



Client UPDATE

- FAQ's -

Q – If my company offers to pay for a gym membership or fitness equipment for an employee, how is this perk treated?

A – This amount is considered a cash taxable benefit subject to CPP, EI, and income tax.

Q – We recently decided to sell our Maple Leafs season's tickets. The payment we made to purchase the tickets was only 50% deductible. What about the income when we sell?

A – Unfortunately, the income is 100% taxable.

Q – What do bullet proof vests, fire escapes, windshield wipers, and laser printers all have in common?

A – They were all invented by women.

Q – I am a dual citizen and haven't filed a personal tax return with the IRS in a long time. Should I be worried about late filing penalties?

A – Non-filers can take some comfort knowing they will not automatically be assessed late filing penalties. No penalties will be charged if they bring their U.S. filings up-to-date once they are aware of their obligations.

They put pictures of criminals up in the Post Office? What are we supposed to do, write to them? Why don't they just put their pictures on postage stamps so the mailmen can look for them while they deliver the mail?

Check out our
new website!
www.freedmanca.com

Death & Taxes Part III

In our last newsletter, we talked about filing final returns in the year of death.

In the immediately preceding year and in the year of death, the usual restriction that capital losses may be claimed only to offset capital gains does not apply. Such losses may be applied against income from other sources.

If the deceased made a donation in the form of a publicly traded security, the capital gain arising from the sale of the security is considered non-taxable on the deceased's final return.

Medical expenses in the year of death are claimed differently. Normally, expenses paid in any 12-month period that ends in the taxation year may be claimed. In the return filed in the year of death, medical expenses for any period of 24 months may be claimed.

In our next newsletter, we will discuss taxation of estates.

What hair color do they put on the driver's licenses of bald men?

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

Lump sum refunds eliminated for some Ontario residents

Ontario residents with low to moderate incomes may get a nasty surprise when filing their 2011 tax returns.

Their refunds are disappearing, thanks to a provincial decision to stop giving lump sum credit payments once a year.

Instead, they have combined several tax credits into the Ontario Trillium Benefit. This benefit will be paid monthly, starting in July, to those who receive relief for energy costs, rent, sales tax, and property tax.

Dual citizens better do some estate planning!

If you don't plan now, your beneficiaries could be hit with a large estate tax bill. Protect your family by contacting a U.S. lawyer to discuss your needs.

Helping Seniors to Live Independently

A proposed Ontario tax credit worth up to \$1500 each year would be available to senior homeowners and tenants, and people who share a home with a senior relative who make certain improvements to their homes.

Eligible improvements include renovations such as handrails, ramps, elevators, and walk-in bathtubs.

Sign At a Towing Company: We don't charge an arm and a leg. We want tows.



- 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 more than 20 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 small business owners, builders, manufacturers, sub-contractors, daycares, professionals, high tech companies, and registered charities and not-for-profits.

We offer a full range of professional accounting services:

- Accounting & Auditing
- Family Trusts
- Personal & Corporate Tax Planning & Tax Returns
- Bookkeeping, Payroll, WSIB
- QuickBooks Training

Two golfers were sitting and discussing their games when one says to the other, "My game is so bad this year, I had to have my ball retriever regripped!"

Filing T4s by app

Intuit Canada has created a new app for iPhones geared to young users with very simple tax needs.

Using the built-in camera on your iPhone, you simply snap a picture of the T4 then the app, called SnapTax uses OCR software to transfer the information onto the tax return.

Check it out at <http://turbotax.intuit.ca/tax-software/snaptax.jsp?>

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

Partnerships/Joint Ventures
BIG NEWS!

There are new tax rules for corporations that own partnerships or joint ventures that have year ends that are different from the owner.

For tax years ending after March 22, 2011, income from a joint venture must be calculated for each joint venture participant based on the fiscal period of the joint venture participant.

If your corporation owns any partnerships or joint ventures which have a different year end, the impact of the new rules should be reviewed.

Did you know that Canadians eat more macaroni & cheese than any other nation on earth!

Ontario Interactive Digital Media Tax Credit

If you are developing a video game, web-based application, or a mobile application that is an educational or informational product or game – this tax credit should be on your radar. The benefit is equal to up to 40% of eligible expenses incurred after March 26, 2009. Operating system software is not eligible for the tax credit.

For more information, visit <http://www.rev.gov.on.ca/en/credit/oidmtc/>



CPP Election Form

We mentioned the new CPP rules in our last newsletter, but it is worth mentioning again since there appears to be some confusion among contributors.

To reiterate, the new law allows the option of persons who are at least 65 years of age to cease contributing to CPP, however, an election form should be filed the month before you wish the contributions to cease.

If the form is not filed the month before contributions cease, you cannot retroactively request that CPP contributions cease and you cannot claim a refund for any contributions already made.

If you think about it, inflation is like cutting money in half without damaging the paper.

QuickBooks Tips

How to replace a Lost or Stolen Paycheque

1. Create a new regular cheque with the same date, cheque #, and payee as the original but use the Payroll Expenses account.
2. Void the regular cheque you just created, and make a note in the memo field with the reason for voiding.
 - a. Choose Edit | Void from the menu bar
3. Find the original paycheque in the check register and change the cheque # to "To Print". Record the change.
4. Choose File | Print Forms | Print Pay Cheques from the menu bar to reprint the paycheque.

This process keeps the original paycheque perfectly intact and will have no adverse affect on your Payroll Liabilities.

Notice to Reader

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