



# THE Tax Tipper

June 24, 2013

We take your taxes personally!

Issue 37

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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!**

Dear Clients and Friends,

These longer days just rock! We haven't had a heat wave here in Alberta yet, and that's just about the same everywhere in the country. As a matter of fact, when I took my annual retreat to Osoyoos last week, I noticed there was still snow on some of the mountain peaks, which is not common in this desert part of the Okanagan, often burning hot at this time of year. Until a few days ago, my furnace on the farm was still kicking in at night, but the good part is that the bugs have laid low—especially the mosquitoes.

If this is your first **Tax Tipper**, welcome, and remember you can always download previous editions from our website. Many of you will have noticed that our website underwent quite a transformation over the spring. Thanks to [Sandi Rohl of IC Grafix](#), the brains behind [www.ptccanada.com](http://www.ptccanada.com) since 2006, it is now geared toward mobile users also. Why the change? Simply, people are on the go a lot and don't necessarily wait till they get into the office or home to look for tax help. Over half of my clients no longer have a land line, but most have a mobile computer, specifically a smart phone, tablet or [phablet](#), with internet access. A few weeks ago, *USA Today* [published an article](#) saying that tablet computer sales soared 50% in the last 12 months, and more than 4 out of 10 users (44%) now own a tablet computer. That's up from 30% last year, and ownership is even higher, at 54%, among those aged 18 to 34.

Those of you who have been following the **Tax Tipper** for a while know that I have been predicting this trend since the mid 2000s. There is no sign of it slowing down, and in fact my next project (I knew you were going to ask) is an app with all the necessary tools from beginning to end. Many folks

actually handle their taxes on the go rather than wasting time on meetings or interrupting their routines. Let's face it—there's less time to do things like work, spending time with family or even relaxing, to say nothing of the stress that goes with taxes. So, if the complete task is now at the palm of your hand, why wouldn't you consider it? That's why so many newcomers like PTC Canada. "Easy, convenient and quick" are common remarks people say about us. With this new website and upcoming app, it just gets better.

Summer vacation travels always create memorable stories, especially the ones about stores in small towns. I try to stir up interest among listeners with some of the pub names I've noted, like "Rigor Mortis: our customers become really stiff," though I think his neighbour "Band Aid Bar: come on in and get plastered" has him beat. The best one is a fishing story, which I'll call "First Things First." A husband regularly takes off fishing on weekends, leaving his wife home alone. One day she asks if she can come along. "You don't fish, and in fact you can't even swim. I think you'll get bored." Finally, after weeks of nagging, he gives in and she tags along. He warns her not to stand the wrong way in the canoe, as it can tip over. As with any self-fulfilling prophecy, they're not even five minutes on the water when the inevitable happens, and she kerplunks into the chilly lake. While she's screaming for help, her husband stands up and exclaims, "See what you did? *You scared all the fish away!*"

Happy Canada Day! Enjoy the latest **Tax Tipper** with your well deserved summer, my fellow Canadians!



Neel Roberts  
 President and Founder

## Tax Filing Deadline Come and Gone



The deadline for filing personal returns was April 30, and if you're self-employed it was June 17, 2013. As both of these dates are long gone, your return is technically late if you owe money. If you are expecting a tax refund or [Personal GST Credits](#), you will not receive interest. Keep in mind that certain benefits like [Child Tax Credits](#) have a shelf life of 11 months, so if you have several years to file, you may be out of luck on the older ones. If you need to get caught up, call CRA at 1-800-959-8281 and find out how many years need to be filed. If you're really behind, like 20 years, CRA may only need the last 10, so confirm that with them. Also, have them send you all the T4s they have on their database for the appropriate years with carry-overs, RRSP limits, copy of last Notice of Assessment, etc., so you can get up to date properly!

## CRA Pays You to Find Them Money



In the budget announced on [March 21, 2013](#), one of the incentives to turn in tax cheats came in the form of cold, hard cash. Gail Shea, Minister of National Revenue, made the [following statement](#) in April regarding the recent media coverage of a list of Canadians with offshore assets. "Anyone with information on tax cheats has an obligation to bring it forward. The release of this information is good news for the hardworking Canadians who pay their fair share. This is bad news for the [tax evaders in this country](#)." While the payments are taxable, the 5% to 15% rewards can be sizable upon collection of **federal-only** taxes. No reward is given for provincial taxes, penalties or interest. For further information contact the [Informant Leads Program](#) at 1-866-809-6841 or fax 1-888-724-4829.

