



THE Tax Tipper

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We take your taxes personally!

Issue 63

Inside

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

Thanksgiving Message!

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Our Readers Respond

Over the years, PTC Canada has been very efficient and understanding when preparing my taxes. What you do relieves a lot of stress and worry. Knowing that you are available to help is priceless, especially when dealing with the taxman. Thank you again, Neel, for all your help and patience. You made a difference.

Bill Demchuck
 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!**

Dear Clients and Friends,

Well, summer's over and the early snow in Alberta came before the leaves were even falling off the trees. While most of us would rather have the warm weather all year round, I don't mind an early winter, as it gives me a chance to take my sled out for a ride in the fields. It's refreshing to be able to ride for miles in the middle of nowhere with a flask of coffee and then take a break to drink up the snow-covered prairies with a java. This is how I start my days, weather permitting, on the cooler side of the year.

As this newsletter is being written, the headlines are dominated with Brett Kavanaugh's US Supreme Court confirmation. I'm confident it will go through this month in time for the next congressional sitting, and much change will be coming in US and world policy. Let's face it. The Democrats represent a very small group of elitists (under 1%) and have no interest in the average man or woman. It's no wonder the exploding [WalkAway movement](#), which only started this summer, is always [uploading testimonies](#) about why they left the left. The descriptive words are always the same: liars, cheaters, bullying, violent, destructive, and anything bad. In other words, the left never had anything positive to say, and the WalkAways are glad they finally woke up. The Kavanaugh hearing is the most covered event of the year so far, and now people can see, in plain sight, how things really work.

Let's not kid ourselves. This is reflective of what's going on in the world, and the battle of good over evil is in the open. The election of Donald Trump two years ago has sparked patriotic movements at all levels. Here in Canada, the one-month-old [People's Party of](#)

[Canada](#) walked in to [over 15% support](#). With candidates expected to run in all ridings in 2019, [the party will no doubt make headway](#). At the provincial level, the upheaval of long-term Liberals in Ontario by Doug Ford's Conservatives has put that province on the right path, while in Alberta, Jason Kenney is expected to clean up against the NDP next year. [Provinces uniting against Trudeau's carbon tax](#) is just the beginning, and even at the municipal level, we see [Faith Goldy](#) in third place for mayor of Toronto. She's been [denied participation in the debates](#) but is not deterred, even after being [dragged off the stage](#). I would think that's helped her cause.

Patriotic movements are happening all over the world, and what's encouraging is to see younger people, from [their late teens to early thirties](#), being prominent. Twenty-one-year-old [Sam Oosterhoff](#), MPP for the riding of Niagara West-Glanbrook, was part of Doug Ford's Conservative victory in Ontario. Twenty-two-year-old [Saira Blair](#), a staunch Republican, has been a member of the West Virginia House of Delegates since her eighteenth birthday in 2014. At thirty-two, [Sebastian Kurz](#) became the twenty-fifth Chancellor of Austria on December 18, 2017, and Chairman of the Austrian People's Party (ÖVP) on May 15, 2017. From 2014 to 2017, he was Minister of Europe, Integration and Foreign Affairs.

There are many more, but here's the bottom line. The winds of change are blowing strong, and people don't want anything to do with elitism, communism, socialism, leftism, etc. Recent [Project Veritas](#) exposés of government rogue employees have gone viral, which has added fuel to the fire.

continued . . .

Even employees at the social media companies are rebelling. The summer bloodbath of corporate stocks, with losses of over \$100 billion (it's probably way more), has not deterred these outfits from censoring conservatives, patriots, constitutionalists, Christians, and libertarians. A leaked video headlined "Google leadership's dismayed reaction to Trump election" has caused many "Google engineers and scientists to flee the company as EVIL takes over." They've gone so far as declaring "Why all of humanity must declare WAR on Google ... it's now a matter of human survival." No surprise the left has responded by "openly [plotting] mass executions of conservatives," so be ready.

Allow me to let you in on how Trump is going to deal with this. The hysteria by the left is not about Roe vs. Wade, sexual assault, and even the mid-term elections. Drumroll, please, because you heard it here first. ***It's about upcoming military tribunals, nowhere to be found in the mainstream media.*** Trump has been preparing the stage with executive orders for massive deep state removals, which I believe are going to start this year. Yes, you'll see the big names go down not just in the US but all over the world.

The social media censorship is all part of the "fake news machine" that Watergate columnist Carl Bernstein wrote about decades ago. After leaving the *Washington Post* in 1977, he spent six months looking at the relationship between the CIA and the press during the Cold War years. His 25,000-word cover story, published in *Rolling Stone*, has been a classic since it came out over forty years ago. I believe Trump is going to fix the mainstream media within a year, and here's why.

