



THE Tax Tipper

June 25, 2016

We take your taxes personally!

Issue 52

Inside

What's Happening	2-3
Did You Know?	4
Just Asking ... Just Answering	4
It's a Photo Finish	5

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Our Readers Respond

I would just like to thank PTC for taking the fear out of dealing with the CRA. Due to health issues, I didn't file for two years, and by the time I was well enough to file, I was scared of the What if's? Neel took the fear away and dealt with me in a calm, professional, and speedy manner. Thanks, Neel!

Marten Siegers
 Burnaby, B.C.

Check out our [testimonials page](#) and [media room](#).

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

We [welcome your comments](#) on the **Tax Tipper!**



Special 10-Year Anniversary Edition

Dear Clients and Friends,

Summer is every Canadian's time of year, and this year in the West, we had such a mild winter, summer hasn't been much of a change so far. With little snow since mid-February, we were having heatwaves in May and even up to now—but nothing like the 165 degrees F in Iran! The 15+ hours of daylight make it hard to sleep in, but who would want to anyway, now that the lazy, crazy days of summer have arrived?

Lake Osoyoos, where I went last week for my annual retreat, was one of the warmest spots in Canada. It's always a treat to take a dip in this refuge, nestled in the Okanagan desert, surrounded by the snow-capped Rocky Mountains. Later this summer, I will also be travelling to a conference in Branson, Missouri, my first time to that state. And I'll be vacationing at Sproat Lake on Vancouver Island, the Canadian region of perpetual summer.

Welcome aboard, all new clients, especially if this is your first Tax Tipper. I'm delighted with the feedback I've received since the Tipper was launched in May 2006, over 10 years ago. All the back issues are available on our website at www.ptccanada.com, which was started around 2000. That was "nouvelle" technology back then. While most accountants engage with their clients in some way online, we were without a doubt the forerunner.

We are in very challenging times in our nation, and regrettably the outlook doesn't look very positive. Earlier this year, I told you that I was going to be helping clients with

financial tips, etc. Now I've decided to go a step further and start examining government policy in light of the facts, to see what's truthful and what's not. So these newsletters will be getting even better!

Plunging energy prices and new carbon taxes have brought much hardship to thousands of families. I have never personally bought into the environmental agenda, and would even go so far as to say that the whole idea by the progressive left is a bold face lie meant to con people out of their money and into false submission. Premier Brad Wall of Saskatchewan had the right perspective when he said last week on Twitter, "Shut down ALL of Canada's energy sector and 192 megatons per year of CO2 is eliminated. China's coal fleet alone emits 4,000 megatons per year."

You don't have to be smart to see the duplicity in this scheme. One of my favourite expositors of the scam is Dr. E. Calvin Beisner of the Cornwall Alliance for the Stewardship of Creation. As an author and speaker on economics and government environmental policy, he has published over ten books and hundreds of articles, contributed to or edited many other books, and been a guest on television and radio. He is more than qualified to speak on the subject. Even a simpleton can understand that plants need carbon dioxide to live and grow.

While Beisner speaks from a Biblical viewpoint, it really doesn't matter what your worldview is—the reality speaks for itself. The fact that the left wants to shut environmental skeptics up with jail sentences, etc., has caused even more suspicion and resistance.

Continued on page 2

While I'm a big believer in being an environmental steward, if you trace the roots of the green movement, you find its origins in the [1848 Communist Manifesto](#). I can't get into the whole thing right now, but the bottom-line objective is to remove all your rights and implement a feudalistic society, something like the pre-1517 Protestant Reformation.

I'll address two issues now: First, the indoctrination through the public education system of false science in the guise of global warming. If you check the historical record, you'll find that it's only in the last few decades that people have started to show concern about environmental change. Yet centuries of weather records have shown that the Earth's temperatures, etc., change naturally. According to ABC news, recent measurements have shown not only that the [Antarctic ice shelf is growing](#), but that the [planet is actually getting greener!](#)

The second is a progressive tax system, which we have seen not only in Canada but across the world. In Alberta, the [NDP government has been under heavy fire](#) for its disastrous policies dubbed a "hidden PST," generating billions of dollars while unemployment accelerates past double digits. It's not a coincidence that government is growing while the private sector continues to downsize. Believe me when I say that the only thing green about these environmental gurus is their wallets!

