



THE Tax Tipper

February 7, 2018

We take your taxes personally!

Issue 60

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President and Founder
 Neel Roberts
 PTC Canada
 Box 1347
 Vulcan, Alberta
 T0L 2B0

Phone 866-485-2683
 Fax 866-485-2761
taxes@ptccanada.com
<http://ptccanada.com>

Our Readers Respond

Oh, my goodness, Neel! You are the accounting savant! I appreciate PTC Canada's great work each year!

Carrie Cameron
 Calgary, Alberta

Check out our [Media Room](#) and [testimonials page!](#)

Need tax help now? Click [here](#) to get started right away!

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

Valentine's Message

Dear Clients and Friends,

I'm excited about 2018! Not only is it my 20th year in business, but I believe it will be the beginning of some big, positive changes.

When I started in 1998 as a part-time venture out of my basement, I never guessed that it would grow as big as it is today, with well over 1,000 clients across the globe.

Technology and more have made this possible. To put things into perspective (and some of you out there will remember), there was no website, PDF copies of returns weren't available, and E-file was still new.

Most people didn't have email, and computers were limited in what they could do. It's incomparable to where we are today.

Lots has happened in the world since the New Year, and I'll try and cover as many highlights as possible, with lots of links so you can check the details for yourself.

The [FISA memo declassification](#) in the U.S. has been explosive, [publicly exposing the corruption in government](#). I'm not the only one who believes that this is the tip of the iceberg. The [Democrats have proven themselves to be totally disloyal](#) to the American people and their constitution. No surprise that the [mainstream media \(MSM\) is 100% involved](#). One of my predictions for 2018 is that the MSM will completely dismantle itself thanks to all the free media out there doing real journalism.

One of the big revelations by Project Veritas, the company started by [James O'Keefe III](#), was the [infiltration of Twitter in 2017](#). Not only did Twitter blatantly censor those on the conservative side, but they knowingly [intercepted private, revealing messages](#) in an abusive manner. Since then,

several employees and executives have left Twitter, but O'Keefe promises there's much more to come from other social media companies. No surprise, [Facebook has reported a drop in usage](#) for the first time in history, while [Google employees are concerned about their personal safety](#). As a matter of fact, Google employees and others who know the culture well no longer believe in the company's legitimacy and now refer to them as a [deranged, left-wing, intolerant race cult](#). It's gotten so bad that globalist [George Soros threatens to destroy these companies](#), given that they're of no more use even [when they try to buy followers](#). Talk about eating your own, this is completely crazy, and it's bound to come crashing down.

President Trump has made some enormous, unprecedented moves in the last month, totally shaking up the swamp. The [huge tax cuts announced in December](#) are already having a positive impact on people's pocketbooks, corporate profits, and American investment. Canada should be very concerned about these new U.S. advantages to corporations. When Trump went to Davos, Switzerland, in January, many CEOs promised new or boosted investment in America. I hate to say it, but our current leadership is totally oblivious to these changes, and [spending tax dollars trying to bail out our MSM](#) is one of the worst possible decisions. 2017 was the first year Canada [dropped out of the top 10 for human freedom, according to the Fraser Institute](#), a position we held a long time while the [middle class took another beating](#).

While we've stepped backwards as a nation, we are far from finished and there is hope. If my guess is correct, the U.S. is going

Neel's Message, continued

to confront all the Democratic traitors, and you'll find that this is not restricted to south of the border but is a global problem.

More revelations will come out this year, and people will start to see for themselves how it's all tied together. You'll see that when Donald Trump said he would drain the swamp, he meant that he was going to take the ocean with it. Yes, that'll be Canada, Europe, and more. Let's face it, he has an official approval rating of 49%, but I believe it's much more like 70%. His [State of the Union speech on January 30, 2018](#), was the most watched ever, with about 50,000,000 TV viewers and over 100,000,000 including the internet, etc. He is also liked by many world leaders and is his own man when it comes to decision-making; he is not manipulated by others. This is what makes him enemy #1 to the globalists.

Lastly, Trump always seems to be several steps ahead and totally understands the news cycle. That's why he can rule Twitter, with almost 100,000,000 followers. The recent phenomenon of "Q-Anon," which showed up on the 4chan and 8chan boards last fall, has incredible accuracy in predicting events. There are several Youtubers following it full time, like [Tracy Bean](#), but the one I tune into most is [True Lies](#). While no one knows who Q-Anon is, it is speculated that it's a very small group of intel/military, including Trump himself, who are preparing the public for what's to come. Frankly, if his executive order of December 21, 2017,

[Executive Order Blocking the Property of Persons Involved in Serious Human Rights Abuse or Corruption](#), is any indication, the public will have to be anonymously and gently conditioned for the bombshells coming down the road. No doubt it will get explosive, with casualties expected, but given the situation there's no choice. The old saying "Conquer or be conquered" is exactly where the world is now.

