



THE Tax Tipper

February 8, 2010

We take your taxes personally!

Issue 20

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Dear Clients and Friends,

I trust you all had a manageable 2009 and a good start to 2010. I've been steadily busy since the first week of the New Year, so it looks like another record year in the making. If this is your first **Tax Tipper**, remember you can download [previous editions](#) from our website. My goal is to provide better service than ever by bringing you cutting-edge information and a variety of resources that will not only make taxes more palatable but will hopefully lower your legal obligation to pay.

2009 was a challenging year for many. While 2010 is looking more positive, it is nothing like the better times of a few years ago. I was sorry to hear of clients losing their jobs or closing their businesses because of poor sales. I am delighted that many of you stay in touch with me, because you need professionals in your daily life, not just at tax time, to help with these changes. The sudden loss of income can be devastating, especially if you have been with a company for a long time. In my own circle of family and friends, there were individuals who had been with the same business, in the same occupation, for over 20 years. Needless to say, I did whatever I could to help them with the transition, but the main thing besides the income loss is how you cope emotionally with the sudden change.

When I suffered a job loss many years ago, it seemed difficult and unfair, considering how diligent I had been at my work. Yet, some wise people in my life advised me to get the "right perspective." While it might have been the end of one career, it freed up my time to do some soul-searching and explore opportunities I might like better. Looking back almost 20 years to that loss in 1992, I am now delighted it happened, as it allowed me to eventually open my own business and use my skills to serve thousands of people every year. The satisfaction of doing a job well while putting a smile on a client's face cannot be measured in dollars!

So, when my clients consult me about their trials, my advice is always to get the right perspective. When one door closes, how many others open? This is exactly the philosophy I use when a client has a trying tax problem. In many cases, it's not as hopeless as they think, and in fact what many people write off as a lost cause, I have been able to turn around for the better. Sure, every situation is different, and to think I could solve every problem out there is unreasonable. But I am a big believer in building a network of professionals to help with the challenges of the day.

I was recently [interviewed by the Globe and Mail](#) (also available [here](#)) for RRSP season, and while I offered a variety of insights that I hope most readers can use, my main recommendation was to develop a foolproof savings (not investment) plan. Why is this important? It's simple. You can't invest successfully if you're constantly running a negative cash flow. In other words, if you're always spending more than you take in, no one can help you. All my friends and associates in the investment field will confirm this. If they don't, then you need to be cautious about using their services.

When I started PTC Canada 13 years ago, I wanted to provide not only a service that clients could use easily, but also one that would give them effective results in a very short time. Like many other businesses, the tax industry has changed a lot in the last few years,

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Neel's Message, continued

and pros must constantly fine-tune how to stay in touch with their clients' needs while considering all the government regulations. Today, good service is not an option; it's mandatory. Clients have many choices and rightly won't put up with bad service. I believe that doing everything in good faith is the top priority. People gravitate naturally to personal treatment, user-friendly tools and feeling good about their decisions. Some of my clients have been with me since day one, and I've had the privilege of helping them with many changes in their lives. The flip side of that is that new clients coming on board are from the younger generation, late teens to early thirties. I'm flattered by this, because subliminally they are telling me that my service is not only valuable but also contemporary.

At this Valentine's season, I'd like to thank you for your loyalty and faithfulness to me and my business. Many of you have helped me out in my personal life and on the farm, and I truly appreciate that. Whether I've known you for years or only a short time, please don't hesitate to ask

how I can return the favour. I am proud of the wonderful relationships and friendships we've developed over the years and wouldn't trade them for the world.

I was once asked, "What is the most important ingredient for building a successful business?" Many would say it's having a great product with excellent service at an affordable price, and that is true to a certain extent. But I have found that caring about what you do and the people you serve makes all the difference. The key is a driving passion to deliver excellence and make your client feel proud to do business with you. It's no coincidence that my close friends who run their enterprises that way all have a high level of satisfaction in both their professional and personal lives. Happy 2010 and enjoy the Valentine's edition of **The Tipper** !



Neel Roberts
President and Founder

What's Happening

2010 Indexation Adjustment for Personal Income Tax and Benefit Amounts

At the end of last year, CRA released the comparative figures for 2009 and 2010 for tax brackets, non-refundable credits, exemptions, GST credit and other benefits. Each year, certain personal income tax and benefit amounts are indexed to inflation using the Consumer Price Index data as reported by Statistics Canada. You can check out the complete list on the [CRA fact sheet](#) or call the general enquiries at 1-800-959-8281!



