



THE Tax Tipper

October 3, 2016

We take your taxes personally!

Issue 53

Inside

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

Thanksgiving Message!

Dear Clients and Friends,

The falling leaves are the surest sign that summer's over, but as an amateur astronomer, I just love the long nights. While the snow hasn't fallen yet, the chill is definitely in the air, and by the time this newsletter gets to you, the first few flakes will be on the ground. Yahoo! Here comes snowmobiling season!

Much has happened in our nation since my last newsletter. I'm a frequent visitor to the West Coast, where the once-optimistic real estate boom in Vancouver has suddenly gone south. With the introduction of a 15% luxury tax, prices have dropped a record 20%+ in one month. You can be sure this is coming to Ontario too, and booming markets like Toronto should prepare for a similar downfall.

In my home province of Alberta, the employment/investment jewel of Canada for 10 years, record vacancy rates of over 25% in downtown Calgary, higher personal taxes, rock-bottom energy prices, and pending carbon taxes are all front-page news, with no sign of a turnaround until the end of the decade at the earliest. Yes, some provinces like Saskatchewan are bucking the trend, but let's face it. When the powerhouse provinces like BC, Ontario, and Alberta are sinking with little hope of recovery, it'll be felt by everyone like a viral flu.

I was asked by the local paper to write an article (Sept. 2, p. 7) about rising taxes and how they have affected society historically. No surprise, they have always slowly strangled the average person while dramatically raising the standard for a very small 1% at the top. We, the working people, rarely see the benefits of higher taxes, and in fact, provincial and local governments are racking up debts at record,

unsustainable rates, another choke hold. Recently, the Fraser Institute released a detailed study showing that, since 1961, taxes have gone up over 19 times, considerably more than the necessities of life like shelter, food, and clothing. The Rebel Media did a follow-up story explaining how detrimental this is to the average family.

South of the border, we see the effects of this more dramatically. Tent cities are rising up in record numbers, and as more American jobs are expected to be lost, people lose their homes and end up on the street. It's no wonder Donald Trump has become so popular. His war against globalization has caught on, and people now want to take back their country, as the British are trying to do with Brexit and the EU. The move towards nationalism is a fast-growing trend, expected to be front-page news by the time the US elections are held.

To give you an idea of how complicated the US tax system is, a tax-return test was taken by 50 tax professionals, and 48 failed. The Pittsburgh Free Press reporter who covered the story explained that the test return was for a typical couple with some unique circumstances but nothing too out of the ordinary. The differences in the tax advice given to the couple were stunning. At one end, the couple was found to be entitled to a refund of over \$21K, while at the other end, they owed over \$9K. Even worse were the fees charged, ranging from \$271 to \$4,000 (yes, that's US dollars!). The reporter concluded that there was no logical connection between work performed and compensation expected.

Infowars covered this story in the summer, but here's the worst part: **This was back in**

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Our Readers Respond

"Thanks again, Neel, for all of PTC Canada's efforts and helpful advice!"

Eric Harrison
Calgary, Alberta

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!**

continued . . .

Neel's Message, continued

1990! Can you imagine the complexity of the US tax system 26 years later? No wonder people need a reprieve!

So how are people breaking free? It's simple: they're doing their homework and taking action. Those of you who have been following me for some time know that I'm a big advocate of keeping sufficient cash reserves on hand rather than relying on silver and gold. While I believe in the value of these metals, there's too much hype around them and not enough scrutiny. Recently, CNBC reported that the world's billionaires are holding over a trillion dollars in cash reserves. Specifically, 2,473 billionaires are keeping 22.2% of their total net worth in cash. That's significant, because even at the low end of \$1 billion net worth, over \$222 million would be in cash. The average Canadian's net worth is about \$500,000, and you can bet most don't have \$111 million on hand.

While I don't think it's important to have that much, you can't ignore what's going on in countries like Venezuela. With many commodities out of reach to the average person, it has come to the point where one ounce of silver will buy you six months of groceries. Even if it's all Kraft dinner or cat food, that's one heck of a payout. Did you know that one ounce of gold will buy a house in Venezuela? Probably not a hacienda on the beach, but stuff like this was not happening a few years ago, and people are desperate.

My point is this: In times of great volatility, the unprepared will become the slaves and the prepared will prosper. While you should have a few months of food supplies, fuel, water, and other essentials, there will be terrific bargains in these times and sellers will beg you for cash over metals if the banks shut down. Doubt me? Just try buying something in gold or silver. Not too many takers, eh? Believe me, it won't change dramatically.

