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## Our Readers Respond

Thanks to PTC Canada for all your help and prompt service. I have recommended you to all my present and future clients looking for a tax specialist, because, Neel, you are somebody who works in the client's best interests!



B.J. Morgan  
Exercise and Lifestyle Coach  
Cochrane, Alberta  
[www.bodyconnect.ca](http://www.bodyconnect.ca)

Check out our [Media Room](#). We make press now and then! Ever wondered what folks say about us? Check out our [testimonials page!](#)

As usual, we [welcome your comments](#) on the **Tax Tipper!**

## Christmas Message

Dear Clients and Friends,

It seems the year has just flown by and before you know it, 2013 will officially be here. I can honestly say I feel good about my Christmas preparations—my shopping is done and ready to be packed in my suitcase for Toronto with the family. As I look out the window over my farm, I see that the fields are blanketed with snow and my pond is frozen. You don't need any more proof that winter is here for a while, even though the solstice is still a few days away. What I like about the short days is the increased time to check out the night sky. I'm an amateur astronomer, and it's breathtaking to be able to scan the heavens on a clear night while sipping a warm beverage on the deck.

Whatever your pastimes for the holidays, be sure to take time not only with family and friends but also for yourself. It seems almost abnormal to be able to sit back and relax by yourself even for a few hours, but Christmas can give us the opportunity to do so. When I started PTC Canada in 1998, I realized immediately that my clients' time was becoming scarce while the tax laws were getting increasingly cumbersome. This is the reason I set up the [PTC website](#) so that people could get [going right away](#). Considering that clients can do just about everything now without even so much as a phone call, service has come a long way in the past 14 years.

Many other tax firms have tried to duplicate this type of service in recent years, and some have been successful. Yet the reason many fail is that they miss the

most important element that must go along with the business—*trust*. When Benjamin Franklin was asked about the most important ingredient in commerce, he said, "We do business with those we like and feel comfortable with." I could not have put it better myself.

After all, can you think of a better credential than this? I meet many people in crisis situations, and often they have to make a decision quickly about who to use to help sort out their affairs. One of the advantages of our website is that it is *research friendly*. You are not bombarded with intimidating scare tactics to pressure you into handing over your hard-earned dollars while you don't have a clue what you're getting into. Not only would that be inhumane but you would be thoroughly turned off. I've always had a simple yet practical view when it comes to solving problems, and after handling thousands of cases with much success, I can honestly say that it works—very well!

With the New Year getting closer by the day, I ask you again to help out where you can this holiday season. Many charitable institutions continue to struggle to keep up with helping those in need, and everything you do makes a difference. In our small town of 2,000, a significant minority depend on our community's goodwill as a matter of life and death. Cold winters can be especially trying, and I am delighted that many of my clients, friends and family give heartily. Did you know that Canadians

are considered among the most generous people in the world? Having lived in Canada all my life, I'm proud of that. Apart from receiving a tax deduction, you can feel that someone in need has benefited. Check out Mark Victor Hansen's book *The Miracle of Tithing*. I recommend it at this time of year because it is very well written on the "non-economic" areas of giving. I have been tithing for years, and I can't tell you how many times it has faithfully rewarded me. Thank you in advance for doing this. Before closing, let me share a story I passed on to my clients many years ago to help them answer the question, "Why do some people do what they do?"

### Don't Underestimate Those Younger Ones

Two young boys were spending the Christmas holidays with their grandparents. At bedtime on Christmas Eve, as the two boys knelt beside their beds to say their prayers, the younger one began praying at the top of his lungs.

"I pray for a new bicycle ... I pray for a new bicycle ... I pray for a new bicycle ..."

His older brother leaned over and nudged him, asking, "Why are you shouting your prayers? God isn't deaf." To which the little brother replied, "I know, but Gramma is!"

Merry Christmas, Happy New Year, and enjoy the last **Tax Tipper** of the year!