2010 Budget

Because Parliament was once again prorogued, the budget will not be out until Thursday, March 4, 2010. Stay tuned for a special bulletin slated for that very evening, with expert commentaries prepared especially for you. For further information check out the [Finance Department website](#) or call 613-992-1573!



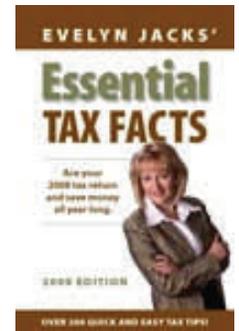
RRSP Deadline Approaching!

This year's contribution deadline is Monday, March 1, 2010, for your 2009 income tax return. If you miss the deadline, you can always use the contribution for your 2010 return. Make sure you have relevant information such as your contribution room, Home Buyer's 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 [Epass](#) to get your information online.



Evelyn Jacks' Book for 2009 Tax Returns Is Out

If you're wondering what's the best way to spend \$25, it's getting Evelyn Jacks' annual Essential Tax Facts, available mid-January each year. Believe me, it's worth it—in fact, it will actually pay you after the first few tips. One of the functions of her company, Knowledge Bureau, is to train tax preparers like me, so if you've liked my service over the years, she gets quite a bit of the credit. Some highlights of her latest book are:



2010 Tax Season Readiness Checklist: What's New?

- Tax receipting for the new Home Renovation Tax Credit
- The New Home Buyers' Amount (\$5,000)
- The GST/HST New Housing Rebate
- Increased EI Benefits and Clawback Zones (\$52,875)
- Wage Earner Protection Program
- Employment perks. Employees will be treated to new tax-free perks of employment in certain circumstances.
- New RPP Contribution Maximums
- New RRSP Contribution Maximums
- Deductibility of Losses in RRSP/RRIF values on final return
- Child Care Expense Limitation for Working Teenagers
- Moving Expenses review
- Increased claims for Trucker's Meal Expenses to 70% from 60%
- Changes to GST/HST Rebates on Employment Deductions (5/105 for GST and 13/113 for HST)
- Indexing changes to personal amounts, including Basic Personal Amount, Age Amounts and many more.
- Changes under the Canada-US Tax Treaty
- GST and the Financial Services, including Trailer Commissions or Trailer Fees

And much, much more to help you take advantage of tax-savings opportunities all year long.

E-File Ready for 2009 Personal Returns

It's official. E-File starts first thing Monday, February 8, 2010, for all 2009 personal returns. Most refunds come in 1-2 weeks, and I suggest you get direct deposit. 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!



Keep Those Home Renovation Receipts

On your 2009 tax return, you have a one-time chance to claim up to \$10,000 (minimum \$1,000) on home renovations you did between January 27, 2009, and February 1, 2010. Most expenses incurred to improve your personal residence, such as rebuilding a kitchen, are allowable, but not items for regular maintenance, such as snow clearing or lawn cutting. Check out the Home Renovation Tax Credit (HRTC) or call the hotline at 1-877-959-1272.



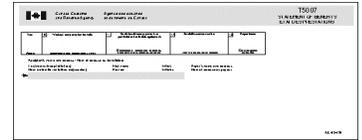
First-time Home Buyers' Tax Credit

Many first-time home buyers may not be aware that they can claim a \$5,000 tax credit as of this year for all deals that closed after January 27, 2009. Check out the Home Buyers' Credit webpage and news bulletin for all the conditions that apply, or call CRA at 1-800-959-8281!



The Problem of Late Investment T-Slips

A lot of you are aware that, in the past, too many asset firms have been chronically late with investment slips like T3s, T5s and T5013s. This has caused a lot of heartache for taxpayers and unnecessary work for preparers like me. Unfortunately, these multi-billion-dollar companies seem unmotivated by the small penalties they face. Our association has made this the #1 issue that has to be addressed in 2010 and on. Many of us feel that this is ridiculous, considering that the old rules were invented when computers were nowhere near as practical as they are now, and we see no reason why these companies can't have the slips all done by the end of February instead of the current March deadline. Furthermore, the CRA is very lax in their attitude on this. Basically, they said it wasn't their problem, even after a detailed review presented to them proved the opposite. Our membership came to the conclusion that we need you – the taxpayer – to fill out a petition. We are determined to get this resolved fast and will take it right up to the Prime Minister's office if necessary, so I appreciate your help!



New Filing Requirements for GST/HST Registrants

Last month CRA announced new legislation for certain GST/HST registrants. Under the new proposed measures, the following groups will be required to file their GST/HST returns electronically:

- GST/HST registrants with greater than \$1.5 million in annual taxable supplies (except for charities); or
- All registrants required to recapture input tax credits for the provincial portion of the HST on certain inputs in Ontario or British Columbia; or
- Builders affected by the transitional housing measures announced by Ontario or British Columbia.

