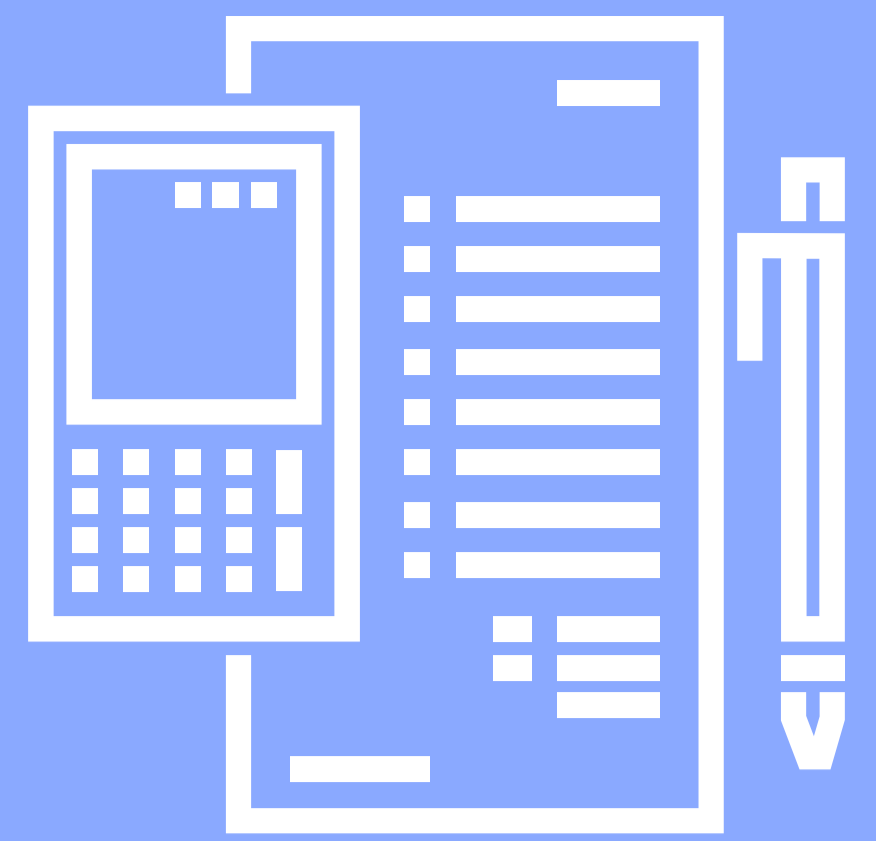


Rental Income Tax For Canada - 101*



*For educational purposes only, always consult an Accountant and/or Tax Specialist for advice specific your tax return needs.

1 WHAT IT APPLIES TO:

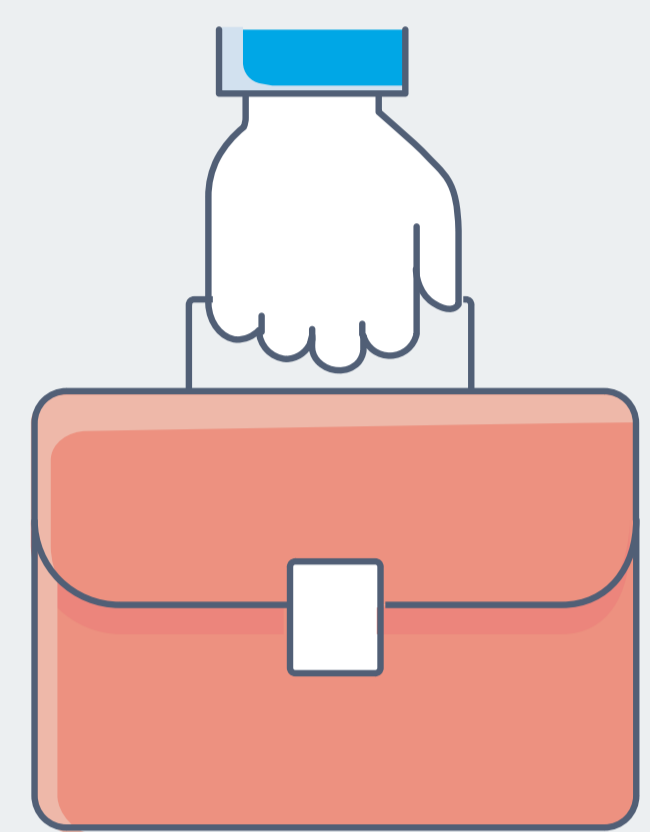
Rental income is income you earn from renting property that you own or have use of. You can own the property by yourself or with someone else. Rental income includes income from renting: ¹

-  Houses
-  Apartments
-  Rooms
-  Space in an office building
-  Other real or movable property

2

WHO THIS INFOGRAPHIC APPLIES TO:

Sole proprietor



3

RENTAL INCOME VS BUSINESS INCOME

- Renting space & basic services only
- Heat
- Light
- Parking
- Laundry

Providing additional services beyond the basics, generally the more services = Business Income.

