



THE Tax Tipper

February 7, 2017

We take your taxes personally!

Issue 55

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Our Readers Respond

Thanks, PTC Canada. Once again, an excellent return for my husband and me. Appreciate all your hard work. Neel, you are amazing at what you do and, I might add, *fast!* See you next year!

Candice Barr
 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,

It's been 2017 for over five weeks now, and I've already hit the ground running with 2016 tax returns filed for those early birds.

There's no doubt in my mind that this will be a year of big changes coming to our nation and the world in general. The recent Brexit looks like it's a go, as the British Parliament came to the realization that it can't ignore the will of the people. You will see more nations, like France, Holland, and Germany, wanting out of the sinking European Union. The Trump victory south of the border has been the biggest upset in that nation's political history. Trump has not even been in office three weeks yet, and the radical changes he's pushing through executive orders, bills, and cabinet are going to erase the last 50 post-Kennedy years of poor policy.

Ezra Levant has just written a new book that's well worth getting: Trumping Trudeau: How Donald Trump will change Canada even if Justin Trudeau doesn't know it yet. Let me put it to you this way: Whether you like Trump or not, his policies will affect us, and the old leftist ideologies are being shovelled into the grave at a record rate. This is wonderful news if you're productive and like good things, but if you're lazy and want to sponge off a creaky system, forget it. It's over, folks, and there's nothing you can do about it.

The mainstream media is an example of a dying industry, as its fake news narratives are being exposed in the free media. It's hard for me to describe the whole thing, but in my

previous newsletters I illustrated how fake news is necessary to direct government policy against the desires of the nation's citizens. Stefan Molyneux, a Canadian YouTube broadcaster since 2006, does a great job explaining why and how this happens. Let me point out something he highlights in his talk. The stock of Postmedia, Canada's largest newspaper, traded at well over \$2,000 near its inception in 2011. Today it barely putters at 0.90 cents. Yes, that's a drop of well over 99% in less than seven years. With recent annual losses of \$352 million and a net worth of -\$89 million, it's worth more dead than alive. Postmedia is not alone. Torstar, CBC Canada's state media, the *New York Times* owned by Carlos Slim, and the *Washington Post* owned by Amazon's Jeff Bezos are all money losers subsidized by outside sources. What's going on, you ask?

President Trump has openly called CNN fake news and has banned it from the White House press room along with the *Washington Post* for their false reporting. Let me share a recent article about wealth distribution, because far too often I hear about average people working harder but having less in their pocket without living high off the hog. It was reported by Oxfam that the eight richest billionaires own more than the wealth of half the people on the planet. In Canada, the two richest families are as wealthy as 30% of our population—and that's in a developed country!

This growing gap between a select few and the masses outside of this elite group is accelerating faster than ever. Crushing power

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Neel's Message, continued

bills in Ontario of over \$1,000 per month have middle class families pleading for help directly to the prime minister, while the Ontario premier has the nerve to deflect blame onto the province's own residents. This is classic McCarthyism, where those in authority with a lot of say on policy are deliberately trying to change the narrative, despite proven facts and accurate records, so you can't understand what's really going on.

History teaches us that those in charge of the nation's finances control policies and ultimately dictate to the population. If you look at Venezuela, the Bolivar traded at 60 to 1 U.S. dollar ten years ago, and today it's 600,000:1. This has wiped out the standard of living for the bulk of residents while making a few at the top very rich. The continuing war on cash in the European Union is another method of taking purchasing power away from the middle class. This is why I have been recommending cash in my previous newsletters. I have not believed in the gold-silver hype and have even come to learn that it's likely another elite scam when you think of all the commissions made in long/short speculation. I can't get into the whole thing in this newsletter, but the bottom line is that there's something dramatically wrong with a money system that steals from the poor and middle classes and makes the elite richer at an exponential pace.

Donald Trump has made whirlwind reforms in two weeks, and, no surprise, there seems to be a riot or uprising every day. Addressing sacred-cow issues like vaccines, the Johnson Amendment, illegal immigration, and more, he's been the gutsiest president in contemporary times. I believe the big issue is auditing the Federal Reserve, which is neither federal nor has any reserves, according to several congressional testimonies. Established in 1913, the legislation was written by bankers for bankers, and, no surprise, the U.S. has sunk (both as a nation and a population) into debt, high taxes, poverty, etc. In other words, the country does not control its own currency, and its people are totally at the mercy of whatever policy happens.