Check out the news bulletin for details or contact the business line at 1-800-959-5525.



CRA Continues to Pursue Non-filers

CRA continues to track down those who haven't filed an overdue tax return. Last year, in the first 6 months alone, the agency collected over \$63,000,000 in fines, overdue taxes, etc. Check out the news bulletin for details. If you're in this category, download our Get Started Now form and see if you qualify for a "tax amnesty." No matter what your situation, at least get it looked at by a professional who deals with these matters on a regular basis!



CRA Combats the Abusive Use of Tax Havens

Last month, CRA met with tax administrators from other countries to crack down on scams to defraud both the government and taxpayers. "By sharing their expertise and experience, Canada and its partners in the working group can rely on the considerable achievements of the Organisation for Economic Co-operation and Development and the Global Forum on Transparency and Exchange of Information and the progress that has been made since the meeting of G-20 Finance Ministers last April," stated Jean-Pierre Blackburn, Minister of National Revenue and Minister of State (Agriculture and Agri-food). Check out the news bulletin for details. If you come across anything suspicious, I always recommend contacting the investigations department before even considering it!



Compliance More Important Than Ever

The CRA wants to make you aware that they are aggressively addressing non-compliance internationally and domestically. Here are some examples of what the CRA did to address non-compliance in the 2008–2009 tax year:

- The CRA conducted over 350,000 audit and review actions, including about 17,300 underground economy audits, and more than 1,100 audits of taxpayers suspected of earning income from illegal activities.
- The CRA completed 20,750 international audits and 34,111 audits of tax shelters.
- The CRA identified a total dollar value of \$5.7 billion in non-compliance for international and large business and \$2.1 billion for small and medium-sized enterprises.
- The CRA reassessed over 20,000 individuals who had participated in at least one of 20 unacceptable tax-shelter gifting arrangements.
- The CRA completed 148 interprovincial tax-avoidance cases, which resulted in more than \$300 million worth of taxes being recovered.

As a result, the CRA netted several prosecutions, including recovered taxes and jail time. Check out the [news bulletin](#) for details. If you fall into any of these categories, download our [Get Started Now](#) form and see if you qualify for a “tax amnesty.”



Canadians Respond Generously to Haiti Earthquake

Canadians can be proud of the help we have extended to Haiti over the last month. Of all the countries involved, Canada has been prominent in trying to restore order to the disaster-stricken nation, so thank you for your participation. A note of caution, however, as quite a few organizations seem to have come out of nowhere to help the cause. I suggest doing some research before participating. The reality is that dishonest people will try to exploit a catastrophe like this, not only using your hard-earned money for their own benefit but also jilting you out of a legitimate tax deduction. You can check the special [Haiti Website](#) CRA has set up to help you better handle this, or call them at 1-800-267-2384.



Leonard Nimoy Visits Vulcan, Alberta

Those of you following the news may have heard that [Spock is coming home](#). Actually, for all you Star Trek fans like me, Leonard Nimoy, who played Mr. Spock in the original show from the 1960s, will be visiting my hometown on Friday, April 23, 2010. Mr. Nimoy was [recently quoted on CBC](#), saying, “I’m looking forward to making a root connection to Vulcan,” adding that he wants to “shake some hands” and “make some friends” during his visit.

As a Vulcan resident, I personally invite you to come down and meet him, as he has been very helpful to us with our Star Trek promotions and more. Vulcan is the official Star Trek capital of Canada, and we were the first ones to see the [Star Trek movie](#) last year before the official debut, thanks to Mr. Nimoy. For further information contact Dayna Dickens or Erin Melcher at [Vulcan Tourism](#) at 1-403-485-2994 and tell them I sent you!



2010 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 2009 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!



RRSPs, Financial and Tax Strategies

Real People with Real Questions About Real Situations



Dear Neel,

I have been working in the oil patch for several years and have recently considered taking a buyout from my employer. I have a financial advisor and a tax

specialist and am happy with both; however, I'm a little frustrated with their reluctance to advise me on both matters. I'm going to get well over \$100K in severance and benefits, but I'm confused by the different advice I'm getting. We three can never all sit down together. I'd hate to give up either one of them, but I'm wondering if I should?

John D.

Dear John,

This is a topic that we could get into a long discussion about, because not only is it very subjective, but the answer ultimately depends on how you want to carry on when this is all over. Obviously, you have been happy with both specialists, but you need to remember that they can rightly

give their attention to other matters as well. While some tax professionals and financial advisors offer combined services, this is not the case for the majority, so you are by no means alone. So, if separate specialists will not meet your future needs, it's time to look for a one-stop service.