This mendacity has caused much unrest in the world: people are demanding change and want a true accounting of what's happening with their tax dollars and other policies. In Canada, we're seeing the resurgence of [Western separation](#), in Europe [Brexit](#), and in the United States the rise of Donald

Trump. No surprise, Forbes recently ran an article called [American Cynicism: In Nobody We Trust](#). Thanks to the free media, people no longer have to rely on the mainstream media but can now learn for themselves. This newsletter is a small example of unedited facts brought to you in context. We are going to continue to do this, as I've always been in favour of truth and against lies.

Lastly, one of the prize calls I received in the last few years was from an older gentleman named Dick, and this one is still among my top ten, possibly at #1! After working for 40+ years, Dick applied for his Canada pension (CPP) and couldn't understand what the clerk meant by "they can't seem to find the last 10 years of taxes filed." She explained that all returns are assessed annually, and that determines how much he's eligible to receive. After digesting this for a minute, he confessed that he'd never heard of such a thing. I asked him, "You never filed a tax return in your life?" to which he replied, "Have no idea what you're talking about." Embarrassed at the idea of doing over 40 years of taxes, he just hung up. Naturally, I never heard back from him, but anytime you think you've got problems, remember this: Don't be a Dick (meant in the right way, of course!).

With the celebration of our great country's 149th birthday, let's call that a great Canadian story that isn't yours. On a better note, Happy Canada Day! Enjoy the 10th anniversary **Tipper** with your well-deserved summer, my fellow Canadians!



Neel Roberts
President and Founder

What's Happening

Tax Havens Explained: How the Rich Hide Money Offshore

Back in April, the CBC ran a story on the Panama Papers leak and [how the rich hide their money offshore](#). Surprisingly, they went into quite a bit of detail on how this done. Shortly afterwards, the CRA announced [new measures to crack down on uncollected taxes](#).

If you suspect [tax fraud](#), you can contact the [Investigations Department](#) or the call centre at 1-800-959-8281.



Should You Take Your CPP Early or Late?

I get a few calls each year from people 55 and older about whether to draw CPP. Since this is not just a tax question but more to do with financial planning, it calls for a meeting with your planner rather than your accountant.

[Knowledge Bureau recently wrote a short article](#) on this. They correctly point out that all funds are taxable, so this should not be done hastily. For further information, check out the [CPP payment page](#) or call 1-800-277-9914.



Tax Evasion Down in Canada

Global News did a story in the spring called [Tax evasion prosecutions in Canada fall dramatically](#), which should be taken in its proper context.

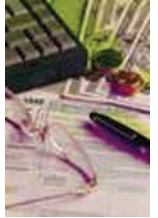
While the cases are in fact down, Dennis Howlett of Canadians for Tax Fairness blames the fall in prosecutions on CRA cutbacks—specifically, fewer auditors. “Because of the nature of cuts to CRA capacity, they just didn’t have the staff needed to do the more complicated cases,” he explains. “So they preferred to settle out of court.”

With the new Liberal government in place, [Minister Diane LeBouthillier](#) will likely want to change this, along with many other bottlenecks.



2015 Tax Review Notices Are Out

CRA conducts its review (post-assessment) of current tax returns during the summer of the year in which the return is filed. If your [return is selected](#), you will receive a letter requesting the information CRA requires. It is *very important* to respond to this letter even if you need time to track down receipts, etc. CRA will usually grant an extension of time if the request is reasonable. However, if you do not respond to their letter, CRA will normally reassess you within 30 days, and you will be responsible for newly assessed balances owing plus interest. After that, you can use the [appeals process](#) to dispute the balance, but that can be more complicated than just responding in the first place.



Is Your Accountant Making a Difference?

A client who thinks the world of a good tax professional recently sent me an article called [Accountants worth their weight in gold](#). While I am truly thankful for this and the countless praises I receive, I don’t believe that this sentiment should be limited to me or the accounting field.

The tax business is becoming more challenging each year, and I can assure you I will continue to go to bat for you. One of the associations I belong to, the [Efile Association of Canada](#), represents about a third of the taxes filed in Canada by professionals. I’ve served on the board for over six years, and I can tell you that these men and women are very dedicated to improving service for taxpayers while representing their clients to the best of their ability.

