, accounting or actuarial services as part of their activities;
- companies that provide financial or tax consulting services;
- businesses that do bookkeeping or prepare tax returns as part of their business activities.

With the quick method, you collect GST and QST in the usual way. However, you do not have to claim input tax credits (ITCs) or input tax refunds (ITRs) for your current operating expenses and purchases related to your business activities. The rates used by this method take this into account.

To determine the partial amount of GST to remit, you simply need to multiply the total of your taxable sales (including GST) made in Canada by the applicable rate (either 1.8% or 3.6%, depending on your situation). Similarly, to determine the partial amount of QST to remit, you must multiply the total of your taxable sales (including QST) made in Quebec by the applicable rate (either 3.4% or 6.6%, depending on your situation).

Subsequently, if you are entitled to it, you must calculate the 1% credit on the eligible portion of your taxable supplies and deduct it from the partial amounts of taxes to be remitted.

Rate to use according to your situation

Visit the Applicable Rates page to determine which rate you should use and to learn more about the 1% credit.

Details

You must provide us with the amounts calculated in this way for each reporting period.

Please note that you should not include, among others, the following transactions in your sales total:

- tax-free sales;
- sales of buildings and fixed assets;
- sales made to First Nations or to a provincial government that does not pay GST or QST.

You can use the quick method if GST and QST are included in your sales prices or if you enter them separately. You must still keep the documents relating to sales and purchases made.

If you make taxable sales in participating provinces, the rates may vary depending on where your business is located, the province where you made those sales, and the nature of your sales. They may also vary depending on whether you charged GST or HST on your taxable sales (excluding zero-rated sales). For more information, see the guide The Quick Method of Accounting for GST/HST (RC4058 This link will open a new tab), available on the Government of Canada website.

You cannot claim ITCs or ITRs for most of your business expenses, such as heating, housing, and telephone costs. However, you can claim ITCs and ITRs for land and property that qualifies for a capital cost allowance when calculating income tax, such as a building, vehicle, or office furniture. These ITCs and ITRs can be claimed on your GST and QST returns for the period in which the purchases were made.

Important

The portion of taxes collected not remitted as a result of using the quick method must be included in the calculation of your income for income tax purposes.

<https://www.revenuquebec.ca/en/businesses/consumption-taxes/gsthst-and-qst/reporting-gsthst-and-qst/the-quick-method-of-accounting-for-calculating-gst-and-qst-remittances/>