



THE Tax Tipper

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We take your taxes personally!

Issue 92

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

Canada Day Message

Dear Clients and Friends,

It's the first day of summer and I just arrived back from my annual trip out to Osoyoos. Canada's desert mountain lake is a real treat, and Lake Osoyoos is Canada's warmest lake with 30C+ temperatures when I was there, if you can believe that. However, my yearly retreat to Sproat Lake, B.C. isn't the real vacation. Vancouver Island, the Canadian region of perpetual summer is the nation's vacation spot and a dip in Pacific Rim's Long Beach is the ultimate treat. For those who have been there, the ocean's cool all year round and I brave it without a wet suit. Sure, it numbs your skin but when it's over 30 outside, not so terrible. The [forest fires](#) haven't been too bad so far with all the rain received, so we'll have to see how they pan out.

Welcome aboard all new clients, especially if this is your first [Tax Tipper](#). I am delighted with the feedback I have got since it launched over 18 years ago in May 2006, and they are all on the website www.ptccanada.com which was started around 2000. I was one of the first tax companies that had a functional website and those who have been with me since the beginning have seen it evolve into one of the most informative sites in the industry. As always, I'm looking for ways to make your experience more manageable, whether you've been a client for decades or just window shopping.

Is Canada on the [brink of disaster](#)? Before I answer that, let me challenge you to be a contrary thinker who doesn't just follow the crowd for the sake of it while never researching anything. A recent [RCMP report](#) cited that [broke Canadians could soon start a civil unrest movement](#) especially if [25% of Canadians are living at the poverty level](#). Right away you should be suspicious as that's a

classical social agitation tactic which lures desperate people to join entrapment schemes and end up getting locked up. I haven't joined any protests in decades for this very reason but rather agree with [Chris Sky's United Non-Compliance](#). Afterall, if you say no, how can that be seen as a civil disturbance? You have your voice, vote, and dollars, so start using them for freedom and against the system. They'll fight back but this time you're ready to win.

Canada is about to experience the [lowest standard of living in 40 years](#) with the [most unaffordable housing in the world](#) while [corruption seems to be running wild](#). It's not hard to get discouraged but I believe this is all necessary to show people what's really been going on for years and even centuries. Has it always been this bad or are you just starting to notice it? Probably both, but I think once people start to see things for the way they really are, they don't go back to the old way and demand change. A great example is almost 100% of offsite and white-collar workers refuse to return to the office and there's nothing businesses can do about it. Sure, you can threaten and fire them, but the next hires will do the same, so that's a win. Another example is the dying mainstream media; independents are killing it and the people have taken back the narrative, which is a victory so huge, it'll pay dividends for many generations over. The last example is more are shopping at mom & pop shops, farmer's markets, and non-big box stores than ever before. While there's still big line-ups at the large corporate retailers, that'll eventually move over by the next decade. Whatever action you take, make strides to move away from the black hole of corporatism; it's sucking your soul out of you as it's designed to do.

Continued on page 2

Neel's Message, continued

On the issue of taxes, I think there is a massive paradigm change we're on the cusp of as it's been a massive control tool the system's had on the population. Christopher James Pritchard recently reported over 7,000,000 Canadians have stopped filing returns, which sounds really high and needs to be verified, but even if it's only 1-2 million, it's still a significant shift. People are starting to wonder if paying taxes is voluntary as recent carbon and exit taxes not just in Canada but all over the world are a massive scam? As people are now waking up to the COVID scam, employees are now winning cases over non vaccine suspensions while the very existence of viruses is being challenged. After all, if the vaccine was so great, why do you see so many that regret taking it while on the other side no one regrets not taking it? Hmmm! As I've said in my earlier newsletters, COVID's not over as it's just beginning, except it's now the people's turn. Watch the counterattack starting this year.

One backlash that's been happening in other countries is overnight "blade runners" and cutting down street cameras and it's now here in Canada. We should not be surprised at this as it will not only accelerate but as the November US elections approach, the deep state is expected to become more tyrannical, but I believe the people are ready. The Liberals are almost in an unheard of last place in the polls and in fact most governments in the world are in a similar situation as the public will soon learn elections have been stolen for decades. What some are labelling "The Great Awakening" is actually going to be more like the "Great Shaking" since it'll take a tremendous leap of faith for the majority of the population to come to terms with the truth that we've been lied to on a massive scale. Most will have trouble coping with this as emotions will fly but I watched a fascinating documentary by Charles Reagan Swindoll Jr. "Khazarian Mafia: The God Eaters" which gave a good history of how we got where we're at today.

Trump and the Republicans seem well-positioned to win the presidency, both houses and more but it won't be a smooth victory. No doubt the swamp will fight the loss, but I believe contingencies are in place. The people have had it with all the corruption and will welcome military intervention unlike previous elections. As I've said in previous newsletters "DONALD TRUMP IS 100% IN CHARGE OF EVERYTHING; NOT 50%, 75%, 99.99%, BUT 100% ALL THE WAY", so enjoy the show.

