



THE Tax Tipper

October 6, 2014

We take your taxes personally!

Issue 43

Inside

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

Thanksgiving Message!

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

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

Our Readers Respond

"Hi, Neel. I see they have a new arts tax credit. It's nice to receive this regular information from PTC Canada so I can start saving/organizing receipts now. I have forwarded this link to many of my friends, as we all pay astronomical amounts of money for music lessons, band rentals, etc. So this is going to be welcome to many! Thanks again."

Michelle Gertzen
 Contracts Administrator, AMEC
 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,

Canadians are comparatively good at handling change, since we're used to four seasons in a year. When I visited Israel in 2008, we saw the military carrying machine guns on street patrol, which is normal for them. The soldiers are indoctrinated from day one to always be prepared for war. When we asked them if they were ever concerned about this, they didn't hesitate to answer, "Not in the least." Yet to my amazement, they couldn't fathom how we Canadians handle the cold of winter, which they saw as a great concern! Naturally, I was perplexed by this and thought, "Nah, I couldn't be that tough!" From their perspective, this was something they couldn't deal with. It got me thinking that as human beings, each of us handles change differently. We move at a different pace and don't process the same information in the same way.

After we pack away the swimming trunks and suntan lotion for at least six months, we prepare for winter by pulling out the heavy coats and snow tires. This doesn't happen in hot countries like Israel, where the weather is pretty consistent. They would think it's silly to go to all that trouble. How do these principles apply to taxes? Some folks enjoy spending the time, money and energy developing a good understanding of them, while others make a federal case out of having to spend one minute. Who's right? Neither approach changes the fact that the same tax rules apply to all of us. It's no surprise that the latter group will need first-class help. The key, without a doubt, is being organized.

Before you know it, tax season 2015 will be upon us, so now is the time to start preparing. While you may think it's too early,

it isn't if there has been a dramatic change in your personal situation. A significant number of my clients experience major changes, like a new job, investments, starting a new business, or family circumstances. It's especially important to get started when this is your first time.

I believe the best way to help clients is with all the free resources available year-round, especially on our website, www.ptccanada.com. The internet recently [celebrated its 25th anniversary](#), and PTC Canada has been part of that for 15 years. That's a big deal when you think that in the early 2000s, most tax practitioners were still trying to get online. At that time, less than 20% had email. Now it's over 95%. Needless to say, we got in at the right time, but what's more important is that we stayed ahead of the game. And that means you, the client, can too.

Recently, the Canadian Press ran an article about [how banks are moving more business onto smartphones](#). I've been predicting this trend for some time, as personal computers begin to disappear. The PTC Canada app is in the works. However, it can't launch effectively until a few more pieces of the puzzle are in place. For example, CRA does not have such an app, and integrating different types of documents, such as PDF and Excel spreadsheets, for all types of platforms remains a challenge. In the meantime, the next best thing has happened. In 2013, we converted the website to "total mobility use." I've noticed that most people don't have landlines in their homes anymore and spend way more time on the road.

continued . . .

I don't see this trend changing, and in fact I believe that most business will be done on tablets and smartphones by the end of the decade—and not just taxes. Most of the phone calls I get are from cell phones while the callers are on their way somewhere. For the past six years, all new cars have been designed to accommodate this lifestyle with Bluetooth, etc. So again, this is not just a tax issue.

One of my goals 16 years ago when I saw this massive transition coming was to have a service ready for people to jump into with little adjustment. Thousands of clients later, this has paid off and will do so for many more years. I've been predicting that devices like Phablets will become mainstream over the smartphones of the last few years.

This Thanksgiving, I, like most of you, will be having turkey with all the fixings. However, I'll be doing it deep fried as I've done since 2012. If you haven't tried this, surprise the gang and look like a hero. Not only does the turkey cook faster but it's to die for when it's done.

I'd like to thank all the regulars for your years of loyalty, 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

What's Happening

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.

