



THE Tax Tipper

March 29, 2010

We take your taxes personally!

Issue 21

Inside

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

President and Founder
 Neel Roberts
 PTC Canada
 Box 1347
 Vulcan, Alberta
 T0L 2B0

Phone 866-485-2683
 Fax 866-485-2761
taxes@ptccanada.com
<http://ptccanada.com>

Our Readers Respond

Hi, Neel. Another tax season, another great job thanks to PTC Canada. Regards.

Roy Cox
 Edmonton, Alberta

We welcome your comments on the Tax Tipper!

Dear Clients and Friends,

The longer days have helped me quite a bit, given the mountain of work that has come my way. Spring is not a time when I sleep in much, unless it's from exhaustion. This tax season has been relatively smooth, thanks to the internet, faxes and other ways taxpayers take advantage of no longer having to meet in person. Last year over 80% of our business was conducted this way, and the trend continues to close the gap. Will it ever be 100%? It's hard to say, but the high 90s certainly seem possible. That's incredible when you consider that ten years ago this didn't seem doable. When I started in 1998, without even a webpage, I always envisioned a tax business that serviced clients in a virtual manner. Those of you who have been with me a long time have not only seen the change but also enjoyed the advantages of a much quicker and more effective service.

So how can you change over? Simply email or call me for details, but I suggest you start with our [checklist](#). Our website www.ptccanada.com is quite intuitive, and I often get prepared work from people I've never met. If you need several years filed, or your situation is complicated, use our [Get Started Now](#) form. Both are interactive, so you don't have to print anything and can email the forms directly to me. Most people who switch over to this method don't want to switch back. Not only do they save time but the service is more efficient.

2009 was without a doubt a challenging year for many. With the downturn in the global economy, it was hard to escape the rash of cutbacks that resulted in less work. So far 2010 seems to be a recovery year. I am delighted with the regulars I have met so far — they are much more optimistic than a year ago, and I am encouraged by this. Many, particularly in the building trade, are putting in long hours. Together with strong real estate sales, the trend is looking up.

With tax season about to hit its peak, I am often asked if there are "creative ways to deal with the taxman," especially if you owe. Of course, this depends on your situation and it can be complex. But I remember one client with an outstanding balance who wrote the taxman the following note:

*Dear CRA,
 Please find enclosed a cheque for \$100.00. I have been unable to sleep knowing that I am in debt to you and am delighted to finally make payment.
 Sincerely, JL
 PS: And if for some reason I still can't sleep, I'll send the rest!*

Last time I called on him, he was still asleep. Enjoy the April Tax Tipper while you're still awake!

Neel Roberts
 President and Founder

What's Happening

2010 Federal Budget

At the beginning of March, Minister of Finance Jim Flaherty tabled the latest Federal Budget. While cuts in the civil service were the main rollback, the stimulus continues to aid the recovering economy, and no new tax levies were introduced. Check out our [March 4, 2010 bulletin](#) for details.



More Breaks for the Disabled

CRA announced at the beginning of the year tax incentives for those who are legally disabled. Compared to a few years ago, there are many more breaks today, and they are all listed on CRA's [Persons with disabilities website](#). Also check out the [latest news bulletin](#), which highlights the most recent changes.



Remember Those Home Renovation Receipts

Many of the returns I have processed so far have been taking advantage of this one-time tax break. Simply put, save all your receipts from January 27, 2009, to February 1, 2010, up to \$10,000 (minimum \$1,000) for renovating the home you own. Most expenses incurred to improve your personal residence, such as rebuilding a kitchen, are allowable, but not items for regular maintenance, such as snow clearing or lawn cutting. Check out the [Home Renovation Tax Credit \(HRTC\)](#) or call the hotline at 1-877-959-1272.



Compliance—Be Prepared If CRA Asks

I read a lot of bulletins and articles on trends in the tax and accounting industry. One of the items that comes up often is how CRA is addressing taxpayer compliance. In other words, is the tax return reporting the correct amount, and does the taxpayer have the documentation to support it? The law has always stated that what's reported on the return must be not only accurate but also substantiated with appropriate receipts, etc. If their revenues are healthy, CRA may not audit as many returns. But, since the downturn in late 2008, the massive deficits the Canadian government has racked up may trigger the auditors to go looking for cash, and they can go back as far as six years. I have not noticed a jump in audits from my clients, but I am cautioning everybody to be prepared to get a letter from CRA requesting proof of your transactions. For further information, check out the [CRA audit webpage](#).