I've always recommended government silver and gold coins. The dollar-for-dollar silver coins issued by the Canadian Mint are one of the most foolproof investments you can make. There's no possibility of loss, and the silver content will only offer gains down the road. This is current trading money you can cash anywhere, and if silver becomes as valued as it is in Venezuela, six months of groceries in Canada will come to \$3,000. Potentially, a \$100 pure one-ounce silver coin can go up 30 times in a very short time.

If you want to try the housing example, with an average price of about \$450,000, a one-ounce coin from the mint, at \$2,800, can yield a 160:1 return. Sure, it sounds too good to be true, but remember this: At the bottom of the depression in 1932, the Dow Jones was 42 (yes, less than 43 and more than 41!). The reason that sounds so foreign is because you're used to it being more like 18,000+, more than 900 times. Look up the history and you'll find that by 1933, the Dow Jones had more

than doubled, so it was possible for anyone to get a house for a reasonable price.

I'm going to give you all an early Christmas gift if you'll pay the \$7.00 shipping cost. Harry Dent Jr. has written many books with startling accuracy on how to profit from booms and busts. His latest, called *The Sale of a Lifetime: How the Great Bubble Burst of 2017 Can Make You Rich*, illustrates how to do what I've explained and much more. With the world entering negative interest rates, the whole investment scene is in uncharted territory. If this book does even a fraction of what it promises, it's worth hundreds of dollars. But guess what? It's now yours free! Just pay the \$5.00 US shipping charge and you're off to the races. Mr. Dent throws in a whole bunch of other stuff, but I suggest you watch the interview done a few days ago with him to get an idea of what's coming and how you can profit.

Let's face it! I can give you all the resources and ideas in the world, but if you want to be like the 90% who won't do anything about it, you have no one else to blame for becoming a slave. In a perfect world, I do almost all the work for my clients and the story has a happy ending. However, when it's time to do your push-ups, you have to do them yourself. I remember seeing a 16-year-old man in the summer, called Quay Manuel, standing up for the wrongs in his system south of the border. When interviewed, Mr. Manuel emphasized the importance of standing up for what's right, even though practically no one his age is doing so. Yet, he sees his generation in a lot of trouble because of a massive denial of reality. Mr. Manuel is not alone in his worldview, and you don't have to be either. When I started PTC Canada, one of my goals was to bring you resources that are not only practical but can be passed along to others. I encourage you to pass on this information, as it's everybody's battle.

This Thanksgiving, I'll be having deep fried turkey with friends. There's nothing like the aroma of cooking this out in the woods while snow begins to cap the Rocky Mountains. I've been doing this since 2012, and everywhere I go and try it on people, they are instantly hooked. If you haven't tried it, surprise the gang and look like an innovator. Not only does the turkey cook fast (usually under an hour), but it's to die for when done.

I'd like to thank all the regulars for your years of loyalty since 1998, and I want to take this opportunity to wish you, your family, and all your loved ones a safe and restful Thanksgiving while you enjoy the latest **Tax Tipper** with your turkey—wherever that may be!

Neel Roberts
President and Founder

E-File Available All Year

For those of you who have been following my newsletters over the years, it's exciting to know that E-file is now available year-round for personal returns.

Now you can file previous returns if you're behind up to four years. This is also available for corporate and GST returns. For further information, check out the [E-File webpage](#) or contact the call centre at 1-800-959-8281.



Old Age Security and GIS Increases Are Now Here

Recent changes to the Old Age Security and Guaranteed Income Supplement benefits came into effect on July 1, 2016. A [Knowledge Bureau article](#) explains the details.

Qualified seniors, who have not seen a raise since January 1, will receive an additional \$2.85 per month effective in July. The GIS also increased by the same percentage. For singles and seniors married to a non-pensioner, changes announced in Budget 2016 kick in this month, increasing the GIS from \$773.60 per month to \$856.39. For further information, check out the [OAS website](#) or [contact](#) 1-800-277-9914.



New "MyBenefits CRA" Mobile App: Your Benefits and Credits Whenever You Want Them

The CRA has launched another app, called [MyBenefits CRA](#), which lets you instantly view all your benefit and credit information on your mobile device.

The app shows you when your benefits or credits will be paid, the amount of your payments, and the status of your Canada child benefit application. The app will also let you update some of your personal information that may affect benefit and credit eligibility, such as your marital status and children under your care. For further information, check out the [mobile app website](#) or [news bulletin](#), or contact the call centre at 1-800-959-8281.