Alberta continues to be a favoured place for interprovincial migration especially from BC and Ontario. Even the mainstream media is admitting over 1/3 of BC residents want out of the province and Alberta is the #1 choice mainly because of the lower cost of living. Ontario is experiencing record unemployment which is making it almost impossible to live and while some saying it's happening in Alberta, the lower cost of living is attracting many prospects. It's interesting for the first time in over 40 years, BC is going conservative, and I think by the end of the decade the whole country will be rid of these leftist parties with more independent ones winning like in Saskatchewan. People are done with the old guard and it's not about voting conservative or even independent, but provinces and municipalities want their autonomy.

On a final note, Happy 157th Canada Day. I'll probably be getting caught up on chores on the farm since the late May snow and recent, constant rains set me back on spring cleaning so not much enjoyment for me. Whatever you do, enjoy the **Tax Tipper** with your well-deserved summer, my fellow Canadians, and remember, "THE BEST IS YET TO COME"!



Neel Roberts
President and Founder

What's Happening

CRA Pressuring Employees to Close Appeal Files?



Whistleblowers are going on Tik Tok and revealing the chaos going on at the CRA appeals division. In a nutshell, upper management is pressuring agents to close files. In some situations, this may be a good thing as I know some cases have been going on for over 10 years and there doesn't seem to be any time limit legislated. On the other hand, some taxpayers don't feel they are getting their filings reviewed correctly resulting in over taxation. While they have the right to appeal all the way to the Supreme Court, most give in as it's too expensive, etc. I don't do as many appeals as I used to, so I'll monitor the progress.

Cottage Succession Planning for the Family



If you have a family cottage and the older parents can no longer upkeep it, the time to pass it on may be here. Assuming it's not a principal residence, one has to see how capital gains may play a factor especially if there's a death involved. Knowledge Bureau has a detailed article but in a nutshell planning is an important exercise that clients should undertake well in advance of their deaths to avoid family issues and tax implications.

More on What's Happening

Tax Filing Deadline Come and Gone

The deadline for filing 2023 personal returns this year was Tuesday, April 30th, 2024, and if you're self-employed, it was Saturday, June 15th, 2024. As both these dates are long gone, your return is theoretically late if you owe money. If you are expecting a tax refund or **Personal GST Credits**, they do not pay interest on moneys expected back. Also keep in mind 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 exactly need to be filed. Sometimes if you are really behind, like 20 years, they 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!



2023 Tax Review Notices Are Out

The CRA conducts its review (post-assessment) of current tax returns during the summer of that year filed. If your **return is selected**, you will receive a letter requesting the information they require. It is absolutely important that the taxpayer responds to these even if you need time to track down the receipts, etc. CRA can usually grant time extensions if the request is reasonable, however if the letter is not responded to, normally they will reassess you within 30 days and you will be responsible for newly assessed balances owing plus interest. After that, the taxpayer must use the **appeals process** to dispute the balance which can be more complicated than the first step.



Seniors 65 and Over Now Eligible for Canadian Dental Care Plan

Good news if you're a Canadian in their golden years as you may now qualify for the **Canadian Dental Care Plan (CDCP)**. You can apply to the CDCP online as there are more than 6,500 oral health providers signed up to participate providing services to CDCP patients. Eligible participants who do not already have an oral health provider can consult Sun Life's **CDCP Provider Search** to find a dentist, dental hygienist, denturist, or dental specialist in their community. For further information check out the bulletin and references from Health Canada.



New Capital Gains Taxes for 2024



As of this summer, the current 50% capital gains rate will go up to 66 2/3% in most cases. The amount of capital gain that is included in income is called the "taxable capital gain" and this is determined by the capital gains inclusion rate. Knowledge Bureau has a detailed article with a special report and below is the history of capital gains taxes since 1972.

1972 – 1987: Inclusion rate at 50% (1/2)

1988: The date that CNIL (Cumulative Net Investment Loss) reduces Capital Gains Deduction

1988 – 1989: Inclusion rate at 66.67% (2/3)

1990 – February 27, 2000: Inclusion rate at 75% (3/4)

February 28, 2000 to October 17, 2000: Inclusion rate at 66.67% (2/3)

October 18, 2000 to date: Inclusion rate at 50% (1/2)

June 25, 2024 forward (for individuals): Inclusion rate on first \$250,000 at 50% (1/2), Inclusion rate above that at 66.67% (2/3)

Instant Online Access Now Here

Great news for taxpayers; after much petitioning and work, now you can get online to My Business Account and Represent a client via approved government ID. Currently, the registration process requires individuals to request a CRA security code by mail, which can take up to 10 business days. With the new identity validation option via a government-issued photo identification (ID), such as a passport or driver's license, users can quickly validate their identity to get immediate access to their online CRA account without having to wait for their code in the mail. To use this new identity validation option, the user must be 16 years of age or older and have a camera-enabled mobile device that will allow them to take a photo of their government-issued ID. Only the following pieces of identification are currently being accepted: Canadian passport, Canadian driver's license, and Provincial/Territorial ID card.



More on What's Happening

Multi-Generational Home Answer to Housing Crisis?

