



# THE Tax Tipper

December 15, 2011

We take your taxes personally!

Issue 29

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### Our Readers Respond

I am so grateful to you for the work that PTC Canada just did for me. Fast, efficient, no procrastination, and it surpassed my expectations a thousand fold. Again, and sincerely, many thanks to Neel Roberts. I should learn an 'nth' of the method of such a master!

Narda Brooks  
 Edmonton, Alberta

Check out our [Media Room](#). We make press now and then! Ever wondered what folks say about us? Check out our [testimonials page!](#)

As usual, we [welcome your comments](#) on the **Tax Tipper!**

## Christmas Message

Dear Clients and Friends,

I doubt I'm the only one who will tell you there were few dull moments in 2011. With economies around the world in crisis and continued uncertainty over employment, etc., many are hoping 2012 will be better. Personally, I had to deal with ailing family members who took time away from servicing you, but by no means did that deter me in my mission to assist and guide clients with tax challenges. I am very grateful that the technologies I introduced over 10 years ago are paying off for everybody and will continue to do so. It's quite common for me to get calls from new prospects who not only have been to [www.ptccanada.com](http://www.ptccanada.com) but also have their information ready to get the help they have needed for years.

I am very encouraged by your feedback and willingness to try a more efficient approach to solving tax issues. Late-night talk show host Conan O'Brien recently quipped, "I just taught my kids about taxes by eating 38% of their ice cream." While most people get what he's saying, my clients know that my approach is very different. We all want to eat as much of our ice cream as possible, but the most common problem I hear is how to get the right help for your situation. Believe it or not, I don't feel that PTC Canada is a good match for most taxpayers in Canada. Why? Because we specialize in servicing those who are behind in their taxes, and we have an especially good success rate with those

who have no idea how to get started. Let's face it: the government can be very intimidating to deal with, and if they've got you in a difficult spot, you need a specialist who knows how to get you out. Saving taxes is always desirable, but my priority is to get you back on track in the hope of keeping you there.

With the New Year fast approaching, I ask you again to help out where you can this holiday season. Many charitable institutions continue to struggle to keep up helping those in need, and everything you do makes a difference. In our small town of 2,000, a significant minority depend on our community's goodwill as a matter of life and death. Cold winters can be especially trying, and I am delighted that many of my clients, friends and family give heartily. Did you know that Canadians are considered among the most generous people in the world? Having lived in Canada all my life, I'm proud of that. Apart from receiving a tax deduction, you can feel that someone in need has benefited. Check out Mark Victor Hansen's book *The Miracle of Tithing*. I recommend it at this time of year because it is well written on the "non-economic" areas of giving. I have been tithing for years, and I can't tell you how many times it has faithfully rewarded me. Thank you in advance for doing this. Before closing, let me share a story I passed on to my clients many years ago to help you get the right perspective on 2012 . . .

*Please go to page 2*

## Neel's Message, continued

A family had twin boys whose only resemblance to each other was their looks. If one was too hot, the other thought it was too cold. If one said the TV was too loud, the other claimed the volume needed to be turned up. Opposite in every way, one was an eternal optimist, the other a doom-and-gloom pessimist.

Just to see what would happen, their parents had "Santa Claus" load the pessimist's room with toys and games. The optimist's room was loaded with horse manure. Christmas morning found the pessimist sitting amid his new gifts, crying bitterly. "Why are you crying?" the parents asked. "Because my friends will be jealous, I'll have to read all these instructions before I can do anything

with this stuff, I'll constantly need batteries, and my toys will eventually get broken."

Meanwhile, the optimist was dancing for joy in the pile of manure. "What are you so happy about?" the parents asked, to which he replied, "There's got to be a pony in here somewhere!"

The moral of the story! **Optimists are optimists and pessimists are pessimists!**

Merry Christmas, Happy New Year, and enjoy the last **Tax Tipper** of the year!



Neel Roberts  
President and Founder

## What's Happening

### Clients Already Booking 2011 Appointments

Clients are taking advantage of the space available for the 2011 tax season without the worry of being left behind. There's generally no cost and we can flex you within reason. Are you all ready to file your 2011 return? We have been ready to roll for a few months, thanks to the help of our speedy software developers. Simply contact me with all your information and you may have your refund in January. Unfortunately, E-File does not start until Monday, February 6, 2012, so all early returns will be paper-filed with the usual 4 to 6 weeks turnaround. There is still a slight advantage, especially if you're expecting a large refund!



### CPP Changes for 2012 Don't Affect Those 60 to 70 Currently Collecting

Starting in the New Year, those aged 60 to 70 *who are contributing* (not collecting) to CPP will fall under a different set of rules. Specifically, the pensioner 60 to 65 years old who decides to keep working will now be required to contribute even if they are receiving benefits.



Those 65 to 70 years old can elect to pay by filling out Form CPT30, Election to stop contributing to the Canada Pension Plan, or revocation of a prior election and give a copy to their employer. In addition, employees should send the original to the Canada Revenue Agency (CRA), as the election will take effect on the first day of the month after the employee gives the form to their employer. For further information, contact Service Canada at 1-800-277-9914.

