



# THE Tax Tipper

June 24, 2018

We take your taxes personally!

Issue 62

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## Our Readers Respond

"We are always happy with PTC Canada's results and would highly recommend them. Thank you again, Neel, for all your help. Great work!"

Rob and Mel Teggart  
 Irricana, 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!**

## Happy Canada Day 2018!

Dear Clients and Friends,

Summer's finally arrived, and so far it's been middle of the road weather-wise: not too hot, not too cool. I hope it stays that way until fall. This year, I'm looking forward to my annual retreat at Sproat Lake on Vancouver Island, Canada's region of perpetual summer, and a dip in the ocean at Pacific Rim's Long Beach. Those of you who've been there know that the ocean is cool all year round. I'm one of the few brave souls who swim without a wet suit, and man, is it refreshing!

Welcome aboard, all new clients, especially if this is your first **Tax Tipper**. I'm delighted with the feedback I've received since we launched the **Tipper** over 12 years ago, in May 2006. All the back issues are on our website at [www.ptccanada.com](http://www.ptccanada.com), which was started around 2000. I was one of the first tax companies to have a functioning website. Those who have been with me since the beginning have seen it evolve into one of the most informative sites in the industry.

June has been a news month like no other. The recent peace talks with North Korea have brought much hope to the world, with a carbon copy for Iran expected soon. President Donald Trump always hits the ball out of the park and never ceases to amaze me, even announcing an all-new [space force](#) to [revitalize outer space exploration](#). He will go down as not only the greatest US president in history but possibly in the contemporary world. At a recent G7 meeting, he publicly shamed previous presidents for allowing other countries to rob America's piggy bank. And he has given world leaders a chance to set fair trade deals, etc., which will allow for win/win deals or will stop trade altogether. Personally,

I'm not worried about the recent tariff announcements and Trudeau's rants, as Trump is not out to get the ordinary person like you and me. His "drain the swamp" meme is all about [cutting off the head of the snake](#), which should not worry the average person. That's why you see globalist George Soros saying "[everything that could go wrong, has gone wrong](#)."

Another growing trend is the exposure of fake news. Hard-leftist actor/director [Rob Reiner](#) (aka [meathead](#) on *All in the Family*) actually [admitted on The View](#) that over 40% [don't watch mainstream media](#). While I think the percentage is much higher, the public is finally coming out of its trance. Trump has been unabashed about mainstream propaganda for years, and this is [slowly being admitted by government officials](#). It has also been [true for Silicon Valley](#). People are finally getting fed up with the two-tier system that seems to [separate the elite from the rest](#), [causing massive poverty, etc](#). They want the facts, which is wonderful news. For the last couple of years, I've been bringing you developments on this. While I'm not bold enough to say that the **Tax Tipper** is making "significant waves," I have no doubt this change is happening one person at a time. So you matter and make a difference.

Once the findings in the recent [June 2018 US Inspector General's report](#) are fully understood, the massive corruption behind the scenes will start coming out. Despite the report's claim to have no political bias, any simple person can see that it is nothing but biased against the people and Donald Trump. Former Whitehouse advisor D. Sebastian

*Continued on page 2*

Gorka explained last month that we've barely seen 2% of the corruption. Imagine how big this is? Recently, True Pundit reported that the FBI didn't investigate the Blackberries and other email devices of Hillary Clinton's inner circle because they feared there was too much crime. That's stunning, and I have no comment on that. No wonder many liberals have been fleeing the heck out of that whole movement since the reality started coming out. Friends, I don't believe that these elitists or those in the know are liberals, democrats, leftists, or even socialists/communists. They are actually Satanists and Luciferians. Even Judge Jeanine called them "demon rats" on public TV! Let's face it, if the lifetime liberals, etc. are getting out in droves, the truth is out there.

Lastly, I want to cover a big story that came out just before June: the imprisonment of journalist Tommy Robinson. This is going to prove disastrous for the UK government, which has been openly against free speech and trying to pit the Muslim population against him. Many Muslims are realizing the game that's going on and have come to support him while detesting being put in the spotlight of these globalist games. Tommy Robinson was actually exposing all the corruption in the UK legal system. People have met this with several protests, not just in the UK but all over the world including Canada. The

Rebel.media has set up a special webpage for those who want to help with his legal battle and more. No matter what it does with this, the UK government can't win. While we can be grateful this hasn't happened in Canada yet and the legal system protects journalists today, tomorrow is another day.