As of this year, you can file previous returns if you're behind up to four years—with only one catch: 2012 will be the first year you can back-file, so if you happen to be behind up to 2016, then you can do all four years in one shot and thereafter. Now that CRA has you confused, the simple rule is this: you can E-file up to four years, but the filings only accumulate starting in 2012. For further information, check out the [E-File webpage](#) or contact the call centre at 1-800-959-8281.



2014 Tax Service Now Available

As some of you were alerted in the summer, 2014 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](#). Unfortunately, most people will have to wait until early March 2015 when they have all their T-slips, etc.

One of the bonuses is that the 2015 calculations are also available (based on current information, of course). So for



example, if a client foresees a sizable amount of money coming from a buyout with the option to defer, it's recommended that they book a consultation to utilize 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.

CRA Expanding Liaison Officer Initiative (LOI)

Earlier this year, the CRA launched a program called the [Liaison Officer Initiative \(LOI\)](#), to help small and medium-sized businesses

meet their tax obligations.

Based on a "right from the start" approach, it allows the CRA to address non-compliance in a more efficient and effective way by focusing on educating, informing and supporting small and medium businesses. Now they are expanding the program across the nation as part of their three-point plan to ensure that businesses comply. They'll be visiting small businesses to offer support, reviewing books and records, and asking businesses to sign a Compliance Support Arrangement.

For further details, check out the [information bulletin](#) or contact the business line at 1-800-959-5525.



CRA Offshore Snitch Line Attracting All Types of Informants

With over 80 new leads on taxpayers allegedly hiding money out of the country, the CRA's new [Offshore Tax Informant Program](#), inspired by its U.S. counterpart, has silenced even its harshest critics. According to a summer [Canadian Press article](#), the IRS has paid over US\$104 million to one tattler after collecting US\$5 billion in back taxes from Swiss banks.

While CRA may take some time to achieve this type of land office success, Senator Percy Downe, a long-time critic of the agency's efforts to collect money hidden offshore, welcomes the initiative. "I'm glad it's finally up and running," he confirmed in an interview from Charlottetown.

For further information on the program, check out the [eligibility webpage](#) or call 1-855-345-9042 (North American toll-free number) or 613-960-4265. Collect calls are accepted and will be handled on a confidential, no-name basis.



CRA Finally Going Mobile with First App

After much speculation, CRA launched a [mobile app](#) in the summer to help make remembering business tax deadlines a lot easier.

The new app lets business users create custom reminders and alerts for key CRA due dates related to instalment payments, returns and remittances. It was developed following feedback from consultations with small and medium-sized businesses on how to improve the CRA's services while reducing red tape and making it easier for businesses to fulfill their tax obligations.

I believe this is just the beginning, with more developments to come. The Business Tax Reminders mobile app is now available free of charge on [Apple iOS](#), [Google Android](#) and [BlackBerry](#) mobile platforms, and will have a similar look, feel and functionality across each platform.

For further details, check out the [information bulletin](#) or contact the business line at 1-800-959-5525.



Canadians Spend More on Taxes than on Life's Necessities: Think Tank

Are you wondering why you're running faster on the treadmill while the scenery goes backwards? Back in the summer, the [Fraser Institute](#) (an independent policy consulting firm) published a [distressing report](#) concluding that families are spending more on taxes than on the necessities of life. The study found that in 2013, the average Canadian family earned \$77,381 and paid \$32,369 in total taxes. That's 41.8% of income going to taxes, compared to 36.1% going to food, shelter and clothing combined.

By comparison, in 1961 the average family earned approximately \$5,000 and spent much more of its income on food, shelter and clothing (56.5%) while \$1,675 went to taxes (33.5%). Considering how many people are at the same time drowning in debt, have little or no retirement savings and can't afford post-secondary education, you don't have to be smart to realize that this is not acceptable.

The recent [Alison Redford scandal in Alberta](#) is only beginning to tell of government corruption and mismanagement. Prime ministerial candidate Justin Trudeau affirms this attitude by trying to [repeal the First Nations Financial Transparency Act](#), which demands accountability of elected band council politicians as well as aboriginal communities.