CPP Enhancements on the Way

A recent [Knowledge Bureau article](#) explained details of the [improved Canada Pension Plan](#). Some of the recommendations agreed to in the summer include increased income replacement from one quarter to one third of pensionable earnings. This means that, at maturity, a Canadian with \$50,000 in constant earnings throughout their working life would receive a yearly pension benefit of around \$16,000 instead of the \$12,000 they would currently receive, or \$4,000 more per year. In addition, there would be an increase in the maximum amount of income subject to CPP of 14%, which is projected to be equal to roughly \$82,700 in 2025.

To ensure that these changes are affordable for businesses and Canadians, there will be a long and gradual phase-in starting on January 1, 2019, that will allow more time for businesses to adjust, a bonus for the self-employed and others paying both sides of the premium. For further information, check out the [CPP website](#) or [contact](#) 1-800-277-9914.



2016 Tax Service Now Available

As some of you were alerted back in the summer, 2016 tax preparation service is now available. Those of you who have all your information or are filing zero income can take advantage of this service and avoid the rush. You can get the paperwork from the [forms website](#). Most people, however, will have to wait until early March 2017 when they have all their T-slips, etc.

One of the bonuses is that the 2017 calculations are also available (based on current information, of course). So for example, if you foresee a sizable amount of money coming from a buyout with the option to defer, I recommend that you book a consultation to utilize the most tax-advantageous strategy. I have done several of these and have saved clients untold thousands with a brief planning tactic. Unfortunately, many people end up paying too much tax on severances because they are not properly informed on how to address this.



More on What's Happening

New Tax Credit for Teachers and Early Childhood Educators



Teachers and early childhood educators will receive a bonus this school year.

Introduced in 2016, the [Eligible Educator School Supply Tax Credit](#) will help offset the personal costs of school supplies, allowing those affected to claim a 15% refundable tax credit on up to \$1,000 worth of school supplies each year.

Eligible educators, regardless of their income level, who purchase educational materials will qualify for a refund of up

to \$150 each year. [Form T2200, Declaration of Conditions of Employment](#), will be used only in cases where the teacher's contract of employment requires the teacher to provide and pay for the school supplies. In other cases, the expenses will qualify for the employment expense deduction, which is a more lucrative claim.

For further information, check out the [Teacher and Early Educator School Supply website](#) or call 1-613-995-2960.

Just Asking ... Just Answering

Need to File Lots of Years Now and Have Nothing

Real People with Real Questions About Real Situations



Dear Neel,
I need to get at least five years' taxes filed to apply for a mortgage. I don't have any receipts or T4s, etc., and I need to have this done soon. What can I do, as I have only 30 days?

Jaime M.

Dear Jaime,

You were not specific in your letter as to whether you are self-employed, employed, or both. A tax professional is the best person to guide you on the specifics.

First, you will need to contact CRA to obtain everything they have on file. Call 1-800-959-8281. Next, for self-employment income, you will need to gather all income and expenses related to your activities. Our [Small Business Tax](#)

[Booklet](#) and [Excel business spreadsheet](#) will help you compile your information.

Also, you should find out if you qualify for [tax relief programs](#) or the [Voluntary Disclosures Program](#). These can generate much relief from penalties, interest, and more if you fit the bill.

Lastly, get a [CRA online account](#), as it will improve your interactions with the CRA and your tax professional. Good luck!

Are You *Just Asking* tax questions?

Neel can *Just Answer* them.



It's a Photo Finish! World's Fastest Turkey Carver



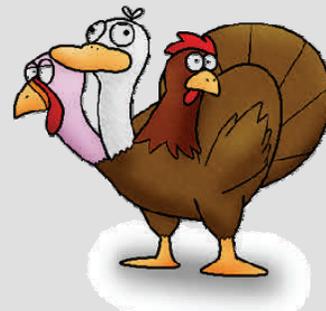
Courtesy of www.guinnessworldrecords.com

The fastest time to carve a turkey is 3 minutes 19.47 seconds, achieved by Paul Kelly at Little Claydon Farm, Essex, in the United Kingdom, on June 3, 2009. Paul went head-to-head against local butcher David Harrison at an event to celebrate the 25th birthday of [KellyBronze turkeys](#). This is Paul's second world record. He also holds the fastest time to pluck three turkeys, but that's another story. Let him show you the professional way [in his video on how to carve](#).

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

Did You Know?

[Turducken](#) is fast becoming a popular alternative to turkey on Thanksgiving, as it gives you the best of three worlds: turkey, duck, and chicken, all baked together.



Hey, that's my body!



Don't miss ...

The [Leonids meteor shower](#) peaking Wednesday/Thursday, November 16/17, 2016. Astronomy fans and enthusiasts can follow Neel's [monthly columns](#) the first Wednesday of every month!

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