No doubt people are mad that Brexit is going through, and perhaps this is retaliation. But the public won't put up with Robinson being mistreated, which is wonderful. Interestingly, I heard a broadcast from British filmmaker Chris Everard a couple of weeks ago suggesting that about \$1.5 trillion flows through the city/country City of London every day. Do the math and you'll find that's \$547.5 trillion annually, or over \$70,000 for every person on Earth. Now, I'll bet you didn't know this, and it's only one of many schemes that are out there. But this alone would alleviate poverty all over the Earth, so let that sink in.

On a better note, Happy 151st Canada Day. I'm not sure of my plans, possibly just quading and camping with friends at the lake, which is a Canadian thing to do. So whatever you do, enjoy the **Tax Tipper** with your well-deserved summer, my fellow Canadians!



Neel Roberts  
President and Founder

## What's Happening

### Tax Filing Deadline Come and Gone

The deadline for filing your 2017 personal returns this year was Monday, April 30, and if you're self-employed it was Friday, June 15, 2018. As both of these dates are long gone, your return is technically late if you owe money.

If you are expecting a tax refund or Personal GST Credits, you will not receive interest. Keep in mind that 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 years need to be filed. If you're really behind, like 20 years, CRA 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!

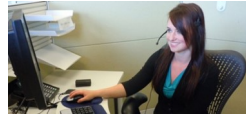


### 2017 Tax Review Notices Are Out

CRA conducts its review (post-assessment) of current tax returns during the summer of the year in which the return is filed. If your return is selected, you will receive a letter requesting the information CRA requires. It is *very important* to respond to this letter even if you need time to track down receipts, etc. CRA will usually grant an extension of time if the request is reasonable. However, if you do not respond to their letter, CRA will normally reassess you within 30 days, and you will be responsible for newly assessed balances owing plus interest. After that, you can use the appeals process to dispute the balance, but that can be more complicated than just responding in the first place.



## CRA Call Centre Getting Better but Still Working on It



For the last couple of years, there have been many complaints about the long waits to the CRA call centre. I've been telling you this year that CRA is in the process of a substantial upgrade to eliminate this. A recent [article in the Financial Post by Jamie Golombek](#) said that the Office of the Auditor General's report found that call centre agents couldn't handle the volume of calls and answered only about a third while blocking more than a half (about 29 million out of 53.5 million). Also, the CRA's internal assessment found inaccurate responses between 6% and 20% of the time. External tests showed inaccuracy rates of from 24% to 31%, while the OAG's tests found inaccurate responses of almost 30%. In response, the CRA has announced it is transitioning to a new telephone system with ongoing training to lower error rates. We will monitor this as it progresses.

## Tax Relief Available for Those Affected by Natural Disasters



Whether it's this year's flood in New Brunswick or forest fires in British Columbia, the CRA will grant tax relief to those affected by natural disasters. Allowances include

- cancelling or waiving penalties or interest accruing on late tax remittances or late filing of a return
- allowing the taxpayer to file late, amended, or revoked elections for alternative tax treatments
- extending the normal three-year period in which individuals and testamentary trusts are permitted to file an income tax return to claim a tax refund or to request an adjustment to an assessment issued for a previous tax year.

For further details, check out the [CRA web bulletin](#) or [Knowledge Bureau bulletin](#), or contact CRA at 1-800-959-8281.

## New US Tax Reforms and Canada: It's Time for the Same Here



It's no surprise that lower taxes are the true way to stimulate any economy. The US has been experiencing robust growth since last year's tax cuts. A recent [Knowledge Bureau bulletin](#) reports that a study, "commissioned by Chartered Professional Accountants of Canada (CPA Canada), reflects the common opinion that Canada's competitiveness is declining. 67% of respondents state their belief that this country is a less lucrative place to invest and do business than it was a year ago. In addition, 84% also believe that a detailed analysis of the U.S. tax reforms and their impact to Canada is urgently needed." I've been saying this for years: the days of high taxes are over and lower taxes must come fast. For further details, check out the [Knowledge Bureau bulletin](#).

## Lawyer Wins \$1.7 Million in Damages from CRA for Canadian Taxpayers



A recent judgment in Victoria, B.C., awarded over \$1.7 million in damages to a B.C. couple for malicious prosecution by the CRA. A [CBC article](#) detailed lawyer [Steven Kelliher's](#) victory for clients Tony and Helen Samaroo, who operate [MGM Restaurant in Nanaimo](#). The Samaroos were acquitted in criminal court in 2011 of tax evasion. In a [scathing 70-page decision](#), B.C. Supreme Court Justice Robert Punnett called the CRA's conduct "high-handed, reprehensible and malicious."