Regarding your possible departure from your employer (I noticed it's a big name), employees taking a severance package are usually offered counselling services paid for by the employer. This includes financial and tax advice. If the advisors are willing to give you specific advice, great; but if not, I suggest you get a second opinion from outside professionals to see if it matches your current advisors'. It's well worth paying a fee for this, as it may save you thousands of dollars. Good luck!

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

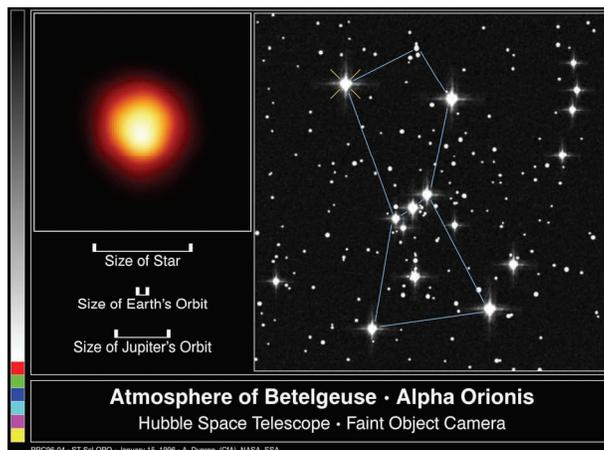


Did You Know?

Valentine's Day is big business. Consumers will spend an average of \$77.43 on Valentine's Day gifts this year. E-commerce retailers expect to rack up about \$650 million in sales of food, candy, flowers and other Valentine's Day gifts. Of that amount about \$350 million will be for gifts and flowers and another \$45 million will be spent on food (including chocolate) and wine. Believe it or not, 3% of pet owners will give Valentine's Day gifts to their pets!



Celestial Treat—Don't Miss the “Valentine's Star”!



Have you ever wondered if there was a celestial object named after the saintly love day? Yes, there is! It's the Valentine's Star, more commonly known as Betelgeuse (pronounced beetle juice), and it's a favourite of many astronomers! So why is it called the Valentine's Star? Because it's red in colour, it beats slowly like a giant heart, and it stimulates the spirit of those attuned to it. The prominent object we can see every February 14 is this bright, scarlet star at 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 it changes in size regularly like a slowly pulsating heart that beats 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 wide.

Betelgeuse is an extremely large, red, super-giant star, fluctuating in approximate size from the equivalent of Mars' orbit to that of 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 giant red star pulsing like a heart full of cosmic love, and then show them the real deal that evening. Believe me, they'll remember it. The Valentine's Star is visible February 14, 2010, starting in the North American SE sky after sundown and setting in the west around 4:00 a.m.

Astronomy fans or enthusiasts can follow Neel's monthly column, Sky's the Limit, in the Vulcan Advocate printed the first Wednesday of every month!

It's a Photo Finish!

It's the World's Largest Chocolate Heart!



Courtesy [The Conrad Hotel & Resort Bangkok](#)

Conrad Bangkok has created "The World's Largest Chocolate Heart," made from the finest quality cocoa beans in the world. It is approximately 922 kilograms in weight, 5 metres in height and 5 metres in width. Made in over 21 days with a team of 8 people working around the clock, the chocolate heart is a creation of Conrad's Executive Pastry Chef Gregor Pfaff, his team and Conrad's Engineering Department. The melted chocolate was carefully layered by hand on 28 pieces of (Styrofoam) mould formed into a heart-shape model. The thickness of the chocolate layers around the heart varies from 20 to 25 centimetres.

The idea of constructing the World's Largest Chocolate Heart stems from the planning sessions between Conrad Bangkok and All Seasons Place to make this Valentine's Day stand out like no other place in Bangkok! Made of edible chocolate, the total weight of chocolate used in constructing the heart is 1,100 kilograms. Only the highest grade of quality chocolate was the main ingredient, consisting of 72% cocoa content, made from cocoa beans from Trinidad, Tobago and Maraca Ibo, Venezuela.

Send us your fascinating photo or story.

Our readers respond!

Thank you for your prompt completion of our taxes, Neel. PTC Canada's services are very much appreciated!

**Mike and Kim Gaudet
K & M Mechanical Services
Edmonton, Ontario**

Check out our [media room](#). We make the press now and then!
Ever wondered what others say about us? Take a look at our [testimony page](#)!
Need tax help now? Click [here](#) to get started!
As always, we welcome your comments on the **Tax Tipper**! [Send us an email](#).

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