

Client UPDATE

We're on Facebook – stop by and tell us how we're doing!

- FAQ's -

Q – I'm in sales and take clients out for meals regularly. Can I write everything off?

A – In a perfect world, yes, but in the world of CRA, only 50% of both meals are deductible and only 50% of the HST on both meals is recoverable.

Q – When can I change my HST reporting period?

A – You can only change it up to two months after the year-end.

Q – I'm a manufacturer looking to buy a new piece of equipment. What are the tax benefits of making this purchase?

A – You can get back the HST immediately. You can also depreciate the new piece of equipment over three years.

Q – Who averaged one patent for every week of his life?

A – Thomas Edison.

Q – Are RESPs transferrable?

A – You can transfer money between individual RESPs for siblings tax-free (including the grant) if the child who benefits was under age 21 when the plan was opened.

Q – Should I sell my losing U.S. securities this year before the December deadline?

A – Be careful! With the fluctuating Canadian dollar, the loss you think you have incurred may, in fact, be a gain when the U.S. dollar value is converted to Canadian funds.

Overjoyed about the Universal Child Care Benefit (UCCB)?

Not so fast – better not spend that money yet!

The feds increased the monthly amount for kids under 6 from \$100 per month to \$160 per month and expanded the program to include a new benefit of \$60 per month for children aged 6 through 17. Sounds great, doesn't it?

But you need to keep two things in mind. First of all, the enhanced UCCB is actually replacing the existing child tax credit. This non-refundable federal tax credit was available for the last time on the 2014 personal tax return. It was worth approximately \$338 per child per year.

Secondly, the new fully enhanced UCCB is taxable at your marginal tax rate and no tax is withheld at source from those monthly cheques. This means that depending on your tax bracket, you may end up paying back up to half of this newfound money come next spring when you file your 2015 personal tax return.

The moral of the story is: don't spend it all in one place because you will undoubtedly be paying some of it back!

Someone stole my Microsoft Office and they're gonna pay. You have my Word.

Home Accessibility Tax Credit

If you are a senior or a person with a disability, or family member who lives with them, hold off on your home reno project for a few months. Your reno may qualify for the new "home accessibility tax credit."

The HATC, worth up to \$1,500, was passed into law this summer and it takes effect in 2016.

It's a non-refundable credit that provides federal tax relief of 15% of up to \$10K of eligible expenditures per calendar year, per qualifying individual.

Call us at 905-669-7950 if you need more information.

Lexiphiles

If you don't pay your exorcist... you can get repossessed.

With her marriage, she got a new name... and a dress.

Show me a piano falling down a mineshaft and I'll show you...

A-flat miner.

You are stuck with your debt if... you can't budge it.

Local Area Network in Australia...

The LAN down under.

Kids turning 19?

If your kid is turning 19 before April 1, 2016, they should be filing a 2015 tax return even if they had no income. This will allow them to collect the GST/HST credit for the quarter following their 19th birthday.

Ask a question or arrange for a no-charge initial consultation at www.freedmanca.com



WHO WE ARE -

Gary A. Freedman + Associates, Chartered Accountant is a firm which provides personalized, professional advice in all areas of accounting and tax planning.

Known for his approachability, Gary has been committed to his clients for over 25 years, and has built his practice by listening to their needs. With his warm and caring personality, clients know that with Gary, what they see is what they get!

The firm's client base consists of builders, manufacturers, daycares, small business owners, sub-contractors, professionals, high tech companies, and registered charities and not-for-profits.

We offer a full range of professional accounting services:

- Accounting & Auditing
- Personal & Corporate Tax
- Estates & Trusts
- Bookkeeping, Payroll, HST
- QuickBooks Training
- T4s, T5s & Tax Returns

HST & Health Care Services

The services of some health care professionals are taxable and the services of others are exempt.

If your clinic provides both taxable and non-taxable services, you must prorate your HST ITC correctly.

The complete list can be found on the CRA website but if you want to make your life easier, just give us a call at 905-669-7950 and we'll check it out for you.

Parallel lines have so much in common. It's a shame they'll never meet.

**Visit us at
www.freedmanca.com
call us at 905-669-7950
or e-mail us at
info@freedmanca.com**

Fall 2015

A Few Year-End Tips

If you turned 71 this year but have a younger spouse or partner, you can still use your contribution room after 2015 to make contributions to a spousal RRSP until the end of the year your spouse or partner turns 71. There's something to be said for May-December romances!!!

If you happen to withdraw more from your RIFF than the new minimum amount in 2015, you can re-contribute the excess withdrawal until February 29, 2016 and the amount re-contributed will be tax deductible on your 2015 tax return.

The new Liberal government has promised to drop the TFSA limit back down to \$5,500 from the 2015 limit of \$10K. Even if they follow through with this election promise, it's almost certain (but not guaranteed) that it wouldn't apply until 2016, meaning that the \$10,000 limit for 2015 will be permanent and there is no rush to contribute by Dec. 31 since any unused TFSA room gets automatically carried forward to future years. Do remember though that nothing is for sure until the new budget comes out in 2016 to confirm this.

Why do croutons come in airtight packages? Aren't they just stale bread to begin with?

Installment Deadline

Don't be late! Your last HST installment and personal tax installment are both due by December 15, 2015.



Can CRA seize my assets for unpaid taxes?

Yes, but it takes time since CRA must follow a process for collecting unpaid taxes. Their expectation is that you will exhaust all other possibilities for paying your tax bill, such as taking out a loan or rearranging your financial affairs.

If you are still unable to pay and do not work out a payment plan with the CRA, they can and usually will take legal action to recover the funds. The CRA cannot, however, file legal action until ninety days after a Notice of Assessment or Reassessment has been issued.

No matter how bad your last golf shot was, the worst is yet to come since this law does not expire on the 18th hole. It has the supernatural tendency to extend over the course of a tournament, a summer, and eventually, a lifetime.

QuickBooks Tips QuickMath Calculator

QuickBooks has its own calculator (click *Edit | Use Calculator*), but it's more fun to use the QuickMath Calculator. Click inside the field where you want to calculate (e.g. the amount field on a check).

- Press = and a mini-tape will appear.
- Type the numbers you want to calculate, followed by the appropriate sign (+, -, /, *, or =).
- Click C once to clear an entry, twice to clear the tape.
- Press Esc to cancel.

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