



## TAX PREP FOR TRUCK DRIVERS IN CANADA: WHAT YOU NEED TO KNOW

Whether you're self-employed or a company driver, tax season is an important time to get your finances in order. Here's a streamlined guide to help you maximize deductions and meet deadlines without stress.

### 1. Stay Organized: The Basics for All Drivers

**Track Everything:** Save receipts for meals, lodging, and other work-related expenses.

**Use a Logbook:** Document trips and expenses accurately for easy reporting.

**Plan Ahead:** Keep tax deadlines on your calendar to avoid last-minute stress.

### 2. Deductions: What You Can Claim

#### For Self-Employed Drivers:

You're running a business, which means more deductions, including:

**Fuel and Maintenance:** Keep receipts for fuel, repairs, and upkeep.

**Meals and Lodging:** Deduct up to 50% of meal costs and expenses for overnight stays required by your routes.

**Licensing and Permits:** Commercial licenses, permits, and training costs.

**Home Office:** If you manage operations from home, deduct a portion of utilities, rent, or mortgage.

#### For Company Drivers (with a T2200 Form):

Your employer must issue a T2200 to claim work-related expenses. Eligible deductions include:

**Meals and Lodging:** Meal expenses (50%) and overnight accommodations for long-haul trips.

**Tools and Supplies:** Any gear or equipment required for your job.

**Union Dues:** Fully deductible if applicable.

**Cell Phone:** A portion of your bill if used for work purposes.

### 3. GST/HST Rules: Do They Apply to You?

#### Self-Employed Drivers:

Register for GST/HST if your annual income exceeds \$30,000.

File GST/HST returns on time to avoid penalties.

#### Company Drivers:

GST/HST requirements do not apply to employees.

### 4. Deadlines to Remember

**April 30:** Tax filing and payment deadline for most Canadians.

**June 15:** Self-employed individuals have until this date to file (but payments are still due by April 30).

### 5. Cash Flow for Self-Employed Drivers

Waiting for client payments can disrupt your financial planning during tax season. Invoice financing helps you access the funds you need now, ensuring you can pay taxes and reinvest in your business.

#### Make Tax Season Easier

Whether you're self-employed or employed by a company, planning ahead and taking advantage of deductions can save you money. Need help managing cash flow or covering tax payments? We're here to help. **Contact us today!**

## How to Get Customers Who Pay on Time

*“Money is only a tool. It will take you wherever you wish, but it will not replace you as the driver.”-- Ayn Rand*

Before banks extend credit, they conduct a thorough due diligence process to ensure the applicant can repay the debt. Similarly, when you sell on credit and offer 30, 60, or 90-day payment terms, you are effectively providing a loan as part of the trade finance industry. Assessing creditworthiness is just as crucial in this sector, yet it is not always a common practice. Consequently, many companies often face bad debts and losses on their invoice receivables.

In this month's edition of InfoPays, we offer several strategies to help minimize losses when selling on credit:

### 1. Check trade references.

When extending credit to customers, it is important to check the customer's trade references. This helps assess the customer's ability and willingness to pay and can help you make an informed decision. Checking references is a simple process that takes only a few minutes, but it can save you time and money in the long run.

Reach out to both current and past trade references to gain a comprehensive understanding of the customer's payment history. Inquire about the duration of their business relationship and their payment habits.

Additionally, ask if there have been any overdue payments. This information can provide valuable insights into the customer's reliability and promptness in meeting payment obligations.

### 2. Research the company.

Before offering credit, take the time to research each customer's credit history thoroughly. This step will help determine if the customer is a reliable borrower and capable of repaying the loan. Conducting this research allows businesses to decide the appropriate amount of credit to extend and to set suitable repayment terms.

### 3. Access credit agencies' data.

Consider obtaining a credit report from agencies such as Dun & Bradstreet, Equifax, or TransUnion. These reports offer a detailed overview of a customer's credit history, including their payment history and any relevant public records. Accessing this information provides a more robust assessment of the customer's financial standing, helping you make better-informed credit decisions.

*Our current clients can access the IPS Payment Index (PI) free of charge. Through dealing with thousands of companies across North America, the IPS PI provides the average Days Sales Outstanding (DSO), or the average number of days a company takes to pay its receivables. We encourage anyone seeking to extend credit to a new customer to check with us for information from our growing database as this can offer some information about a company's credit standing. A PI of 120 days will at the very least give you an alert, whereas a PI of 36 days will provide you with the much-needed reassurance to go ahead with the opportunity.*

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