

Can I write-off my employment expenses?

By Sam Qureshi, CGA

This is the most commonly asked question during the personal tax season; we will only review three main categories of employment :

Salaried or Hourly Employees:

You can claim vehicle, travelling, parking, supplies, home office and accounting and legal expenses but your employer must issue you T2200 form stating which expenses you can deduct; accounting and legal expenses you can claim without T2200 form; You will also receive GST/HST rebate on these expenses; people who fall in this category are senior executives, sales and insurance employees etc.

Commission Employees :

a) Your contract of employment required you to pay

your own expenses.

- b) You were normally required to work away from the office.
- c) You are paid by commission based on volume of sales or results produced etc.
- d) Employer issued you a T2200 form reflecting which expenses you can claim.

You can claim almost all expenses related to earn a commission income as long as the employer defines them in T2200 form. You are either on a fixed salary plus commission or 100% commission. In addition you will also get a GST/HST rebate on these expenses. People who fall in this category are sales people, hair dressers, insurance agents etc.

Employed Trade Persons :

You can claim trade person's eligible tools but your employer must provide a T2200 form stating that you can claim the tools; tools deductions are calculated based on Government prescribed formula; you will also receive GST/HST rebate on these expenses; People who fall in this category are auto mechanics, apprentices, construction trade persons etc.

Conclusion:

Please note that artists, forestry and transportation employees can also claim employment expenses. If you are not sure about what you can claim, please ask your accountant; this service is free for our clients.

We can tune your books, jam with your taxes & let you rock your business with full harmony



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