Let me share an incredible story I heard on an internet radio show (Minute 20) last week about how deep the corruption runs. Back in the Cold War days of science fiction in the mid-50s, there was a pulp fiction publication called Argosy Magazine. While it was as imaginary as it was outlandish, there was always a hint of truth to make it believable. If you study the military-industrial complex, you'll

learn that enemies are needed for wars and wars are big business for weapons suppliers. (I know this as I worked for one of the biggest in the 80s!)

Argosy Magazine published a story about how the Federal Reserve was used to fund the Soviet communists in the 50s. Keep in mind that money (not gold, silver, or Bitcoin) is always needed to buy supplies, pay soldiers, etc., and if either side runs out, it's over. Long story short, the Russians needed trillions (war easily costs a billion dollars a day, so do the math) over decades to keep the war going, given that communist countries are generally poor and unproductive. Since the U.S. didn't want the machine to stop, and it would be too hard to smuggle that much out, they actually moved the Federal Reserve's printing plates, paper, and ink overseas and allowed them to *print as much as they wanted* until the war ended.

How do you compete with that? Just imagine if that had gotten out to the public! Of course, that'll never happen with fake news, but you can bet that 99.99% haven't a clue about this; and even if they did, good luck figuring out how all the intricate complexities work together. In other words, no one can connect the dots because there are no visible dots to connect.

Now do you see the importance of searching for genuine sources of information? I'll continue more on this subject in future newsletters, as I've dumped a lot on you, but let me leave you with some optimism. One of the YouTubers I follow explained that Trump will boost growth by 56% by 2018, according to the IMF. As pie-in-the-sky as that sounds, I do believe that if the economy is allowed to run free, we will see unprecedented growth, possibly into double digits.

Lastly, be careful of the free media, as they are also susceptible to errors, bias, agendas, etc. One source I had in mind was Alex Jones of Infowars (equivalent to Canada's The Rebel), who has been in the business since 1996. I'd never heard of him until someone sent me his link a few years ago. I've followed him closely the last year, and his success is utterly amazing. Not only has he destroyed the mainstream media, but he has actually *become the mainstream media* (at least in the U.S.) with his pro-Trump stance. I hope Jones continues to succeed because, despite his abrupt approach and over-the-top theatrics, he does a good deed at the end of the day by bringing the truth. But we have to watch if he becomes an apologist for Trump when Trump goes off

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course. Sean Hannity made that mistake years ago by becoming a Republican cheerleader, which turned a lot of viewers off. But luckily, he got back on track and today is doing well.

As things play out, I continue to be committed to you in being frank with world events that affect you, the taxpayer. We are no doubt in volatile times, and I expect this to get worse for some time. Oh yeah, the same old A1 tax service you've been used to since 1998 never changes. I'm almost at

the 20-year mark, which is remarkable and exciting, and I can't thank you enough! I wish you and your loved ones a happy Valentine's and Family Day long weekend. I'm hoping to sneak in some snowmobiling before the season kicks into high gear.



Neel Roberts
President and Founder

What's Happening

Upcoming for the 2017 Tax Season



Changes are coming this tax season, including

- improved benefits/credits like consolidated child tax credits
- new features such as account alerts
- improved services like online mail
- other changes, such as [declaring your personal residence sale](#) to claim the exemption from capital gains.

At the end of last year, CRA released the comparative figures, and this year it compares 2014 to 2017 for tax brackets, non-refundable credits, exemptions, GST credit, TSFA accounts, 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 at the [CRA facts sheet](#), plus the earlier announced [What's new for 2017 tax-filing season](#). Or call general enquiries at 1-800-959-8281.

More E-Services for 2016 Personal Returns



It's official. E-File starts first thing Monday, February 20, 2017, for all 2016 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](#).

2016 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 2016 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!

More on What's Happening

RRSP Deadline Approaching!

This year's contribution deadline is Wednesday, March 1, 2017, for your 2016 income tax return. If you miss the deadline, you can always use the contribution for your 2017 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.



The Last Return: How to Manage the Taxes of Someone Who Has Died

Sooner or later, we all leave this Earth, but if a loved one beats you to it, it's best to know what to do before it happens. Most taxpayers are more than glad to pay a professional to complete everything, including the [final tax return](#), to avoid surprise liabilities down the road for both the estate and executor. For further details, check out the [CRA information bulletin](#) or call general enquiries at 1-800-959-8281.



Proactive Citizens Kill Health Benefits Tax

Congrats to all of you who took action on the [recent lobby to stop health benefits taxes](#). The proposed legislation would have affected over [13.5 million Canadians](#), bringing in almost \$3 billion per year, or an average of about \$1,000 per family. A recent [Globe and Mail](#) article explains the Liberals' decision to turn away from this, good news indeed for the average middle-class taxpayer. So *yes, we can make a difference!* For details on ongoing tax petitions, etc., check out the [Canadian Taxpayers Federation](#).



