



THE Tax Tipper

Easter 2008

We take your taxes personally!

Volume 11

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Editor
Neel Roberts
PTC Canada
Box 1347
Vulcan, Alberta
TOL 2B0

Phone 866-485-2683

Fax 866-485-2761

Neel_Roberts@ptccanada.com

<http://ptccanada.com>

The New and Improved Tax Tipper!

Dear Clients and Friends,

As the days grow longer and warmer, I look forward to summer as much as you do. I'm an avid outdoors person, and I can't wait for camping, summer stargazing parties, or just taking a mountain cruise in my '71 Demon 340. Until then, I appreciate the earlier sunrise on my farm while I sip a piping hot cup of tea. The extra daylight has come in handy, given that tax season 2008 has been the busiest ever. Great to see all you regulars again, and welcome aboard all new clients. If this is your first **Tax Tipper**, remember you can download [previous editions](#) from our website.

Those of you who have known me for a while (for some, that's eleven years. Can you believe it!) will appreciate that I am always looking for ways to improve the service I offer you. You'll notice that the **Tipper** this time is shorter and easier to read. Our clients like being informed about what's happening in the tax world and how it affects them, so that's our new focus.

Last Easter, I cooked up a batch of chocolate Easter eggs I was going to send out to you. The problem was not the shipping, packaging, or quality—they looked so good, I ate them all myself. This Easter, I cooked up a lot of chocolate bunnies, but my friends thought they looked so good, they ended up eating them all themselves!

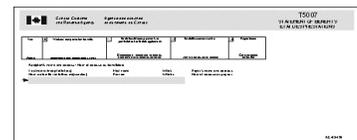
Just kidding. Now seriously folks, enjoy the latest **Tax Tipper**!

Neel Roberts
President and Editor

What's Happening

Are All Your T-slips In?

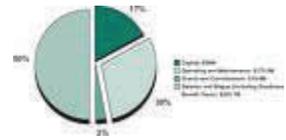
By now most of your 2007 T-slips should be in, including those for investments. March 31st, 2008, is the deadline for all investment T3s, T5s, T5013s, etc. If you have not received them, you should contact the issuer. If you are unsure of who the issuer is, you can call CRA at 1-800-959-8281 and ask if they have received any additional T-slips beyond what you have. Not many taxpayers are aware that CRA keeps a copy of these slips, including RRSP contributions, for their pre- and post-assessment reviews. (I will talk about this in detail in the next newsletter—late June). If you receive a slip after you have submitted your return, you can file an adjusted return!



More on What's Happening

Budget 2008

The federal budget for 2008 was released on February 26th, 2008. Check out our February 26th, 2008, update bulletin for details and comments on how it affects you.



New “Ways and Means” Legislation

On March 11th, 2008, the federal government tabled a bill called The Notice of Ways and Means amending the Income Tax Act to implement the February 26th, 2008, budget. Some of the changes being considered are:



- establishing the Tax-Free Savings Account;
- improving the flexibility of Registered Education Savings Plans by increasing by 10 years the time they may remain open and accept contributions;
- increasing the residency component of the Northern Residents Deduction by 10 per cent;
- extending eligibility for the Medical Expense Tax Credit to certain devices;
- extending the Mineral Exploration Tax Credit by one year;
- adjusting the rate of gross-up of eligible dividends and the Dividend Tax Credit to reflect corporate income tax reductions;
- increasing the benefits available to small- and medium-sized businesses under the Scientific Research and Experimental Development Program;
- amending the penalty for failure to remit source deductions when due and excusing early remittances from the financial institution remittance rules;
- reducing the paper burden associated with dispositions by non-residents of certain treaty-protected property;
- ensuring that the tax incentive for donations of medicines benefits recipients in developing countries to the greatest extent possible;
- modifying the provincial component of the Specified Investment Flow-Through tax to better reflect actual provincial tax rates;
- amending the Excise Act and the Customs Tariff to improve tobacco tax enforcement and compliance;
- adjusting excise duties on tobacco sticks and tobacco for duty-free markets;
- equalizing the excise treatment of imitation spirits and other spirits and implementing Goods and Services Tax/ Harmonized Sales Tax (GST/HST) as detailed in the budget.