CRA Announces Tax Relief for Canadians Affected by Natural Disasters

CRA announced earlier this month that Canadians participating in relief efforts or affected by natural disasters who are unable to meet their tax obligations will be able to readily access tax relief measures. "In cases such as the recent earthquakes in Haiti and Chile, as well as in any other potential natural disasters, our Government is sensitive to the difficulties that individuals and businesses may encounter as a result of unpredictable natural disasters," said Minister of National Revenue Keith Ashfield. "As has been done in the past, the Canada Revenue Agency will continue to provide relief to taxpayers by giving special consideration when they are unable to meet their tax obligations due to natural disasters." Taxpayers should submit their request in writing using form RC4288, [Request for Taxpayer Relief](#). The CRA will consider these requests on a case-by-case basis. For more information, check out the [information bulletin](#).



CRA Offers Free Tax Seminars

CRA is offering the general public tax seminars on a variety of subjects. Seminars for individuals include such topics as: seniors and income tax, the Child Disability Benefit, and newcomers to Canada. Seminars for businesses include such topics as: registering for a GST/HST account, payroll requirements, T4 slip preparation, and more. Go to www.cra.gc.ca/events to view and register for upcoming events and seminars in your area. Seminars are added frequently, so check back often!



Canadians Continue Haiti Generosity

It has been over two months since the disastrous earthquake hit Haiti. While there is a lot of work ahead for the small nation, Canadians have been among the most responsive helpers and generous givers. While it may not be your calling to make a trip down to help out, I encourage you to donate to a reputable charity that gives the funds directly to those in need. In most cases, your donations are tax deductible, but check out the special [Haiti website](#) CRA has set up to help you handle this, or call them at 1-800-267-2384. Unfortunately, there are unscrupulous people who will exploit a catastrophe like this, not only using your hard-earned money for their own benefit but also jilting you out of a legitimate tax deduction.



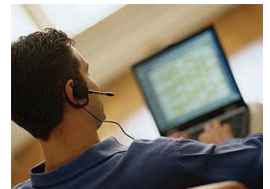
Paying Taxes at the Bank? Make Sure You Use the Original Form and Not a Photocopy!

Are you paying your personal, corporate or GST taxes at the bank? CRA is now emphasizing that you use the original remittance forms instead of copies. These specially made papers contain magnetic ink and are encrypted to direct your payment to the correct department. Check out the [news bulletin](#) for details, but you can also arrange [E-payments](#) by calling 1-888-863-8657, or you can pay via your online banking system.



CRA Launches Free Business Webinars

CRA is pleased to announce the launch of Small Business Information Webinars as part of ongoing efforts to assist Canadians in understanding their tax responsibilities and how the CRA is available to help them. Also, they are offering an additional suite of webinars focused on the HST for Ontario and British Columbia. For more information on these webinars, please see www.cra-arc.gc.ca/harmonization. The CRA is continuously creating more ways to assist small businesses in complying with their tax obligations. To get more information on the Small Business Information Webinars, check out the [information bulletin](#)!



Help CRA Snuff Out the Tax Phonies

March was fraud prevention month, and CRA is reminding Canadians that the minority of tax preparers and promoters who try to make money at the expense of Canadian taxpayers are not getting away with it. "Canadians should know that honest tax preparers and promoters are an important part of the tax system, and that the vast majority are professionals who fully respect tax laws. But there are some who engage in fraudulent activity," said Minister of National Revenue Keith Ashfield. "Our government is committed to protecting taxpayers; we want Canadians to be educated about different types of fraudulent activity and know that unscrupulous third parties who victimize law-abiding citizens can be severely penalized under the law." For further information, check out the [information bulletin](#).



Ontario and British Columbia: Transition to the HST—Direct Sellers and Independent Sales Contractors

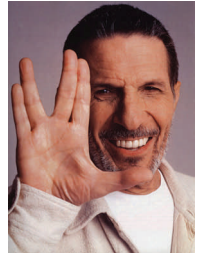
The governments of Ontario and British Columbia have each proposed a harmonized sales tax (HST) that will come into effect on July 1, 2010. The HST rate in Ontario will be 13%, of which 5% will represent the federal part and 8% the provincial part. British Columbia has proposed a 12% HST (5% federal and 7% provincial). Expect several more updates before the July 1 switchover, but for now check out the [news bulletin](#) regarding direct sellers and independent sales contractors.