Recently, Trump has been holding very private, early fundraisers for his 2020 presidential run. Wealthy business owners and investors are paying between \$35K to \$150K per plate, and I'll bet they want more than just a photo with him. Rumours have circulated for some time now that AT&T will take over CNN (hint: Trump has much stock interest in AT&T), and since AT&T isn't really in the media business like CNN, is he looking for investors? Time will tell, but let's face it. Their fake news has only made him popular. Either they'll turn the corner or disappear now that they realize they've been the biggest promoter of patriotism, Trump, and much more self-actualization. Funny how that works!

By the time this newsletter is out, we'll have started entering scary times like we've never seen before. I would not be surprised if martial law is put in place after the Democrats lose the mid-terms, as they will totally give up on political involvement and go full 9-1-1 physically. Don't be scared, as this is expected, and I believe Trump is prepared with sleeper cells, etc. Keep in mind, it'll go global as that is the range of the

problem. Interestingly, I do not expect an apocalyptic shutdown of the world with a doom-and-gloom outlook for decades, but I think a short-term upset in the daily logistics of banking, groceries, and the stock market for about a month is reasonable. I've always had months of food, water, fuel, power generation, supplies, etc. stocked up on my farm, in good times and bad, and that's what I recommend. I believe 2019 will start rough, but a new wind of optimism will begin and eventually outlive all of us. I know you are very skeptical. Please be so. That's how you should approach anything you hear. Time will tell, and I'm sticking to this story.

One of my favourite movies of all time, the original 1968 *Planet of the Apes*, celebrated its fiftieth anniversary this year. What I liked most about it was that a total outsider, Captain George Taylor (played by Charlton Heston), exposed that their entire, centuries-old ape culture was being run by a dictator who was a complete and total fraud. Of course it was never the same after that. A recent British article, called 50 Years of Planet of the Apes: Why the original series still holds a warning for us all, makes some good comparisons. I believe we live in precipitous times and the dyke's about to break. Those who have studied the French Revolution will remember the opening to Charles Dickens's 1859 classic *A Tale of Two Cities*. "It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to Heaven, we were all going direct the other way—in short, the period was so far like the present period, that some of its noisiest authorities insisted on its being received, for good or for evil, in the superlative degree of comparison only."

Sound familiar?

This Thanksgiving, I'm trying something brand new. There's a company near me that makes a unique baking item known as Bacon Wrapped Turducken Premium Roast. I've had Deep-Fried Turkey since 2012, so it's time to try something new. Don't get me wrong. Deep-fried is a hard act to follow, especially with the KFC coating, but it'll return for Christmas.

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, meaning you can go back to 2014. 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.



Service Improvements Coming to CRA This Year

If you've experienced long waits calling the CRA, getting adjustments done, or corresponding in general, there's good news on the horizon! Better days are ahead! When I met with CRA managers last month, the common theme was poor communication and unreasonable times to complete taxes outside of the current tax year. While there has been a [recent uptick](#), improvements will be noticeable by the end of 2018 and the beginning of 2019. A major upgrade to the call centre and consolidation of processing centres have overloaded the current system. Backlogs have been as much as a year, resulting in [major criticism from the public and professionals](#). We will follow the progress as it unfolds.



Self-Employment to Explode in the Next Decade

A recent article by the Knowledge Bureau, called [A Workforce of Freelancers: Almost Half by 2020](#), strongly reinforces what I've been saying for years. The days of full-time, permanent employment are on the way out, as it's much cheaper for businesses to contract out work. Technically, employees rent out their time for a wage. While this has worked well since the Industrial Revolution, it has run up a lot of cost and administrative issues that both employers and employees have been trying to avoid. Over 45% of the workforce will be "on-demand freelancers" by the next decade, and tax planning is a must. I've worked on lots of these scenarios, so let me know when this comes up. In fact, if you're a Millennial or Generation Z, you can be sure you'll run into this in your lifetime, so now's the time to prepare!



To Collect CPP or Not?

Since the recent changes in CPP payments and benefits a few years ago, many potential pensioners have questions about when to draw and how to combine other income if they choose to keep working. Unfortunately, there is no single answer, and usually a consultation with your financial planner or tax preparer is a good bet. A [good article by the Knowledge Bureau](#) describes the taxpayer's options, but you will need to study these well before deciding. For further information, contact [CPP](#) at 1-800-277-9914.



It's True! You Can Get Stuck with the Vendor's Tax Bill if You're Buying a Canadian House from a Foreigner

Just when you thought you'd heard it all, there's more bad news. With so many overseas investors selling their investment properties to locals in Canada, you've got to make sure that taxes owing to the CRA are dealt with in the sale. Specifically, if there's a capital gain that is not recoverable, you guessed it—the buyer can be liable.