If you’re in the accounting business and not part of this association, call Steve Watson at 1-866-384-4066.



Tax Filing Deadline Come and Gone

The deadline for filing your 2015 personal returns this year was extended to Monday, May 2nd, due to April 30th falling on a Saturday. If you’re self-employed it was Wednesday, June 15th. As both of these dates are long gone, your return is technically late if you owe money. If you are expecting a tax refund or [Personal GST Credits](#), you will not receive interest. Keep in mind that certain benefits like [Child Tax Credits](#) have a shelf life of 11 months, so if you have several years to file, you may be out of luck on the older ones. If you need to get caught up, call CRA at 1-800-959-8281 and find out how many years need to be filed. If you’re really behind, like 20 years, CRA may only need the last 10, so confirm that with them. Also, have them send you all the T4s they have on their database for the appropriate years with carry-overs, RRSP limits, copy of last Notice of Assessment, etc., so you can get up to date properly!



U.S. Stocks Up But Canadian Dollar Down

Real People with Real Questions About Real Situations



Dear Neel,
I bought some U.S. stock back in 2011 when the dollar was at par, and in five years the stock has gone up over 20%. However, the dollar has fallen 30%. So, do I report a gain or a loss?

Bill L.

Dear Bill,

All stock sales must be reported in "Canadian dollars at the time of transaction," according to the [CRA Investment Guide](#).

From what you're telling me, you should have a net capital loss, which you can carry indefinitely or go back three years against [reported capital gains](#). Traditionally, your broker issued

a slip on each transaction. However, in the last few years, I've noticed that some are actually matching up the sale against the buy in Canadian dollars. Therefore, you can simply transfer the information directly into the [T5008](#).

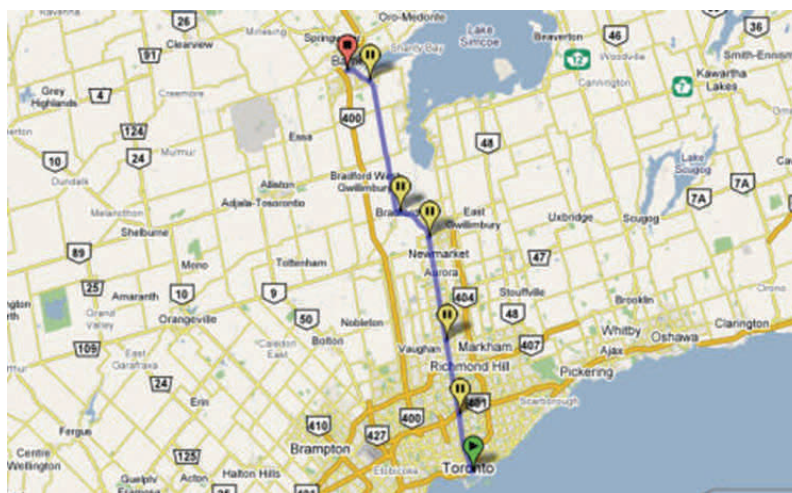
Discount brokers, or those outside of Canada, may not do this, so you'll have to compile the information yourself. Our [Investment Tax Booklet](#) can help you with this and more. Good luck!

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



Did You Know?

... that Canada's has the longest street in the world?



The distinction of the longest street in the world belongs to Yonge Street in the Province of Ontario. Yonge Street starts at Lake Ontario and runs north through central and northern Ontario to the Ontario-Minnesota border, a distance of over 1,178 miles / 1,896 kilometers. The Guinness Book of World Records recognized this claim as late as 1998. Most of Yonge Street today exists as Highway 11, north of the Greater Toronto Area (GTA). Due the development of the GTA, the old highway lives on as side roads, dead-end roads, or overgrown wooded trails.

Courtesy of www.tripadvisor.ca

It's a Photo Finish! Underwater Fireworks!



Courtesy of www.youtube.com

Is it possible for fireworks to burn under water? I didn't think so until I discovered by accident that indeed they can. We had lit them on the beach on the Canada Day long weekend, and somehow they tumbled into the lake. We thought they would be a write-off, but to our amazement, not only did they go off just like normal but the show was as good as ever. Check out this video called [Funny Firework Experiment – We Broke Frozen Ice on Pool with Crazy Firework in Water](#). If you try this yourself, be cautious. It's risky but well worth it!

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

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