### Are You "Tax Preparation Volunteer" Material?

Have you ever considered a profession preparing taxes but lack the experience?

The Tax Volunteer Program is an excellent way to get started, as the qualifications are minimal. If you want to pursue a career in the tax industry, this experience can be very helpful. Many professionals actually started here before going into practice full-time. I even heard a rumour that they have a free meal at the end of the season but you have to bring your own ketchup. Don't let that discourage you. For further information, contact the general enquiries line at 1-800-959-8281 or drop by your local tax centre!



### Things to Keep in Mind for Filing 2012 T4s and Other T-Slips



Employers issuing T4s in the New Year must now fill in box 24 "EI Insurable Earnings" and box 26 "CPP/QPP Pensionable Earnings" regardless of the amount. Also, as of 2012, you can now file T3, T4, T4A, T4A-NR, T4E, T4RIF, T4RSP, T5, T5007, T5008, T5018 and NR4 returns using the Canada Revenue Agency (CRA) Web Forms application. With each submission, you can include up to 50 slips. For further information, check out the [Electronic Filing Information Slips website](#) or call the business line at 1-800-959-5525.

### New Hiring Tax Credit for Small Businesses



In the last budget, the government announced the "New Hiring Credit for Small Business" (HCSB), a one-time credit

of up to \$1,000 based on the increase in a small business's employment insurance (EI) premiums paid for 2011 over those paid for 2010. The HCSB will be available to employers whose total EI premiums were at or below \$10,000 in 2010. For more information, go to [www.cra.gc.ca/hiringcredit](http://www.cra.gc.ca/hiringcredit) or call the business line at 1-800-959-5525.

### Tax Protesting Schemes Deceitful and Illegal



In these uncertain times, underhanded people plot schemes to entice innocent taxpayers into structures that give the impression that paying taxes is optional or unnecessary. Don't be fooled, as this will only land you in trouble with the taxman and cost you much. The [latest bulletin](#) from CRA lays out some examples of the form these schemes may take. For further information, check out the [Tax Alerts webpage](#).

## Just Asking ... Just Answering

### First-Time Filer and Really Behind!

Real People with Real Questions About Real Situations



Dear Neel,  
I'm a little embarrassed about my situation, because not only am I almost 30 years old and have never filed, but I come from a family that practised the same thing. When I went to CRA, they didn't even know I existed. I've worked

for companies and have also done a bit of self-employment, worked on a farm, etc. Should I just forget about the whole thing? I have no idea where to start and some accountants don't show any interest. I'm not rich but I'm willing to pay for the right help.

Chris K.

Dear Chris,

I can assure you that you're not the only person I've met in this situation, and I'm sorry that you didn't have a better example to learn from earlier in life. While some accounting firms can file numerous years for you, many don't specialize in

this, so you should try and track one down that does. CRA is limited in their ability to help you until you have filed your first return. A specialist knows how to get the right services from CRA fast.

I strongly recommend that you do not put this off, especially if you owe, as the penalties and interest can become astronomical. Also, if CRA owes you, there is a 10-year shelf life on tax refunds. Our [Personal Tax Checklist with Small Business Tax Booklet](#) will help you gather your information while the professional comes up with the best plan. If you decide to stay with that professional, have them put you on a spring reminder to make it easier in the future. Many firms offer this service free of charge and will keep it up until you're ready to submit your yearly filings.

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



# It's a Photo Finish!

## World's Largest Light Display at a Residence



Courtesy [World Records Academy](#)

Can you imagine spending two months full-time setting up your Christmas decorations? That's exactly what [David Richards of Canberra, Australia](#), did, and considering he's in the process of making the *Guinness World Records*, it may pay off. He used 29,630 metres of LED strings, 15,000 cable ties and one 18-metre light-controlled tree (27 kilometres of lights) to make it happen. The current record for the most lights lit simultaneously on a Christmas tree is 194,672, achieved by Kiwanis Malmedy/ Haute Fagnes Belgium in Malmedy, Belgium, but that's low compared to Richards' 331,038 lights. "The lights I started four years ago with one string above the door, and then I took it a bit further, some would say," Mr. Richards told news.com.au. He said this year's display is twice as big as last year's, so he's anticipating a lot of visitors between now and Christmas. Despite the four-year investment in the light display, Mr. Richards won't be doing it all again next year. Instead, he hopes to be able to donate the lights to someone else who will continue to use them to raise money for Sids and Kids.

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

### Did You Know?



#### The History of Candy Canes

In the 1600s when Christmas trees began, people used baked items to decorate them. The sugary sticks called candy canes were popular. They were only white and just straight sticks. In Germany, a choir master at the Cologne Cathedral put the hook on the end to look like a shepherd's hook. Supposedly, he passed them out to the children during the long services to keep them quiet. Later on, stripes were added. Nobody knows for sure when, but sometime around the turn of the century candy canes with green and red stripes began to appear.

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