

Taxation & Capital Gains Records

Your executor has to file your final tax return.

Your executor will need to file a final tax return covering the part of the year up to your death, and in some cases additional returns may apply. The exact returns, periods, and deadlines can be detailed, so your executor should work with an accountant to get them right.

They'll need to report all your income (salary, investment income, rental income, etc.) and claim all your deductions. Then they'll pay any tax owing or claim any refund due.

To do this, your executor needs access to your tax records, your accountant's details, and information about your capital gains tax history.

This section helps them gather what they need.

What is capital gains tax ?

When you sell certain assets for more than you paid, some of the gain can be taxable, but there are important exemptions (for example, your principal residence) and the rules change over time. How any gain would be taxed is a question for your accountant.

But calculating CAPITAL GAINS TAX can be complicated. You need to know: - When you bought the asset (the acquisition date) - What you paid for it (the adjusted cost base) - What you've spent improving it (renovation costs, transaction costs) - When you sold it (if you sold it before you died)

If you've owned investment properties, shares, or other assets for decades, your executor will need this information to calculate any CAPITAL GAINS TAX owing when the asset is sold.

What records does your executor need?

Here's what your executor will need to file your final tax return and deal with CAPITAL GAINS TAX:

Keeping several years of your past tax returns handy helps your executor see your income history, deductions, and any carried-forward losses. Your accountant can advise how many years of records are worth keeping for your situation.

Your Social Insurance Number (SIN). Already covered in Personal Information, but worth noting again.

Your accountant's details. If you use an accountant or tax preparer, include their contact details. They'll

have copies of your past returns and can help your executor.

Records of capital gains and losses. If you've sold shares, property, or other assets in the past, your executor needs to know the adjusted cost base and acquisition dates for any assets you still own.

Receipts for major expenses. If you've renovated an investment property or made capital improvements, those costs can be added to the adjusted cost base (reducing CAPITAL GAINS TAX). Keep records.

Your My CRA Account login details. Your executor will need access to your My CRA Account to file your final tax return online, check your tax debt/refund status, and access CRA records. Store your login details securely (not in this book).

WHY THIS MATTERS

If your executor can't file your final tax return, your estate can't be finalized. Before finalizing the estate, executors often obtain a clearance certificate from the CRA confirming taxes are settled, which usually requires the returns to be filed and any tax paid first. Your executor should ask the accountant whether and when to request one.

And if your executor doesn't have Capital gains records, they might overpay tax (because they can't prove what you paid for an asset) or underpay tax (and face penalties).

Give them the information they need. It'll save your estate thousands of dollars.

Your Taxation & Capital Gains Records

What your executor needs to file your final return and handle capital gains correctly.

ACCOUNTANT / TAX PREPARER

DO YOU USE AN ACCOUNTANT OR TAX PREPARER TO PREPARE YOUR TAX RETURNS?

Tick one: Yes (details below) / No (I do my own tax returns)

ACCOUNTANT NAME

If yes:

FIRM

PHONE

EMAIL

HOW LONG HAVE THEY BEEN DOING YOUR TAX RETURNS?

☐ *Your executor should contact them immediately. They'll have copies of your past returns and can file your final return.*

SOCIAL INSURANCE NUMBER (SIN)

YOUR SOCIAL INSURANCE NUMBER

(This should already be noted in the Personal Information section, but it's critical for tax purposes)

Your Taxation & Capital Gains Records (cont.)

PREVIOUS TAX RETURNS

WHERE ARE YOUR PREVIOUS TAX RETURNS STORED?

Tick one: With my accountant (they keep copies) / In My CRA Account (digital copies) / Paper copies at home (location: _____) / Digital files on computer (location: _____)

HOW MANY YEARS BACK DO YOU HAVE?

MY CRA ACCOUNT ACCESS

DO YOU HAVE A MY CRA ACCOUNT?

Tick one: Yes (details below) / No. ☐ Do NOT write your password in this book. Store it securely (password manager, safe, lawyer) and note the location here.

MY CRA ACCOUNT EMAIL/USERNAME

PASSWORD STORED AT

(e.g., "In password manager", "With lawyer", "In safe")

SERVICES LINKED TO MY CRA ACCOUNT

Tick one: CRA (Canada Revenue Agency) / Service Canada / provincial health insurance / Other

Your Taxation & Capital Gains Records (cont.)