With the average price of a home over \$700,000 in Canada the chances of those under 40 of ever buying a house seems impossible. In cities like Toronto and Vancouver, it's more like \$1-\$2 million dollars with no immediate signs of reversing. Add to that higher interest rates, uncertain job market and inflation, families are looking at multi-generational homes. The Multigenerational Home Renovation Tax Credit provides a refundable tax credit of 15% of up to \$50,000 to a maximum of \$7500 with a \$40,000 low-interest loan to homeowners who wish to add a secondary suite to their home to rent it out or house family members. Knowledge Bureau has a detailed article on this as boomers downsize or Gen Z stays home longer.



More CPP Benefits for Survivors?

The spring budget allocated changes to the current survivor benefits for recipients. The federal government announced it reached an agreement with the provinces to make technical amendments to the CPP legislation to enable:



- a top-up to the Death Benefit for certain contributors,
- a partial children's benefit for part-time students,
- extended eligibility for the disabled contributor's children's benefit when a parent reaches age 65, and ending the eligibility for a survivor pension to people who are legally separated after a division of pensionable earnings.

Knowledge Bureau has a detailed article and benefits are generally taxable to the recipient, however the lump sum death benefit may be reported on the return of the estate.

Pets Deductible?

Is Dexter the donkey deductible? Possibly, if you're a farmer, but in most cases 4-legged dependents can't be claimed.



However, in 2018, CRA made an allowance that service animals for medical reasons may be acceptable. For example, a psychiatric service dog trained to perform specific tasks to assist with post-traumatic stress disorder usually qualifies. Knowledge Bureau has a detailed article as types of expenses claimable include the cost of the animal, as well as its food, veterinary care, reasonable board for the animal, and travel costs/lodging for the owner to attend a facility for training of the animal and their owner.

Reporting Fees for Service (RFS) Consulting Public for Reporting

More and more taxpayers are being compensated for duties performed which are not having any deductions taken off outside a regular, payroll job known as "Reporting fees for service." While many do report it and pay the taxes on it, sometimes this is not always the way to do it. In the case of a business or self-employed individual, it's usually added to sales, usually the T4A slip, subject to applicable deductions whereas a non-business person may be missing out of eligible expenses. CRA has set up a consultation to see the best way forward but if you fit into this category, probably a good idea to set up invoicing practices for goods and services. I'm personally amazed how many have no idea how to do this considering how many are doing activities outside their full-time jobs, etc. You can complete the questionnaire online now. It will close on July 22, 2024.



100% GST/HST Rebate on Purpose-Built Rental Housing

You may be eligible for the GST/HST new residential rental property (NRRP) rebate for landlords and builders converting newly constructed or substantially renovated residential rental property to residential rental units specifically to house students, seniors, and apartment dwellers. To be eligible for the NRRP rebate, the fair market value on the qualifying residential unit must be less than \$450,000 when the tax was payable on the purchase or self-supply of the property. For land or a site in a residential trailer park, the fair market value must be less than \$112,500. Knowledge Bureau has a detailed article as the rental accommodation or land must be intended for long-term use as a residence.



New Alberta Home Tax Free to Live Off Equity

Real People with Real Questions About Real Situations

Dear Neel,

My family and I are getting out of Ontario as fast as we can before our mental health breaks down.

We own our home and can get \$1.5 million but have not secured work yet as an engineer in Alberta, so we're going to rent part of our new home out and live upstairs. The Calgary home will cost \$800,000.00 plus moving costs, etc., so I plan to live off the \$600,000.00 equity for a year until a suitable job is found. My wife will be able to start working right away so can we still deduct moving expenses and what are the tax implications of all this?



Aryn W.

Dear Aryn W.,

I love getting letters like this for many reasons because not only is this so tax friendly but is financially advantageous and more. First, buying and selling a principle residence is generally tax free, so live off as much equity as you want with no worries. Second, a proper 3-bedroom basement suite with parking, etc. in Calgary can easily get \$3k a month and with no rent control in Alberta and with a 0% vacancy rate, you'll be well ahead of the game as you shouldn't have to plough much of your own money in. Third, with your wife working, she can claim all the moving expenses, so no problem there. Lastly, the market has nowhere to go but up in Alberta for many years and with Ontario real estate already tiring, all the equity you make in the new home is tax free less the capital gains of the rental portion, so you'll likely net back most of your equity. Good luck!

Neel

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



Did You Know?

Canada Has the World's Largest Pond Hockey Tournament in Plaster Rock, New Brunswick?



Get Your Tickets Now!

Courtesy of Mustdocanada.com

It's a Photo Finish!

“Truck Accident in Hope, B.C. Gives Spectacular Fireworks Show!”



Courtesy of www.latestly.com

Last fall in late October, a late-night crash of a semi-truck on a British Columbia highway crashed into a trailer loaded with USD 100,000 worth of fireworks, thereby causing an explosion which led to a spectacular display. The impact of the collision was such that it ignited spectacular fireworks after the crash. Luckily, both drivers were able to exit their vehicles safely and on time. Interesting it was just before Halloween, not Canada Day, so it was neither a trick nor a treat but certainly unforgettable to those who happened to be standing in traffic!

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