As things play out, I continue to be committed to you in keeping you posted on taxes and the world around them. This will be one of the most remembered times in history, and I believe there's a great future once we get through it all.

With the Family Day long weekend coming up in Alberta, one of my favourite rituals is to go snowmobiling with friends on a frozen lake. It's totally awesome to slip out at night, roast wieners over an open fire while the waves crash a few feet away, and gaze at a clear, starry mountain sky. While some think that's dangerous, it's one of the most exhilarating things to do. Let's face it, no risk means no reward. You can't win all the time, but when you do, man, does it feel good!

Remember, PTC Canada clients, we're playing to win---the right way! I wish you and your loved ones a Happy Valentine's Day and Family Day long weekend.



Neel Roberts
President and Founder

What's Happening

2018 Tax Service Schedule Filling Up!

Friends, waiting until the last minute to get your taxes done is never a good idea, especially if you need them assessed soon. Once you're [ready to file your 2017 return](#), make arrangements TODAY rather than on April 30. Most pros like me are jammed to the rafters with appointments, and you may have to wait weeks before getting in. Take advantage of our email, fax, phone, and mail service. The days of office locations and 9-5 hours are a thing of the past, and regrettably businesses stuck in yesterday's ways will get left there. Most clients are demanding more options, and—no surprise—conventional appointments are becoming a thing of the past too!



Upcoming for the 2018 Tax Season



There are [a variety of changes for this tax season](#), including

- elimination of the public transit tax credit, the children's fitness tax credit, and children's arts tax credit
- changes to medical/donation credits
- enhanced scholarships, fellowships, bursaries, and artists' project grants exemption

There are also [improvements for e-services and how to interact with your tax professional](#) and/or CRA online. For further information contact general enquiries at 1-800-959-8281.

The Tax System: 101 Years Later, It Looks Nothing Like It Was in 1917



Most people have no idea of the history of taxes in Canada. They started in 1917 as a temporary “war funding measure,” and 101 years later, that war and many others are long gone. But the “measure” has become a deeply tentacled institution everywhere we go.

A recent [article by the Fraser Institute](#) contains some staggering statistics. Since Trudeau came into office in 2015, taxes have not been reduced but have actually been raised on 81% of middle income families. A [Knowledge Bureau article](#) points out much more. Back in 1918, the share of government revenues from personal income tax was 2.6%. By 2017, it had risen to 51%. In 1918 the average tax burden per tax filer was \$14; in 2017, \$4,120. Also in 1917, the tax return was 6 pages long with 23 lines. Today, it is over 300 lines long, with a compliancy cost of \$500 a year for Canadians to conform to the tax system. 2019 and beyond show no signs of reversal. This is clearly a monster out of control. Stay tuned for more on this!

Complicated New Canada Caregiver Credit (CCC) Replaces Family Caregiver, Caregiver, and Infirm Dependents' Tax Credits



The new [Canada Caregiver Credit \(CCC\)](#) has some improvements, but it's a maze to navigate. It was introduced for the 2017 tax year to replace three previous credits merged into one. The [Knowledge Bureau explains the breakdown](#). Essentially, the credit comes in two parts. To make things easier to understand, we'll refer to them as a “mini” and a “maxi” credit:

- A **“mini” CCC of \$2,150**, which must be claimed for an infirm minor child or someone for whom you are claiming a spousal amount. Remember that the term spousal amount also includes an “eligible dependent” or someone you are claiming as “equivalent to spouse.”
- A **“maxi” CCC of \$6,883**, or a portion thereof, may be claimed if you are supporting a spouse or eligible dependent whose net income is over \$11,635. You may also claim this amount for infirm adults who are considered “other dependents.” But this larger credit is never claimed for a minor child.

For 2018, the \$2,150 figure is indexed to \$2,182, the \$6,883 figure is indexed to \$6,986, and so on. Next time we will discuss claiming the Canada Caregiver Amount for minor and adult children. This is likely to keep developing based on feedback from this filing season.

Also notable is the [distinction between “infirm” and “disabled” dependents for tax purposes](#). An infirm dependent is one who has “an impairment of physical or mental functions,” whereas a disabled dependent has a “severe and prolonged impairment in mental or physical functions” approved with a Disability Tax Credit Certificate (T2201). For further information contact general enquiries at 1-800-959-8281.