CAPITAL GAINS TAX RECORDS

DO YOU OWN (OR HAVE YOU SOLD) ANY ASSETS THAT WOULD TRIGGER CAPITAL GAINS TAX?

Tick one: Yes (details below) / No / Unsure (ask accountant)

IF YES, WHICH ASSETS?

Tick one: Investment property (details in Property section) / Shares or mutual funds (details in Investments section) / Business assets (details in Business section) / Cryptocurrency (details in Investments section) / Other

INVESTMENT PROPERTY CAPITAL GAINS RECORDS (IF APPLICABLE) - PROPERTY 1

ADDRESS

For each investment property you own, your executor needs:

PURCHASE DATE

PURCHASE PRICE

\$ prefix

PURCHASE COSTS

\$ prefix. (Land Transfer Tax, legal fees, lawyer fees)

Your Taxation & Capital Gains Records (cont.)

RENOVATION/IMPROVEMENT COSTS

\$ prefix. (Major renovations, extensions, capital improvements - NOT repairs)

WHERE ARE THESE RECORDS STORED?

INVESTMENT PROPERTY CAPITAL GAINS RECORDS (IF APPLICABLE) - PROPERTY 2

ADDRESS

PURCHASE DATE

PURCHASE PRICE

\$ prefix

PURCHASE COSTS

\$ prefix. (Land Transfer Tax, legal fees, lawyer fees)

RENOVATION/IMPROVEMENT COSTS

\$ prefix. (Major renovations, extensions, capital improvements - NOT repairs)

WHERE ARE THESE RECORDS STORED?

Your Taxation & Capital Gains Records (cont.)

SHARE PORTFOLIO CAPITAL GAINS RECORDS (IF APPLICABLE)

DO YOU HAVE RECORDS OF WHEN YOU BOUGHT SHARES AND WHAT YOU PAID FOR THEM?

Tick one: Yes (location: _____) / No (broker should have records) / Unsure

YOUR SHARE BROKER/PLATFORM

(e.g., Questrade, Wealthsimple, TD Direct Investing, RBC Direct Investing)

NOTES

Your Taxation & Capital Gains Records (cont.)

CAPITAL LOSSES CARRIED FORWARD

DO YOU HAVE ANY CAPITAL LOSSES FROM PREVIOUS YEARS THAT CAN OFFSET FUTURE CAPITAL GAINS?

Tick one: Yes (amount: \$____) / No / Unsure (accountant will know). ☐ Capital losses can reduce CAPITAL GAINS TAX. Your accountant will have this on file.

OUTSTANDING TAX DEBTS OR REFUNDS

AS OF TODAY, DO YOU

Tick one: Owe money to the CRA (amount: \$____) / Expect a tax refund (amount: \$____) / Neither (tax is up to date)

IF YOU OWE MONEY, IS THERE A PAYMENT PLAN IN PLACE?

Tick one: Yes (details: _____) / No

BUSINESS TAX RECORDS (IF YOU OWN A BUSINESS)

WHERE ARE YOUR BUSINESS TAX RECORDS STORED?

GST/HST RECORDS

PAYROLL SOURCE DEDUCTION RECORDS (CPP, EI, INCOME TAX) (IF APPLICABLE)

Your Taxation & Capital Gains Records (cont.)

BUSINESS TAX RECORDS (IF YOU OWN A BUSINESS) - YOUR BUSINESS ACCOUNTANT (IF DIFFERENT)

NAME

PHONE

RETIREMENT SAVINGS TAX RECORDS

RETIREMENT SAVINGS TAX RECORDS

informational text only (no write-in fields): 'When you die, the balance of registered accounts like an RRSP or RRIF is often treated as income on your final return, though there are exceptions (such as transfers to a spouse or common-law partner, and certain dependants). Because this can create a meaningful tax bill and the rules change, your executor should confirm the calculation with the provider and an accountant. Your executor doesn't need to calculate this (your retirement plan does), but they should know to check with the fund about tax implications.'

YOUR GUIDANCE FOR YOUR EXECUTOR

Use this space to leave any specific tax-related instructions or information: