

The Edmonton Arts Council (EAC) is required by Canada Revenue Agency (CRA) to issue T4 slips to individuals who receive funds in excess of \$500 per calendar year. You will need to report this income when you file your personal taxes.

If you wish to claim income related expenses, the T4A is best reported on a statement of Business Income and Expenses (T2125).

For Recipients of Grants, the expenses that are deductible are those that were incurred in the taxation year for the purpose of “fulfilling the grant conditions.” CRA states that your expenses cannot exceed the amount of the grant if this is the only business income reported on the T2125 in the year.

For Recipients of Artist Contracts and Casual Labour performed while working directly or indirectly with the EAC, you can still claim expenses that pertain to your earned income.

Please note that when determining your expenses, you cannot claim:

- Personal living expenses.
- Expenses for which you can be reimbursed.

If you are using tax software to prepare your return, the amount reported on your T4A slip in box 48 will automatically populate on the T2125 form (Statement of Business Income and Expenses).

The EAC recommends seeking professional accounting assistance if you have concerns about reporting your T4A income.

*References:*

*CRA website: [www.cra.gc.ca](http://www.cra.gc.ca) Business and Professional Income Guide T4002*

*Tax Software: Studio Tax is free on-line software that is CRA certified.*

*Reference Material: Income Tax Folio S1-F2-C3 (3.98 and 3.99) – CRA website*