What You Need to Know about CRA's New “File My Return” Method



For the 2017 tax season, CRA has launched a new service called [File My Return](#). About 950,000 qualified taxpayers with simple, low income, unchanging situations can complete returns over the phone. While this [looks appealing](#) because you can do it in the comfort of your home for free, [many like me in the tax professional industry have warned taxpayers](#) of how it can lull you into complacency.

For instance, changing rules and imperceptible situations can quietly siphon deductions and benefits out of taxpayers. A common example is the disability tax credit, worth over \$2K a year. I have had several situations where clients received refunds of over \$20K (10 years) because they consulted a professional.

Many companies like mine offer free resources to help clients assess their situation, and CRA has offered [volunteer tax preparation clinics](#) for years with no objection from the industry. So it's not an income issue. We are concerned about your loss of representation and the overreach this will grow into, so I'll stay on top of this. Make no mistake, CRA will reap great dividends from the program, and they're just getting started!

Taxman Using Google Earth to Spy on Your Private Property?



In previous newsletters, I've told you about [how CRA is using social media to monitor individuals](#). Well, now you guessed it: Goggle Earth is that big spy cam in the sky. And that's scary because they're coming onto your private property. David Menzies of the *Rebel* recently wrote, [Is the taxman illicitly spying on private property in building permit shakedown?](#)

New technology is used by government agencies to find out where such structures exist, and when they're found, property owners are subjected to a shakedown for building permits and supplementary tax bills—at \$500 a day retroactive to 9 years, if they're successful. While this is more a municipal issue, don't be surprised if other agencies like CRA use it to get their cut without you knowing until it's too late.

RRSP Deadline Approaching!

This year's contribution deadline is Thursday, March 1, 2018, for your 2017 income tax return. If you miss the deadline, you can always use the contribution for your 2018 return. Make sure you have relevant information such as your contribution room, Home Buyers' Plan or Lifelong Learning Plan repayment requirements, and so forth. Check out the [RRSP webpage](#) for details or call 1-800-267-3100, and use your [CRA Account](#) to get your information online.



Looking for a Cheap, Reputable Business? Check Out Chick-Fil-A Franchises from \$10K!



I am often asked for business recommendations, which I rarely give. But here's one I came across last month that seems appealing, considering what's required to get started. [Chick-Fil-A is very much on the bottom floor in Canada](#). Outside of the \$10K requirement, the individual must "be free of any other active business ventures" and be prepared to "operate the restaurant on a full-time, hands-on basis." While the fees are in U.S. funds, they absolutely pale in comparison to Taco Bell, Wendy's,

KFC, and McDonald's, where potential franchisees have to prove that they have a net worth of at least \$1.5 million and liquid assets of at least \$750,000. All told, start-up costs can range anywhere from \$1 million to \$3.5 million, and it won't make a difference if it's Canadian or American dollars!

More and Improved E-Services for 2018 Personal Returns



It's official. E-File starts first thing Monday, February 19, 2018, for all 2017 personal returns. Most refunds come in 1–2 weeks, and I suggest you get direct deposit. Also, there are [a variety of slips now available online](#) as far back as 10 years, with online mail and more. You can link between [My Account](#) and [My Service Canada Account](#). When you file your return, simply take your banking information or a blank cheque and you can have your refund, GST Credit, and Child Tax Benefits all done. If you forget, simply file the [Direct Deposit form](#) with CRA and they should be able to start in 1–2 months. Corporations can E-File all year round up to 4 years back, and can do direct deposit via the [Corporate Direct Deposit form](#). For further information, contact general inquiries at 1-800-959-8281.

Taxes and Crypto Currencies



As more people invest and mine digital currencies like Bitcoin, [CRA is adding information on how to report transactions](#). These currencies are not considered legal tender, but are treated under the "Barter Rules" and subject to reporting sales as income and capital gains and losses on trades like stocks. A [Knowledge Bureau article explains the details of how to handle the transactions](#), and as time goes on, I'm sure more will be written on it.

As we head into 2018, expect CRA to put increasing emphasis on targeting digital transactions in their audit processes. Remaining above board with income generated through the likes of Bitcoin and PayPal, VRBO, and other online transactions should be a priority. I am not involved or recommending this because of its volatility, but I'm most interested in [commodities-backed cryptos](#), which will give more solidity. So, more to come on this!

One Man's Garbage Is Another Man's Gold, But Is It Taxable?

Real People with Real Questions About Real Situations



Dear Neel,
I saw a story of a family buying an old grain elevator site cheap to build a new residence, with the condition that they pay to demolish the old building and remove the wreckage.

Turns out that some guy was willing to do all that for the buyer as well as pay for the old wood, as it is unique for building a pricey house. Is that wood now taxable?