I believe the first step to taking action is to become informed on these issues. The [Canadian Taxpayers Federation](#) (CTF) is an independent critical thinker of how government spends your tax dollars, and I suggest joining their email list. Second, write to your MP, as they are your representative and it's their job to take action on this. Keep all correspondence on file for future use. Lastly, sign petitions relevant to the issue. The CTF actually does this for you. All they need is your signature/approval, so don't worry if you're not good at petitions. You can look up a [local chapter](#) or contact their head office at 1-306-352-7199, or email admin@taxpayer.com.



More on What's Happening

CRA Attracting Record Number of Online Users

Whether you're an individual, a business owner or are a tax representative like me, the number of people using CRA's [E-Services](#) has grown by millions over the years.

Started almost 10 years ago, the service has come a long way. If you haven't already gone online, check out their [videos](#) so you can do so. Those of you who have been with me for the last decade (which is most, BTW!) will know that I've been a strong advocate of taking advantage of what's available, since most of PTC Canada's business is done this way.

For further details, check out the [information bulletin](#) or contact the call centre at 1-800-959-8281.



Electronic Notices of Assessment Starting for 2014 Tax Year

Starting next tax year, the CRA will allow you the option to receive your personal tax assessments online.

If you do not have a CRA [My Account](#) yet, you will have to create one in order to sign up for this service. Also, make sure you give them the email address you want to use to communicate with CRA, as the assessments will not go the preparer.

Business clients have seen some of this already. The idea is to move as many mailed services to the internet as possible. We will keep you posted as news develops. You can monitor the [CRA website](#) or contact the call centre at 1-800-959-8281.



Just Asking ... Just Answering

Been Out of the Country for Over 20 Years and Need to File!

Real People with Real Questions About Real Situations

Dear Neel,
I left the country after university and recently returned from the U.S. I haven't filed a Canadian return since I left and need to know what to do. Is there some paperwork on the Canadian side that needs to be done outside of regular returns? I always filed with the IRS and essentially broke my ties to Canada while down there.

Freda W.

Dear Freda,
Yes! Specifically, you need to fill out the [Determination of Residency Status Form NR 73 \(Leaving Canada\)](#) and [Determination of Residency Status Form NR 74 \(Arriving in Canada\)](#) and send them to the [International Tax Office](#). A proper assessment must be made of your residency status while you were away.

It usually takes CRA several months to reply formally. The two most common decisions are "Non-Resident," not

requiring any tax filings, or "Deemed Resident," usually requiring some filings. You can get help to understand the process by reading [CRA Tax Folio S5-F1-C1](#). Essentially, if you fall under the Deemed Resident category, you will need your assessments from the IRS so you won't be double-taxed. [Tax treaties](#) allow tax and some other deductions on the Canadian return, so in the event that you do owe, it won't be substantial.

You should also consider the [Voluntary Disclosures Program](#) if you owe. A good tax preparer can assist you to qualify if you don't know how to do it. Good luck!

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



It's a Photo Finish!

Deep-Frying a Big Turkey? Get the World's Largest Frying Pan



Courtesy of <http://www.visitnc.com/>

Now here's something to help feed that big crowd on Thanksgiving. Meet the world's largest functional frying pan, with a capacity for 365 chickens. It weighs 2 tons, is 15 feet in diameter and holds 200 gallons of cooking oil. It can be viewed every day in the Town Square of Rose Hill, North Carolina, and has been used for over four decades to cook chickens for festivals and events. The pan was built in 1963 by Queensboro Steel Corp in Wilmington as a tribute to the area's burgeoning poultry industry. If you want to see the World's Largest Frying Pan, visit Rose Hill, the only town to make such a cast-iron claim.

Send us your fascinating photo or story.

Did You Know?



In the turkey world, only the toms (males) gobble.
The hens (females) make a clucking noise!

Please, no fakes allowed!



Don't miss ...



The Leonids meteor shower peaking late night Monday, November 17, until dawn on Tuesday, November 18, 2014. Astronomy fans and enthusiasts can follow Neel's monthly column Sky's the Limit in the Vulcan Advocate, and Your Universe in the Prairie Post, the first Wednesday of every month!

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 and Elizabeth Kendler of Gram Editing Services.

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