Examples:

- Cleaning
- Meals
- Security



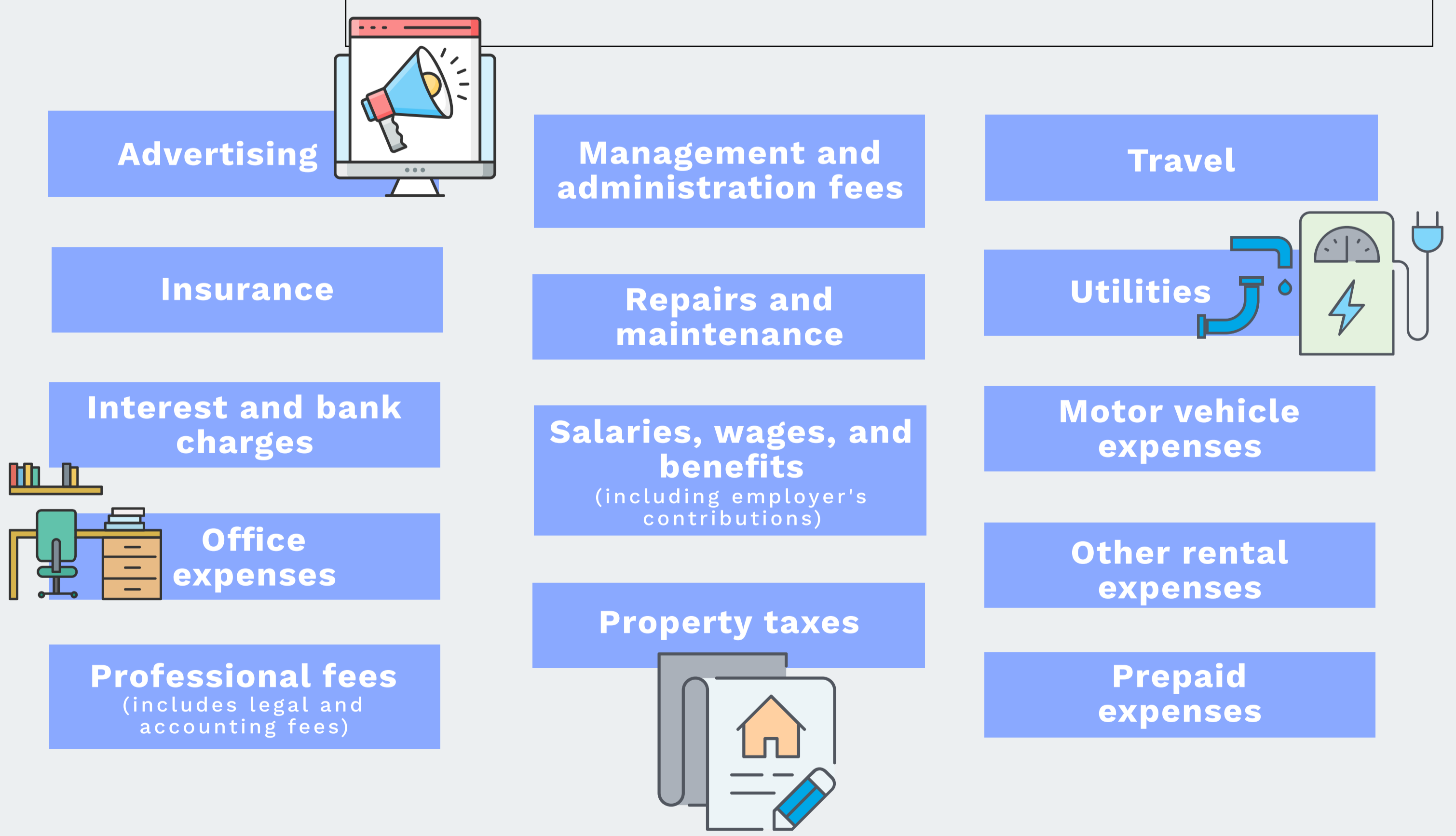
*If you have business income, stop and refer to CRA's T4002 Guide.

4 WHAT IS A T776 AND IS IT MANDATORY?

4

5 DEDUCTIBLE EXPENSES:

A T776 is Statement of Real Estate Rentals even though CRA accept other types of financial statements, they encourage you to use Form T776" On your statement of income and expenses, report the rental income you earned in the calendar year (from January 1 to December 31 ¹



Keep your books current while still in the same calendar year! Depending on how much taxable income you have generated, it maybe advantageous to take on a large expense repair to offset and reduce your taxable income.

PRO-TIP!

6

7

TO LEARN MORE, CONSULT THE CANADA REVENUE AGENCY'S T4036 RENTAL INCOME GUIDE.



¹- Credit and source Canada Revenue Agency.