



Trudy Belanco

Question**How Do I Make the Most of my Tax Deductions?****Answer**


According to Canada Revenue Agency, you can deduct “any reasonable current expense you paid or will have to pay to earn business income”. Reasonable expenses can include (among other things):

- Business banking costs, including account fees, credit card fees, insurance premiums, interest etc.
- Business taxes, fees, licenses, dues, memberships, and subscriptions
- Business-use-of-home expenses
- Computer and other equipment leasing costs
- Travel expenses
- Delivery, freight, and express
- Fuel costs
- Leasing costs
- Legal, accounting, and other fees
- Maintenance and repairs
- Management and administration fees
- Meals and entertainment
- Motor vehicle expenses (automobile)
- Salaries, wages, and benefits
- Office expenses, including supplies, telephone and utilities
- Other expenses, including property taxes, rent, and more

As well, you can deduct any GST you incur on these expenses less the amount of any input tax credit claimed. Please note however, you cannot deduct personal expenses, so it is important to keep your business expenses separate from your personal expenses.

You will need receipts

Always remember that any time you plan to use a business expense as a tax deduction, you have to document the purchase by retaining a receipt. Train yourself to always ask for a receipt, no matter how small the purchase, and file it away. It can be a credit card receipt, a cash register slip, or any other proof of purchase. Also make a point of recording the date and purpose of each transaction right on the receipt—you don't want to be guessing at what it was for months after the fact

By taking advantage of the tax deductions available, you'll have more funds to put back into the business—and make doing what you're doing even more enjoyable. For further clarification, please refer CRA Guide T4002 or contact Canada Revenue Agency at: 1-800-959-5525. 

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