## 2012 Tax Review Notices Are Out



CRA conducts its review (post-assessment) of current tax returns during the summer of the year in which the return is filed. If your [return is selected](#), you will receive a letter requesting the information CRA requires. It is *very important* to respond to this letter even if you need time to track down receipts, etc. CRA will usually grant time extensions if the request is reasonable. However, if you do not respond to their letter, CRA will normally reassess you within 30 days, and you will be responsible for newly assessed balances owing plus interest. After that, you can use the [appeals process](#) to dispute the balance, but that can be more complicated than just responding in the first place.

## Overseas Employment Tax Credit Ends in 2016

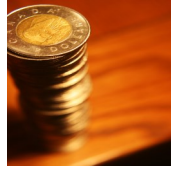


Those earning wages from eligible companies and qualifying for the [Overseas Employment Tax Credit](#) will start to see an immediate reduction in benefits from the current 80% of their qualifying foreign employment income (QFEI), or \$80,000 (maximum QFEI), whichever is less, to:

Year	Percentage	Maximum QFEI
2013	60%	\$60,000
2014	40%	\$40,000
2015	20%	\$20,000
2016	0%	\$0

As always, you will need a completed [T626](#) with your personal return. For further information, check out the news bulletin or contact the [International Tax Office](#) at 1-855-284-5942.

## CRA Announces Changes to Debt Collection



Just before the summer, Minister of National Revenue Gail Shea announced changes to the collection of outstanding debt owed by taxpayers. To clarify, a tax debt is a balance owing by the taxpayer that has not been paid and has become overdue. Unless the filed returns were incorrect, it is not a tax issue but a financial problem. I often get calls from people who owe money but are not disputing the assessment, thinking this is something an accountant can solve. While we have some services to assist delinquent debtors to either reduce the debt or negotiate more time to pay, taxpayers must understand that they must settle any amounts owed promptly. For further information, check out the Tax Debt in Canada website or contact the collection department at 1-888-863-8657.

## Business Owners Can Now Get Their Correspondence Online Instead of by Mail



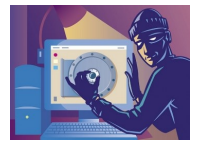
Those of you who have been using CRA's E-services have nothing but good things to say about it, just like us full-time tax professionals. Now it's gotten even better. You can choose to receive notices of assessment and reassessment and some letters online. When you register for this new service, CRA will no longer print and mail correspondence to you. Instead, you will receive an email notifying you that there is mail to view in your secure online business account. Using the new online mail service is much faster and easier compared to managing paper mail. Go to My Business Account and select "Manage online mail" from the left sidebar menu. CRA has renamed the "View correspondence" service to "View mail (correspondence)." You can view a notice of assessment, letter or statement in "View mail" up to three years from the date of the item. For further information, check out the E-Services for Business or contact the business line at 1-800-959-5525.

## Some MPs Are Really, Really Behind on Their Taxes!



Just when the Senate scandal seemed to be getting all the attention, the taxman poked his head in. According to a recent Canadian Press article, one of Stephen Harper's former top advisors, Dmitri Soudas, owed Revenue Quebec over \$67,000 in back taxes from 2008 to 2011, but when the NDP tried to raise a stink about this, it was revealed that shadow cabinet members Tyrone Benskin and Hoang Mai were behind on their tax filings and owed money. To make matters worse, Benskin attempted to introduce a private bill that would absolve him of his tax liability, and Mai was the revenue critic. Needless to say, Tom Mulcair stripped them of their duties when the news broke, even though he had been aware of their evasive behaviour. Pierre Poilievre, the government's designated hitter on the Senate scandal, told the Commons, "That is not the kind of leadership Canadians expect." Regardless of a person's title or status in society, CRA is very clear that those having a legitimate obligation must step up to the plate.

## Is Your Information Safe?



Have you ever wondered if the folks working on your sensitive files are protecting your privacy? Recently, CBS News investigated what happens to used photocopiers that store all copies made in the life of the machine, unbeknownst to the owner. Shockingly, anybody who bought one of these used devices was able to recover all copies and use the documents as they pleased, putting many people at the mercy of fraud, embarrassment or worse. PTC Canada has recognized the importance of client security since the early 2000s, and everything is done to protect you from possible misuse. If you feel that a breach has been committed against you, contact your local law enforcement agency or Canadian Anti-Fraud Centre at 1-888-495-8501 toll free.

