



## Simplified or Quick (T2125, HST)

This worksheet supports the integrated completion of the T2125 - Statement of Business or Professional Activities, and GST-HST return using the Simplified or Quick methods.

Your client's situation:

- Tax year ended Dec 31, 2016
- GST-HST method Simplified method
- HST rate 13%
- Income and general expenses
  - Professional income 113,000
  - Advertising 4,520
  - Meals and entertainment 1,808
  - Fees and dues 1,000 (no sales taxes)
  - Interest 80 + 130 + 220 USD + 370
  - Travel 2,200 (GST @ 5%, PST @ 7%)
- Automobile expenses
  - Fuel and oil 2,825
  - Insurance 1,200
  - Parking 904
  - Business use, and maintenance receipts "about 70%" (total km unknown)
    - Mar 12, 2016 12,000 km
    - Nov 18, 2016 22,000 km
- Home office expenses
  - Electricity 3,390
  - Insurance 800
  - Business use 600 / 4,000
- Other information
  - Computer purchase 2,486
  - CCA per T2125 4,200 (including assets carried forward)
  - Business portion of CCA 2,000 (HST @ 13%)
  - Home office carry forward 500

Calculate the amounts to be reported on your client's T2125 and GST-HST return.

Mr. A  
 T2125 Worksheet  
 Tax year ended December 31, 2016

∞ - YouTube example  
 ∞ - PDF example  
 ∞ - Worksheet support  
 ∞ - **Completion guide**  
 Updated January 2017

Prepared	Andrew	Jan 29, 2017
Reviewed		
Approved		

∞ - Top  
 ∞ - Motor vehicle expenses  
 ∞ - Home office, capital assets

Dec 31, 2016	Ontario	No Sales Taxes	British Columbia	Column 4	Column 5	Tabulations	T2125 total	GST / HST	∞
GST / HST rate	13.00%	-	5.00%	13.00%	13.00%	13.00%		Calculation method	
PST rate	-	-	7.00%	-	-	-		Simplified method	

Notes and calcs	

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2016 income and sales expenses - include sales taxes

Mr. A	Ontario	No Sales Taxes	British Columbia	Column 4	Column 5	Tabulations	T2125 total	GST / HST	∞
Income - GST / HST taxable	113,000.00					∞ -	100,000.00	T	13,000.00
Income - GST / HST exempt							-		
Other income						∞ -	-	T	-
Other deductions						∞ -	-	T	-
Inclusion from quick method	-	-					-		
GST / HST collected on capital assets									- ∞
<b>Gross income</b>						<b>8299 / 8519</b>	<b>100,000.00</b>		<b>13,000.00</b>
Advertising	4,520.00					∞ -	4,000.00	T	520.00
Meals and entertainment - gross	1,808.00					∞ -	1,600.00	T	104.00
Bad debts		1,000.00					1,000.00	T	-
Insurance						∞ -	-	-	-
Interest						∞ 844.96	844.96	-	-
Business fees, licences, etc.						∞ -	-	T	-
Office expenses						∞ -	-	T	-
Supplies						∞ -	-	T	-
Professional fees							-	T	-
Management and administration							-	T	-
Rent						∞ -	-	T	-
Maintenance and repairs						∞ -	-	T	-
Salaries, wages, and benefits						∞ -	-	-	-
Property taxes							-	-	-
Travel			2,200.00			∞ -	2,101.79	T	98.21
Telephone and utilities						∞ -	-	T	-
Fuel costs - not for motor vehicles							-	T	-
Delivery, freight, and express						∞ -	-	T	-
<b>Motor vehicle expenses</b>						<b>9281</b>	<b>3,390.00</b>	∞	<b>331.50</b>
CCA / ECP claimed on T2125						<b>9935 + 9936</b>	<b>4,200.00</b>		<b>161.06</b>
ITCs from capital assets									<b>286.00</b>
Private health plan premiums							-	-	-
Other expenses - with tabulations						∞ -	-	-	-
Other expenses - with tabulations						∞ -	-	-	-
Other expenses							-	-	-
Other expenses							-	-	-
Other expenses							-	-	-
Other expenses							-	-	-
Other expenses							-	-	-
Other expenses							-	-	-
<b>Net income (loss) before adjustments</b>						<b>9369</b>	<b>83,663.25</b>		
Home office carry forward							500.00		
Business use of home						<b>9945</b>	<b>570.00</b>	∞	<b>58.50</b>
<b>Net income (loss)</b>						<b>9946</b>	<b>82,593.25</b>		<b>1,559.28</b>

