

Jacks on Tax

Your Do-It-Yourself Guide to Filing Taxes Online

Evelyn Jacks



WINNIPEG, MANITOBA, CANADA

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Sincerely,
Evelyn

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Introduction

This book is about filing a better tax return in an electronic world. You'll find value if you use a paper process, or a combo—software preparation and paper printing and filing.

Regardless of your filing preference, you file your returns annually for three key reasons: to avoid penalties by filing on time, to tap into social benefits available from government, and to set yourself and your family up for better financial results, after tax. For many Canadians, the tax return is the single most significant financial document in the year. That's because it involves a lot of money.

The *Jacks on Tax* books I have written over the years have evolved with the changes at Canada Revenue Agency (CRA), which was previously known as Revenue Canada and Canada Customs and Revenue Agency. Today, the way Canadians file their returns is remarkably different.

We now file and transmit tax returns within a wired world. Each one of us may use a different tax software program and the screens we work on may look completely different. Some of us will print our returns and drop them into a mailbox or at the local Tax Services Office. Others will avoid the paper altogether and NETFILE.

In fact, over five million people file their tax returns electronically through CRA's NETFILE service. Another 11 million have their tax pros file their returns using EFILE. Starting in 2012, EFILING is mandatory for tax preparers: if filing more than 10 returns, tax pros must use EFILE or face a penalty of \$25 per paper-filed return.

This is a great way to take better care of Mother Earth, given that there are over 26 million tax filers in Canada. But electronic filing also makes the work of CRA—collecting and

redistributing tax across many government departments and then to millions of social benefit recipients—much easier. It's more accurate and cost efficient and it's also easier for auditors to spot unusual trends and even fraudulent filing practices.

If you don't consider yourself a tax or math whiz, using tax software will make compliance with CRA easier. The software does the math and automatically calculates and recalculates the complicated federal and provincial tax calculations. It adds and subtracts when it's supposed to and figures out your refund or amount owed with instant precision. If you use NETFILE, you don't even need to put a stamp on an envelope to deliver your return to CRA anymore.

But, here's where you do come in: you need to make it your business to know that you have filed the *most correct* tax return for your situation. Don't be among those tax filers who are leaving a small fortune on the table, not because tax software isn't doing a great job, but because they aren't fully using its power to reclaim for themselves the most money possible.

That's why you need this book. It can help you better understand:

- what documents to collect;
- what tax deductions and credits you can claim to reduce your income; and
- how you can plan your financial affairs over a period of years to pay the least amount of taxes.

You'll also learn how to have a more confident working relationship with the tax department and the financial professionals you may consult to help you build your personal net worth. That's important because today, indebted governments expect you to take care of your own future. Using tax software to do "what if" scenarios will make it easier to understand your opportunities to build, grow and accumulate savings with tax-efficient investment strategies.

When I wrote my first tax book, people were interested in understanding, line by line, what number to add to their paper-filed returns. To be honest, the framework of the tax return itself not changed much; neither has the importance of understanding the tax rules behind those lines. It's just a lot easier now to connect the dots between the changes in the economy, tax law and your family's life events because we have the power and convenience of tax software to help us.

Just by reading this book, I know there's an opportunity for you to discover many things you didn't know about your money. I'm betting you'll find at least one golden nugget that saves you money time and again for many years.

So, join me in this year's tax filing journey... especially important if you plan to use tax software or work with a tax pro who does.

Yours in tax savings,
Evelyn Jacks



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