CRA Monitoring Social Media, Including Facebook and Twitter

A [CBC article last month](#) confirmed that CRA has been using social media to keep an eye on taxpayers. While surveillance of this nature is nothing new to most of us, CRA claims it notified the privacy commissioner "of its plan to collect publicly available information from social media in connection with tax fraud and non-compliance risk analysis, audits and investigations."

The interpretation of this is quite broad. I don't use social media much for security reasons like privacy. Those of you who follow me have probably noticed that I don't do much. I prefer old fashioned email and phone, since it protects our clients' information, and that's way more important to me.



Celebrate Canada's 150th Birthday with Your Free Parks Canada Pass

Now you can get back some of those paid tax dollars to enjoy the beauty of this country all of this year. Parks Canada is offering a [complimentary pass](#) to anyone who applies, so take advantage while you can. While I live near one of the most legendary parks, [Banff National](#), I plan to visit [Long Beach](#) on the Pacific Rim of Vancouver Island over the summer. For further information, visit the [Parks Canada website](#) or call 1-888-773-8888.



Did You Know?



... the word "Valentine" means "Sweetheart"?
Have a slice on me!

Is Bitcoin a Way to Avoid an Upcoming Crisis?

Real People with Real Questions About Real Situations



Dear Neel,
I've seen a lot about Bitcoin recently and have noticed more retailers taking it, including some big box companies like Walmart, Amazon, and Target. From a tax point of view, are there liabilities from using this rather than cash? I use a lot of electronic services like debit, credit, and online banking, with little cash. I've heard about being prepared in case the system goes down and one can't use cash, gold/silver, debit/credit, etc.

Linda S.

Dear Linda,

I've never been a fan of Bitcoin, simply because it is purely a faith-based digital currency with no government or other type of backing. Also, the tax treatment can be complicated because CRA takes both the barter and securities approach, which will work against you. A barter transaction occurs when any two persons agree to exchange goods or services and

carry out that exchange without using legal currency. For example, paying for movies with digital currency is a barter transaction. The value of the movies purchased using digital currency must be included in the seller's income for tax purposes. The amount to be included would be the value of the movies in Canadian dollars. Digital currency can also be bought or sold like a commodity. Any resulting gains or losses could be taxable income or capital for the taxpayer.

Most people are not using digital currency for the above reasons and more. If you have lots of surplus cash sitting around and you want to have some as a reserve, it should be a very small amount, as most online vendors do business with other payment methods like PayPal, e-transfer, and most credit cards. The old saying "The house always wins" has held true since time immemorial, and as long as the government is in charge, it will win and so will its currency. That's why I recommend using it. Good luck!

It's a Photo Finish! Wow! 82 Years of Marriage!

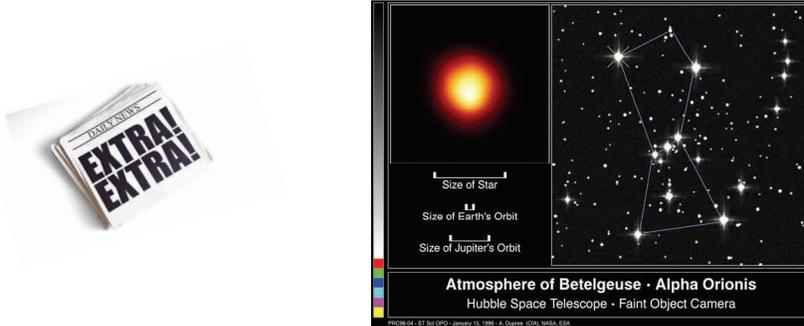


Courtesy [The Healthy Planet 365](#)

There's nothing like an amazing marriage, especially when you're well past 100 years old. Duranord Veillard, born in 1908 and 109 years old this February, and his bride Jeanne, born in 1912 and 105 years old in May, have lived a combined 214 years. Married in November 1932, at the time when president Franklin D. Roosevelt was elected, they did not suppose they would age this long together. They are an example of those couples who live the vows spoken on their wedding day, to spend the rest of their lives together. Now that's a Valentine's story!

Send us your fascinating photo or story.

Celestial Treat – Check Out the Valentine Star!



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 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'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 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 Star is visible February 14, 2017, starting in the North American SE sky after sundown and setting in the west around 2:00 a.m.

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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