The Income Tax Act obligates the purchaser to withhold 25% of the purchase price from a non-resident vendor unless the vendor has obtained a clearance certificate from the CRA indicating that the non-resident has made appropriate arrangements to pay the tax. To get this certificate, the vendor needs to file [Form T2062, Request by a Non-Resident of Canada for a Certificate of Compliance Related to the Disposition of Taxable Canadian Property](#), within ten days of the planned sale, accompanied by payment of 25% of the expected capital gain on the sale.

For further information, check out an article by [Jamie Golombek](#) called, [Buyer beware: How purchasing property from a non-resident of Canada could leave you with a hefty tax bill](#).



National Pharmacare in Consultation Stage

For decades there have been discussions, studies, and ideas about a national drug program for all Canadians. Like our health care, the bulk of all prescriptions will be covered by the government and funded by taxpayers. You can participate now in [online consultation](#), or check out the website [www.letstalkhealth.ca](#). For further information, go to [Health Canada's website](#) or [contact Health Canada](#) at 1-866-225-0709.



More on What's Happening

Disability Claimants Experiencing Long Waits



Over 2,000 applicants were rejected for diabetes claims, according to a [recent CBC article](#). While over 1,000 of these claims were reviewed and approved, candidates are very frustrated with the whole process and a Senate committee is demanding a complete overhaul of the system.

I've done many disability adjustments in the past with much success, because I screen the claim and tell the applicant the odds of success before submission. The few that fail were either shaky in the beginning or wrongly rejected. It's quite a process to get them reapproved, not to mention the time involved. I've seen these claims go on well over a year, with the client's doctor going back and forth with the CRA staff. Quite frankly it's disheartening to see the vulnerable treated this way.

Professionals are pushing for the services to be fixed by 2019, so stay tuned.

For further information, check out the [Disability Tax Credit website](#) or contact general enquiries at 1-800-959-8281.

2018 Tax Service Now Available



As I alerted some of you back in the summer, 2018 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 of you, however, will have to wait until early March 2019 when you have all your T-slips, etc.

One of the bonuses is that the 2019 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 so that you can use 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.

TFSA Audits Net Over \$100 M



A recent audit of TSFAs resulted in almost \$110 million in found money for the CRA.

Many wonder what the repercussions may be, as some think [collections may not happen right away](#). While these are not the normal taxes owed, my rule of thumb is whenever there's non-compliance with money owing, be ready to fight or pay. A [good article by the Knowledge Bureau](#) explains the taxpayer's options—and it doesn't hurt to ask your tax professional. For further information, check out the [TSFA website](#) or contact general enquiries at 1-800-959-8281.

Just Asking ... Just Answering

Self-Employed Contractor with a T4 and Deductions

Real People with Real Questions About Real Situations



Dear Neel,
I'm an engineer working as a contractor for a construction firm via a temp agency. I don't have taxes taken off, but they do deduct CPP and EI. So am I employed or self-employed? I seem to be getting

different answers and would like to do what's right, so please clarify.

Asher T.

Dear Asher,

This is one of those rare cases where either may apply depending on the situation. Each circumstance must be [individually assessed by both parties](#) to ensure that correct deductions, obligations, etc. are being executed. If you're not sure, request a [CRA ruling](#) and have this attached to your

employment contract signed on both ends. Usually, those deemed self-employed must register/charge GST on top of their regular pay if they earn over \$30,000 a year.

As the taxpayer, you may also be entitled to deduct [eligible business expenses](#) as laid out in our [Small Business Tax Booklet](#). Make sure all earnings are reported in [Box 81](#) on the T4. If you're an employee, you can still deduct [eligible employment expenses](#) as laid out in our [Employment Expense Tax Booklet](#). Good luck!

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



It's a Photo Finish!

Bacon-Wrapped Turducken Premium Roast!



Courtesy [Echelon Foods of Calgary, Alberta](#)

Are you ready for the next level in turkey? You may have heard of turducken—turkey, duck, and chicken all in one. But check out the bacon-wrapped version! This 3.3-pound package contains deboned duck and chicken breasts wrapped up with Italian or chicken-apple-sausage stuffing into a whole, deboned turkey. All of this is wrapped in bacon, with the turkey's wings and drumsticks removed, and then formed into a football-sized roast. It retails at a steep \$100 plus shipping. But mention this newsletter and my readers will pay only \$75. Contact Mike Moser at 1-877-462-3188, mikemoser@echelonfoods.com. Considering that you'll serve 8–10 adults, it's worth trying. I've talked my Thanksgiving partakers into getting this, so you'll know by next year what I think of it!

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

Did You Know?



Thanksgiving is a Canadian invention from 1578, not American! That's 43 years before the pilgrims arrived in the United States!



We're more thankful than we think!



Don't miss ...

The Leonids meteor shower peaking Saturday, November 17, 2018. Astronomy fans and enthusiasts can follow Neel's monthly columns the first Wednesday of every month!

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