

A rental-expense checklist for a Canadian T1 return needs to align with the way the CRA reviews rental statements (T776), focusing on documentation, eligibility, and the split between current expenses and capital items. This version is structured so you can use it as a working tool when gathering documents for your return.

Rental Property Details

- Address of each rental property
- Ownership percentage (if shared)
- Type of rental (long-term, short-term, mixed-use)
- Dates the property was available for rent
- Number of days rented vs. personal use
- Lease agreements or rental platform summaries

Rental Income Records

- Rent received (monthly or platform statements)
- Security deposits kept as income
- Parking or storage fees
- Laundry or service income
- Airbnb/VRBO statements (including cleaning fees charged to guests)
- GST/HST collected (if applicable for short-term rentals)

Operating Expenses (Current Expenses)

These are typically deductible in the year paid.

- Advertising (online listings, signage)
- Insurance (rental property insurance)
- Interest on mortgage
- Property taxes
- Utilities (heat, electricity, water)
- Condo fees or HOA fees
- Repairs and maintenance (receipts required)
- Cleaning and janitorial services
- Snow removal and lawn care
- Pest control
- Property management fees

- Bank charges and accounting fees
- Office supplies related to rental operations
- Telephone/internet portion used for managing rentals

Capital Expenses (Capital Additions)

These must be depreciated (CCA) rather than deducted fully.

- Major renovations (kitchens, bathrooms, additions)
- Roof replacement
- Furnace, AC, or major system upgrades
- Appliances (stove, fridge, washer/dryer)
- Flooring replacement
- Windows and doors
- Structural repairs
- Invoices showing cost, date, and description

Vehicle Expenses (If Used for Rental Activities)

- Mileage log (start/end odometer for the year)
- Fuel receipts
- Insurance
- Repairs and maintenance
- Parking and tolls
- Business-use percentage calculation

Required Forms & Supporting Items

- T776 – Statement of Real Estate Rentals
- Mortgage statements showing interest portion
- Purchase and sale documents (if property sold)
- Legal fees (purchase, sale, or lease drafting)
- CCA schedules from prior years
- T1135 if foreign property > \$100,000
- Prior Notice of Assessment (carry-forwards)

Special Situations to Document

- Mixed-use property (personal + rental) — square footage breakdown

- Short-term rental compliance (municipal licensing, HST rules)
- Periods of vacancy and advertising proof
- Change in use (e.g., moved into rental property)
- Co-ownership agreements

✓ Final Checks Before Filing

- Reconcile rent received with bank deposits
- Confirm all receipts are legible and stored for six years
- Separate current vs. capital expenses
- Review CCA claim strategy (claim vs. defer)
- Ensure income and expenses are reported per property