## Getting Your Taxes Done Or Hiring an Accountant?

Real People with Real Questions About Real Situations



Dear Neel,

I have owned a rental property with my in-laws for several years now and have no idea what to claim regarding car expenses, in-home office, etc. Further, I have to report dividends from a corporation I once owned, even though I never saw the money and never even

operated it. It seemed like a bargain to pay \$90 to get all of this done, but now that I can't even get a hold of the person who did it, I'm having second thoughts. I'd appreciate any advice you could offer.

Mike S.

Dear Mike,

I didn't even bother to read the rest of your detailed letter because this is a classic example of using an off-the-shelf package rather than engaging a professional to properly service you. Unfortunately, \$90 doesn't buy much today, even from the most no-frills services, considering the overhead costs involved. I suggest you look at two of our free booklets,

[Ten Reasons Taxpayers Hire a Professional](#) and [Ten Ways to Assess a Consultant's Fees](#), to gain a better understanding of who to hire for your tax situation. Not only are you facing a few complexities with your rental property, but you are possibly being overtaxed from a dormant corporation. A good consultant will likely charge you a small fee, but it is deductible and you will probably save money on top of that.

Second, our [Rental Tax Booklet](#) with [Excel bookkeeping spreadsheet](#) will direct you regarding deductions, splitting income, etc., and can better prepare you if you still want to go with a basic service. Personally, I'd get someone who understands dividend payments, and that will not likely come from a basic service. The saying I've lived by successfully is "When in doubt, get a professional." Good luck!

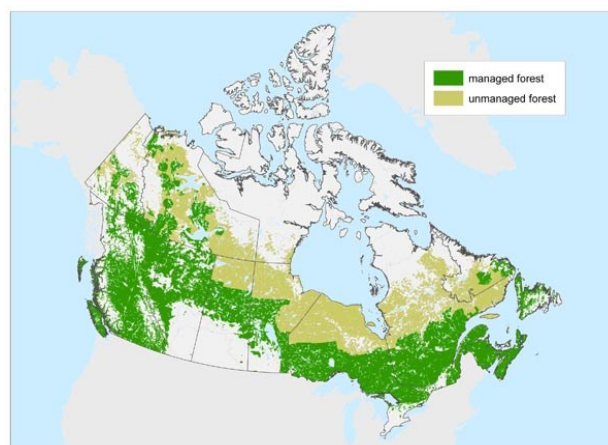
Are You *Just Asking* tax questions?  
Neel can *Just Answer* them.



## Did You Know?

... that Canada has over 10% of the world's forests?

Considering that we have far less than 1% of the world's population but more than 10% of the world's forests, covering nearly half of the Canadian landscape (home to two-thirds of Canada's wildlife), Canada is loaded with wood and paper for many generations to come. Oh yes, we also have over 20% of the world's fresh water. That's why you can sing "The Lumberjack Song"—*I'm a lumberjack and I'm okay*—with confidence!



Courtesy of [Tree Canada](#)



Send us your fascinating photo or story.

# It's a Photo Finish! Fireworks Over the Pier



Courtesy of [YouTube](#)

Wherever you celebrate Canada Day, there are a variety of events you can either attend personally or see online. Taken a while back at “The Beaches” by Toronto Harbour, this photo may make you think this is the army at work. Far from it. It’s Canada Day, and wherever you choose to celebrate, make sure you catch one of the many shows across this great country of ours. Here’s the live version of [Canada Day Fireworks at the Toronto Beaches](#). Enjoy! Enjoy!

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

## Our Readers Respond!

Neel, thank you for your prompt help and advice. So glad I found you on Google. I was impressed by the speed with which PTC Canada was able to do everything by email, and your pretty much instant return of phone calls, which reduced the anxiety. I appreciated your upfront approach about what the consequences of non-action might be, and you provided all the background information necessary. Your website and newsletters provide excellent follow-up. As a senior citizen, I only wish I had known about your service long ago. Best wishes. Much appreciated!

Irene Nunes, Retired  
Toronto, Ontario

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