Mr. A  
 T2125 Worksheet  
 Tax year ended December 31, 2016

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2016 motor vehicle expenses - Vehicle 1 - include sales taxes

Vehicle 1	Ontario	No Sales Taxes	British Columbia	Column 4	Column 5	Tabulations	T2125 total	GST / HST	∞
Fuel and oil	2,825.00					∞ -	2,500.00	T	325.00
Interest							-	-	-
Insurance	1,200.00						1,200.00	-	-
Licensing and registration							-	-	-
Maintenance and repairs						∞ -	-	T	-
Leasing							-	T	-
Other expenses - with tabulations						∞ -	-	-	-
Other expenses							-	-	-
Business use	Business kilometres		10,167	Total kilometres		14,524	70.00%		70.00%
Parking	904.00					∞ -	800.00	T	104.00
Other expenses							-	-	-
Total							3,390.00		331.50

Mileage reasonability - maintenance records		Mileage reasonability - fuel expense	
Earliest date	Mar 12, 2016	Region	
Odometer	12,000	Fuel type	
Latest date	Nov 18, 2016	Average cost per litre of fuel	-
Odometer	22,000		
km / day	40	Fuel cost	-
Days	366	Litres of fuel	-
Total km	14,524	Litres / 100 km	∞
		Total km	-

Notes and calcs	

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2016 motor vehicle expenses - Vehicle 2 - include sales taxes

Vehicle 2	Ontario	No Sales Taxes	British Columbia	Column 4	Column 5	Tabulations	T2125 total	GST / HST	∞
Fuel and oil							-	T	-
Interest							-	-	-
Insurance							-	-	-
Licensing and registration							-	-	-
Maintenance and repairs							-	T	-
Leasing							-	T	-
Other expenses							-	-	-
Other expenses							-	-	-
Business use	Business kilometres			Total kilometres			-		-
Parking							-	T	-
Other expenses							-	-	-
Total							-		-

Mileage reasonability - maintenance records		Mileage reasonability - fuel expense	
Earliest date		Region	
Odometer		Fuel type	
Latest date		Average cost per litre of fuel	-
Odometer			
km / day	-	Fuel cost	-
Days	-	Litres of fuel	-
Total km	-	Litres / 100 km	∞
		Total km	-

Notes and calcs	

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∞ - Home office, capital assets

2016 business use of home expenses - include sales taxes

Home office	Ontario	No Sales Taxes	British Columbia	Column 4	Column 5	Tabulations	T2125 total	GST / HST	∞
Heat						∞ -	-	T	-
Electricity	3,390.00					∞ -	3,000.00	T	390.00
Insurance	800.00						800.00	-	-
Maintenance						∞ -	-	T	-
Mortgage interest							-	-	-
Property taxes							-	-	-
Other expenses - with tabulations						∞ -	-	-	-
Business use	Business area		600	Total area		4,000	15.00%	15.00%	
Total							570.00	58.50	

2016 capital assets - include sales taxes

Asset	Notes and calcs	Class	Acquisition (disposition) value	Business use	Sales tax period or region	T2125 total	GST / HST	∞
Furniture and fixtures		8		100.00%	Ontario	-	T	-
Office equipment		8		100.00%	Ontario	-	T	-
Small tools		12		100.00%	Ontario	-	T	-
Machinery		43		100.00%	Ontario	-	T	-
Network equipment		46		100.00%	Ontario	-	T	-
Computer equipment		50	2,486.00	100.00%	Ontario	2,200.00	T	286.00

2016 allowable motor vehicle ITCs based on CCA

Asset	Notes and calcs	Class	Business use	Applicable HST or GST rate	Business portion of CCA from T2125	GST / HST	∞
Vehicle 1		10	70.00%	∞ 13.00%	2,000.00	T	161.06
Vehicle 2			-	∞		-	-

Mr. A  
 GST-HST Return  
 Tax year ended December 31, 2016

Prepared	Andrew	Jan 29, 2017
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- ∞ - Reconciliation
- ∞ - Quick method rates
- ∞ - GST / HST return

T2125 reconciliation		
Income - GST / HST taxable	-	100,000.00 ∞
Income - GST / HST exempt	-	- ∞
Other income	-	- ∞
(Other deductions)	-	- ∞
Inclusion from quick method	-	- ∞
Adjusted gross income	8299 / 8519	100,000.00 ∞
(Sales expenses)	8521 - 9275	(8,746.75) ∞
(Motor vehicle expenses)	9281	(3,390.00) ∞
(CCA / ECP claimed on T2125)	9935 - 9936	(4,200.00) ∞
Net income (loss) before adjustments	9369	83,663.25 ∞
Home office carry forward	-	(500.00) ∞
(Business use of home expenses)	9945	(570.00) ∞
Net income (loss)	9946	82,593.25 ∞