Neel Roberts  
President and Founder

## What's Happening

### Clients Already Booking 2013 Appointments

Clients are taking advantage of the space available for the 2013 tax season without the worry of being left behind. There's generally no cost and we can flex you within reason. Are you all ready to file your 2012 return? We have been ready to roll for a few months, thanks to the help of our speedy software developers. Simply contact me with all your information and you may have your refund in January. Unfortunately, E-File does not start until Monday, February 11, 2013, so all early returns will be paper-filed with the usual 4 to 6 weeks turnaround. There is still a slight advantage, especially if you're expecting a large refund!



### CRA Has Training and Update Videos for You

If you prefer to stay updated in the tax world by watching videos, good news is here. CRA now has a growing [video gallery](#) that will keep you posted on recent changes or can be used for training. The following tax-information videos are available on the CRA website:



- Starting Your Business
- Keeping Records
- Reporting Business Income and Expenses
- Payroll Information for a New Small Business

Videos are uploaded regularly, and you can subscribe to them on the [CRA YouTube page](#). For further information, check out the [update bulletin](#) or call the business line at 1-800-959-5525.

### Are You "Tax Preparation Volunteer" Material?

Have you ever considered a profession preparing taxes but you lack the experience? The [Tax Volunteer Program](#) is an excellent way to get started, as the qualifications are minimal. If you want to pursue a career in the tax industry, this experience can be very helpful. Many professionals actually started here before going into practice full-time. I even heard a rumour that they have a free meal at the end of the season but you have to bring your own ketchup. Don't let that discourage you. For further information, contact the general enquiries line at 1-800-959-8281 or drop by your [local tax centre!](#)



### Accountants #1 on New Entrepreneurs "To Do" List



In the fall edition of Roger's [Connected for Business](#), experts Stacy Parker of the HR firm Randstad Canada and Shane Lawrence of TD Canada Trust, in an article entitled "5 People to Hire Now," recommended that the first person to hire when starting a new business is the accountant. I was not surprised at this suggestion, given that I meet so many people who didn't do this and then fell several years behind in their taxes. In case you're wondering, the HR/recruitment specialist came second, the web designer/manager third, the banker fourth, and temporary workers fifth. If I could throw in my two cents, I would add the lawyer and business coach. Too often these are overlooked, but they are just as crucial!

### CRA Promotes International Day of Persons with Disabilities



For the last few years, on December 3 of each year, CRA has been endorsing the UN's [International Day of Persons with Disabilities](#) by reminding Canadians that there are many credits and benefits available to persons with disabilities, as well as opportunities to save money in a [registered disability savings plan \(RDSP\)](#). A person is eligible if they have an impairment in physical or mental function that

- has lasted or is expected to last for at least 12 months
- is present at least 90% of the time
- restricts them in a basic activity of daily life (seeing, hearing, eating, etc.) or causes the person to take an unreasonable amount of time to perform such an activity, even with appropriate therapy, medication and devices.

For further information, check out the [information bulletin](#) and [disabilities website](#) or call the general enquiries line at 1-800-959-8281.

### CRA Jailing Fraudulent Tax Preparers



The CRA has been clamping down not only on taxpayers taking part in illegal [tax schemes](#) but also on tax professionals preparing returns that deliberately claim fraudulent charity deductions. Recently, [a tax preparer was sentenced to prison](#) and fined heavily for filing 269 returns resulting in over \$4 million in phoney claims. I have always recommended to my clients to stay as far away as possible from these organizations. If you suspect an unscrupulous tax preparer, report them immediately to the [Informant Leads Program](#) at 1-866-809-6841 or fax 1-888-724-4829. I am amazed at how many people are taking advantage of this service, and there's no reason why you can't too. After all, why should you pay your fair share while others don't?

### CRA to Hold All Refunds on Tax Scheme Donations as of 2013



Starting in the New Year, the CRA will do a full-blown audit on all taxpayers claiming donations in certain [tax shelters](#). Specifically, suspicious [tax schemes](#) participating in unusually high beneficial returns from donations may take up to two years to get a refund. Many tax professionals are lauding this move, as it will weed out many sellers of the scams while protecting participants who may not know better. For further information, check out the [information bulletin](#) or call CRA Media Relations at 1-613-952-9184.