Come and Meet Leonard Nimoy in Vulcan, Alberta, Friday, April 23, 2010

In my February newsletter, I let you know that Spock is coming home, which actually means (for all you Star Trek fans like me) that Leonard Nimoy, who played Mr. Spock in the original show from the 1960s, will be visiting my hometown on Friday, April 23, 2010, around 12 noon. Mr. Nimoy was recently quoted by the CBC, saying, "I'm looking forward to making a root connection to Vulcan," adding that he wants to "shake some hands" and "make some friends" during his visit.

As a Vulcan resident, I personally invite you to come down and meet him, as he has been very helpful with our Star Trek promotions and more. Vulcan is the official Star Trek capital of Canada, and, thanks to Mr. Nimoy, we were the first ones to see the Star Trek movie last year before the official debut. Mr. Nimoy recently announced his retirement in promoting Spock. "After 45 years," he said, "I'm glad to pass on the torch and do my photography full-time, with no regrets." For further information contact Dayna Dickens or Erin Melcher at Vulcan Tourism at 1-403-485-2994 and tell them I sent you! I suggest you come down early in case the highways are crowded, as this will be the biggest event our town has hosted!



2009 Tax Filing Deadline at the End of April!

The deadline for most personal returns is now 32 days away. 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 2009 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 no longer necessary!



Just Asking ... Just Answering

Home Renovations, Renters and Businesses

Real People with Real Questions About Real Situations



Dear Neel,
I have lived in my father's house for years (he lives in a nursing home). My family just pays the expenses, like taxes, hydro, etc., so we are not

renters. We will eventually inherit the house and take on all the responsibilities of being an owner. We have Power of Attorney over the property, so my father is not involved anymore. We recently did renovations to start a small business and are wondering if we qualify for the Home Renovation Tax Credit.

Ralph C.

Dear Ralph,
While you and your family act like owners and have taken on all the responsibilities of the property, the problem that may prevent you from claiming the Home Renovation Tax

Credit (HRTC) is that your dad, rather than you and your spouse, is still on title. One of the conditions for claiming the credit is that you owned the property, so CRA will treat you like renters even though no money has changed hands between you and your dad. You can call the hotline at 1-877-959-1272 for more information. You mentioned that these renovations were made to start a small business. It is not a total loss because you can, in fact, claim a portion of them under business expenses. Check out our Small Business Tax Booklet and the CRA Business Income guide for details. All the best!

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



It's a Photo Finish! The World's Largest Chocolate Bunny!



Courtesy www.flickr.com

Wanted—Big Fridge: On display at the chocolate maker's Fassbender & Rausch in Berlin, Germany, this is the world's largest Easter Bunny. Made up of 11,320 smaller bunnies, it took 253 hours (over 9 days) to build and comes in at about 3,000 pounds. It was not clear whether the big Bunny was for sale or just on display, but you would need one monster fridge to store it. Now, what would you do if this showed up unexpectedly on your doorstep with a note saying, "Please adopt me"? Yup, it's a YouTube moment!

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

Did You Know?

Easter is an interesting holiday for astronomical reasons. The Christian Church didn't pick the date out of thin air. It is based on an ancient lunar calendar using the Jewish calculation for Passover, the 14th day of Nisan, or the month spring begins. Jewish months begin with a new moon. Fourteen days later is the full moon. This full moon is called the "Pascal Full Moon" and begins the Passover celebration. For Christians, Passover and Easter are associated with Jesus's ill-fated visit to Jerusalem. Hence the Easter rule became simply, "The first Sunday after Passover." Technically more correct, using the astronomical definition of spring, this became "The first Sunday after the first full moon after the vernal equinox."



Got an interesting fact? [Email it so us!](#)

All materials are the exclusive property of PTC Canada and are for information purposes only. Individuals and entities should seek personal advice from qualified professionals before taking further action, as PTC Canada and its associates assume no liability whatsoever for this resource.

[Click here to unsubscribe to this newsletter](#)

The Tax Tipper is professionally finished by Joyce Gram of Gram Editing Services, your newsletter pro.

www.gramediting.com Email: email@joycegram.com