Quick method calculations

∞ - RC4058 - Quick Method of Accounting for GST / HST

GST / HST on sales	Sales	Rate	Amount
Sales during 2016 - Ontario	- ∞	-	-
Sales during 2016 - No Sales Taxes	- ∞	-	-
Sales during 2016 - British Columbia	- ∞	-	-
Sales during 2016 - Column 4	- ∞	-	-
Sales during 2016 - Column 5	- ∞	-	-
Sales during 2016 - Tabulations	- ∞	-	-
Total	-		-

Credit on eligible supplies	Sales	Rate	Amount
Sales during 2016	-	-	-

Credit on 0% remittance rate	Sales	Rate	Amount
Sales during 2016 - Ontario	- ∞	-	-
Sales during 2016 - No Sales Taxes	- ∞	-	-
Sales during 2016 - British Columbia	- ∞	-	-
Sales during 2016 - Column 4	- ∞	-	-
Sales during 2016 - Column 5	- ∞	-	-
Sales during 2016 - Tabulations	- ∞	-	-
Total	-		-

Notes

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 GST-HST Return  
 Tax year ended December 31, 2016

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- ∞ - Reconciliation
- ∞ - Quick method rates
- ∞ - GST / HST return

2016 Goods and Services Tax / Harmonized Sales Tax - GST / HST - Return					
Business number	Name	From	To	Calculation used	
00000 0000 RT0001	Mr. A	Jan 1, 2016	Dec 31, 2016	Simplified method	∞
<b>Sales and other revenue</b>					
Taxable sales, including zero-rated supplies, made in Canada				100,000.00	
Exempt supplies, zero-rated exports, and other sales and revenue				-	
Adjustments					
Sales and other revenue			101	100,000.00	
Associate's taxable sales, including zero-rated supplies, made in Canada			102		
<b>Net tax calculation</b>					
GST / HST amounts collected or collectible				13,000.00	
Adjustments					
Total GST / HST and adjustments for period			105	13,000.00	
Input tax credits - ITCs				1,559.28	
Adjustments				-	
Other adjustments					
Total ITCs and adjustments			108	1,559.28	
Net tax			109	11,440.72	
<b>Other credits</b>					
Instalment and other annual filer payments			110	-	
GST / HST rebates			111		
Total other credits				-	
Net tax after total other credits				11,440.72	
<b>Other debits</b>					
GST / HST due on acquisition of taxable real property			205		
Other GST / HST to be self-assessed			405		
Total other debits				-	
Net tax after total other credits and debits				11,440.72	
<b>Final balance</b>					
Refund claimed			114	-	



∞ - Top

2016 income and sales expenses - include sales taxes														
Income - GST / HST taxable	Other income	Other deductions	Advertising	Meals and entertainment - gross	Insurance	Interest	Business fees, licences, etc.	Office expenses	Supplies	Rent	Maintenance and repairs	Salaries, wages, and benefits		
- ∞	- ∞	- ∞	- ∞	- ∞	- ∞	844.96 ∞	- ∞	- ∞	- ∞	- ∞	- ∞	- ∞	- ∞	- ∞
Jan 1						80.00								
Jan 2						130.00								
Jan 3						264.96								
Jan 4						370.00								
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2016 annual forex rates											
USD	1.324806	CNY	0.199511	ILS	0.344997	MXN	0.071102	RUB	0.019843	SEK	0.154984
AUD	0.985240	EUR	(1.466034)	INR	0.019720	NZD	0.923324	ZAR	0.090367	CHF	1.344960
BRL	0.381715	HKD	0.170665	JPY	0.012210	NOK	0.157784	KRW	0.001142	GBP	1.796212

∞ - Top

2016 income and sales expenses - include sales taxes					Vehicle 1				Home office			
Travel	Telephone and utilities	Delivery, freight, and express	Other expenses - with tabulations	Other expenses - with tabulations	Fuel and oil	Maintenance and repairs	Other expenses - with tabulations	Parking	Heat	Electricity	Maintenance	Other expenses - with tabulations
- ∞	- ∞	- ∞	- ∞	- ∞	- ∞	- ∞	- ∞	- ∞	- ∞	- ∞	- ∞	- ∞

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