Dexter D.

Dear Dexter,
Wow! I just love these stories and I tracked this one down, as it ran last month. The answer is always that it depends on the situation. Since this is a unique, one-time, non-commercial event, it would fall under the category of found money. Had

the property been a commercial property, any net gains or losses could be taxable income or capital for the taxpayer no matter how rare the wood was. But this can even be exempt as a personal residence sale as long as the buyer owns one matrimonial home.

It's questionable whether the taxpayer must report this to make the personal residency claim as it's only a partial sale. So he must keep all receipts, etc., in case CRA requires them.

Thanks for this story and good luck!

Are You *Just Asking* tax questions?
Neel can *Just Answer* them.



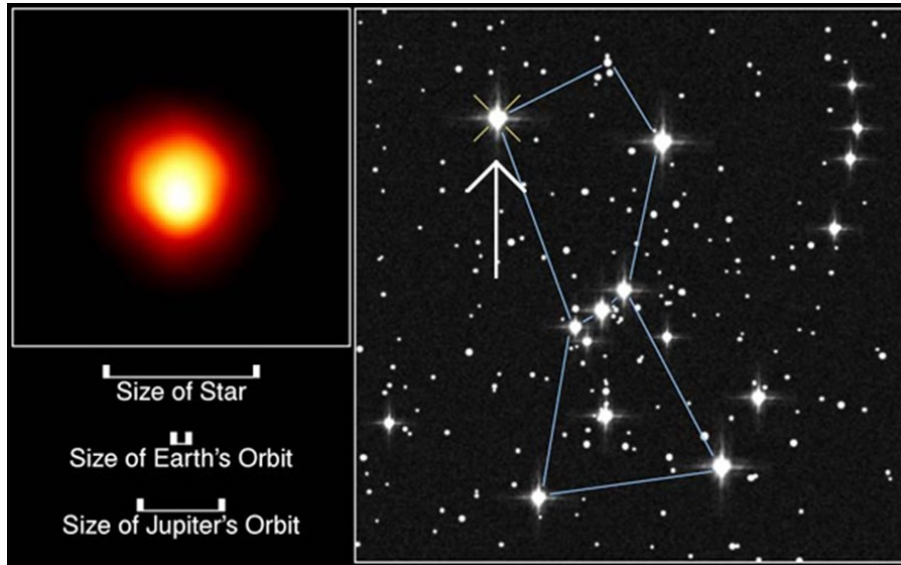
Did You Know?



... the word XOXO means "Hugs
and Kisses"?
I'll drink to that!

It's a Photo Finish!

Yes, My Dear, There Is a Valentine Star!



Courtesy <https://slate.com>

Have you ever wondered if there was a celestial object named after the saintly love day? Yes, there is! It's the Valentine Star, more commonly known as Betelgeuse (pronounced beetle juice), and it's a favourite of many astronomers!

So why is it called the Valentine Star? Because it's red in colour, beats slowly like a giant heart, and stimulates the spirit of those attuned to it. The prominent object we can see every February 14 is this bright, scarlet star, which reaches its highest point above the horizon every Valentine's Day night between the hours of 8 and 9 p.m. It marks the shoulder star of Orion and changes in size regularly like a slowly pulsating inferno that thumps once every six years. Now when Betelgeuse is fully contracted to its smallest size, it is a whopping 500 times the width of our Sun, but when it expands to its biggest size it is almost 900 times as broad.

Betelgeuse is an extremely large, red, super-giant star, fluctuating in approximate size from the equivalent of

Mars's orbit to Jupiter's; so it's monstrous compared to our puny yellow Sun. It is the second brightest star in the constellation Orion and the ninth brightest object in the night sky. It is a vertex of the Winter Triangle and centre of the Winter Hexagon. It is possible that Betelgeuse will become a supernova, which will be the brightest ever recorded, outshining the Moon in the night sky.

Considering its size and age, it may explode within the next thousand years. Since its rotational axis is not toward the Earth, and also because of its 640 light-year distance, Betelgeuse's supernova will not cause a gamma ray burst in the direction of Earth large enough to damage our ecosystems.

So, this February, after you get the chocolates and flowers, surprise your loved ones first with a picture of the massive red star pounding like a nucleus full of cosmic love, and then show them the real deal that evening. Believe me, they'll remember it the right way!



Astronomy fans or enthusiasts can follow Neel's monthly column [Sky's the Limit](#) in the [Vulcan Advocate](#) published the first Wednesday of every month!

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The **Tax Tipper** is professionally finished by Joyce Gram of Gram Editing Services.
www.gramediting.com Email: email@joycegram.com