Got a Beef with CRA?

Do you have a problem with CRA or the service you are getting from them? There is now a complaints process that you can use if you do not get a satisfactory answer or treatment. The CRA has a form (RC193 Service-Related Complaint) for such complaints. The government has recently appointed Mr. Paul Dubé the Taxpayers’ Ombudsman to help resolve issues with CRA. So if you feel you’re getting nowhere, check out the Taxpayers’ Ombudsman website!



2007 Tax-Filing Deadline at the End of April

The deadline for most personal returns is now 30 days away. Waiting until the last minute to do your taxes is never a good idea, especially if you need them assessed soon. Once you’re ready to file your 2007 return, make arrangements TODAY rather than on April 29. I am jammed to the rafters with appointments, and you may have to wait weeks before getting in. Take advantage of our email, fax, phone, or mail service. The days of office locations and 9-5 hours are becoming a thing of the past, and regrettably businesses stuck in yesterday’s ways of doing things will get left there. Most clients are demanding more options, and—no surprise—appointments are becoming a thing of the past too!



Just Asking? ... Just Answering!

Real People with Real Questions About Real Situations



Stung by a scam! Now what?

Dear Neel,

I am furious and frustrated with CRA for reassessing me for donations I made to an organization that was a registered charity. This organization promised me large returns on my donations. This seemed odd, so I asked my accountant about it three years ago. She said that anything with a registered charity number qualifies for a tax deduction, but CRA is now saying it doesn't. Isn't this unfair? I'm on the hook for well over \$10,000 and can't imagine I'm the only one!

Terry B.

Dear Terry,

Elsewhere in your letter, you mentioned that this particular organization has since been busted and is out of business, so you would likely have no recourse against them. CRA announced last summer that they were investigating these organizations, and it turned out a lot

of them were scams and the donors/taxpayers ended up in the same situation as you. You are entitled to appeal your reassessments within 90 days through the new Taxpayer Bill of Rights and Taxpayers' Ombudsman. However, the Income Tax Act says that all filed returns are the responsibility of the individual, no matter what. That being the case, I am not surprised that there have been no successful appeals. CRA is estimating that they will recover over \$1 billion, which is a strong incentive for them to keep going. In our earlier newsletters and bulletins, I have repeatedly warned all to stay away from these deals, because "if it sounds too good to be true, it probably is!" I wish I had better news for you, but it turns out to be a lost cause. Be prepared to pay them back. Good luck!

Are You Just Asking tax questions?

Neel can Just Answer them.



Our readers respond!

I referred one of my subcontractors, and he told me that he was thoroughly impressed with your knowledge and abilities. I'm sending one more of the crew to you!

*Rose Richea, Principal
Richea Health Concepts Inc.*

We welcome your comments on the Tax Tipper!

Send us an email.



Did You Know...

That when you put the two words "The" and "IRS" together, they spell "THEIRS"?
Now aren't you glad you're Canadian, EH?

It's a Photo Finish! The World's Largest Chocolate Easter Egg



Courtesy of www.ananova.com

You may not have heard of the city of St. Niklaas, Belgium, but it recently made news by entering the Guinness Book of World Records with the biggest Easter egg ever. The Belgian chocolate producer Guylian used at least 50,000 bars of chocolate to make the chocolate egg for the city. The egg measured 8.32 metres in height and beat the record set by Kwazulu-Natal, South Africa, in 1996. That egg was 7.65 metres high.

Twenty-six craftsmen worked 525 hours to build the egg. They needed 1,950 kilograms of chocolate. Alderman Urbain Vercauteren of the city of St. Niklaas said the egg wasn't meant to be eaten. "After a week outside in all weather conditions, I don't think it would be very tasty!" he said.

Send us your fascinating photo or story.

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The Tax Tipper is professionally finished by Joyce Gram, your newsletter pro.
gramkend@shaw.ca