### Canadians Favour Tax Break for "Own-Country" Vacations



A private member's bill recently tabled in the House of Commons by Liberal MP Massimo Pacetti proposes a tax credit for air, bus or train fares on non-business trips that cross at least three provincial borders. Four in ten Canadians polled by Harris/Decima favour the [Discover Your Canada Act](#), which may provide for tax breaks up to \$2,000 annually for non-business trips via air, train or plane crossing at least three provinces. For further details, check out the [news article from the Canadian Press](#).

## TFSA (Tax-Free Savings Account) Contribution Limit Raised for 2013



Good news if you're participating or plan to open a [TFSA account](#). The Harper government announced last month that, as of the New Year, you'll be able to stash an additional \$500, bringing the annual contribution limit to \$5,500. The advantage of a tax-free savings account is that most income and/or gains earned are exempt from income taxes. Most banks and financial institutions offer this service to Canadians 18 years and over, and spousal/common law contributions are allowed. For further information, check out the [information bulletin](#) or call the general enquiries line at 1-800-959-8281.

## Log into CRA's Website via Your Bank



CRA has announced that you can now use certain banks to access your tax information online. So far, TD Bank Group, Scotiabank and BMO Financial Group are on board, with more to follow in the New Year. When you go to the login pages for My Account, My Business Account and Represent a Client, you will find two options: Sign-in Partner Login and CRA Login. To log in with your online banking information, select the "Sign-in Partner Login" button. You will be routed to the "Secure Key Concierge" service, where you simply select your financial institution and log in. If you're not registered to participate, sign up at the [Login Services website](#). For further details, check out the [information bulletin](#) or contact the [help desk](#) at 1-800-714-7257.

## Just Asking ... Just Answering

### How Do I Convince CRA that I Really Am a Person of the Land?

Real People with Real Questions About Real Situations



Dear Neel,  
I am having a tough battle trying to persuade CRA that I have lived away from civilization for years and essentially hunt or farm my own food off the land with little interaction with

society. I don't have a lot of money, nor do I travel much from home except when absolutely necessary. Can you make any recommendations, as CRA wants over 10 years of taxes and I don't have any income, etc., to report?

Roger A.

Dear Roger,  
I congratulate you, as this is the first letter of this nature I have ever received. Given how rare this is, I can understand CRA's position. CRA cannot coerce you into a taxable assessment if you really are living income-free and the game or crops you're harvesting are from your own land.

The key is that you are not selling or bartering your produce for something else of value. Your situation falls into the category of a windfall, like lottery winnings, etc., and is not taxable. You may have to get a lawyer to notarize an affidavit attesting to your routine. However, CRA is within their rights to ask you to file annually.

Actually, this may be to your advantage. You would still be entitled to GST/HST Credits, Child Tax Credits and other benefits. Also, you can earn a small amount tax-free (around \$11,000 for 2012) if you decide to work. You can do the returns yourself by [downloading the forms](#) or having them mailed to you by calling 1-800-959-2221. Merry Christmas and the very best for the New Year!

Are You *Just Asking* tax questions?

Neel can *Just Answer* them.





# It's a Photo Finish! Christmas Bear Hug



Courtesy [www.inspirationonline.com](http://www.inspirationonline.com)

The Polar Bear is just as powerful as it is vicious, and we Canadians who are resident in this land never underestimate its ferocity. However, some members of the animal kingdom would disagree and can get downright playful with the big bears. To prove my point, check out this [video by First Science TV](#). The photo above sheds new perspective on the expression “bear hug,” considering that the beast is strong enough to lift a car. As you can see, he’s also gentle enough to comfort our canine friend as if it were a kitten. With temperatures easily dipping below -50 with the wind, bear hugs are welcome, whether or not it’s Christmas. This season, let’s take a lesson from our friends from the animal kingdom and exchange bear hugs.

[Send us your fascinating photo or story.](#)

**Did You Know?**



. . . You Would Have Lots of Gifts After the Twelve Days of Christmas?

Have you ever counted up all the presents in the famous carol [Twelve Days of Christmas](#)? It actually comes to 78. And in case you’re wondering, the official 12 days in the song seem to be from December 25 to January 5 or 6, just a bit off from what we celebrate in North America. Now you know why we call it “Merry”!

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