While I haven't read the whole decision, some of the comments give a good summary. Note 328 says, "In addition, the CRA's advertising of its successes indicates a *deeply troubling approach to its duties*. No doubt the average citizen would find it objectionable if a police force advertised, on a government website, how many people they incarcerated each year."

There's much more, but wow, this is one of those cases where the once-mocked tinfoil hats become heroes. I'm not aware of any appeal but will try to monitor developments as they come. It's stories like this about the truth that have to get out like wild horses!

## Ontario Senior Falls Victim to CRA Arrest Telescam



A Huron East senior fell victim to a CRA debt-arrest scam for \$3,500. A [recent article in Ontario's BlackburnNews.com](#) said that a woman in her 70s received a call from someone claiming to work for the CRA, threatening that she'd be arrested by the end of the day if she failed to pay her back taxes of \$6,986. Fearing arrest, she followed the scammer's instructions and purchased \$3,500 in iTunes gift cards. Then she contacted the scammers and gave them the PIN numbers for the gift cards. After paying approximately half of the back taxes, the victim started receiving more calls seeking payment. She stopped returning the calls after she was alerted by a family member that it was a scam.

Never, ever, give out confidential information to a stranger without proper identification and proof that the source is legitimate. CRA will always prove their claims in writing, as these are subject to verification inside and outside the system.

## CRA Monitoring Real Estate Transactions



Selling your home or any other real property? Now the taxman wants to know, even if it's your personal residence. While the principal residence is still tax free, you must declare the sale on your return for the year of sale. A [recent Financial Post article](#) said, "During the past three years, CRA auditors have reviewed more than 30,000 files . . . and identified nearly \$600 million in additional taxes . . . which resulted in over \$43 million in penalties." What's more, you face a gross negligence penalty equal to 50% on top of everything. It is important that all your transactions are documented and reported as required. If you forget, you can apply for a [voluntary disclosure](#) to avoid penalties and interest.

## Just Asking ... Just Answering!

### Is the New "File My Return" Service by CRA for Me? NOT!

Real People with Real Questions About Real Situations



Dear Neel,  
I got a letter in the mail from CRA saying I could call some phone number and my taxes would be filed in minutes. I wasn't sure what to make of this, as my return is not complicated and the filer I use doesn't charge that much. After doing some

research, I decided against it since I would have no one to talk to if something goes wrong. Am I alone in this?

Adriane L.

Dear Adriane,  
The [File my Return](#) service was launched this tax year against much opposition from both the accounting and tax software industries for a variety of reasons. Most importantly, it contravenes Canada's historic "self-assess" system by taking away your right to representation and creating too much bias in a system that runs on checks and balances. The loss of representation goes against the [nation's Constitution](#), [taxpayer](#)

[Bill of Rights](#), and more. In addition, it's basically a resuscitation of the old [Telefile](#), which was shut down over 10 years ago because it was so unpopular.

My understanding is that fewer than 48,000 out of a million potential taxpayers used the service. That's well under 1%, an amazingly low number. While it's still a bit early to say if the service will amount to anything, it's not looking good. Having been in the business for over 20 years, I've gotten to know people at all levels both in and out of CRA, and the overall feeling is that this is not a good idea. If these numbers continue, it's fair to say that taxpayers have spoken loud and clear. More coming on this developing topic. Good luck!

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



# It's a Photo Finish! Icebergs While Fishing!



Photo courtesy of [Wikipedia](#)

I'd like to thank a Newfoundland client of mine, Bernie Squire, for sending me this [video of an iceberg](#) he ran into while on a fishing trip. While icebergs are pretty common on that side of the country, seeing one is a treat for the rest of us, who can only dream of this happening. Iceberg sighting is actually a tourist attraction which I plan to take in, since Bernie happens to live on the path of [Canada's next total solar eclipse taking place April 8, 2024](#). Thank you, Bernie, and keep sending in these photos and videos!

**Did You Know?**

... that the original Canadian flag was called the Red Ensign?  
It was the de facto Canadian national flag from 1868 until 1965  
when it was replaced by the maple leaf design.



Courtesy of <https://www.thecanadianencyclopedia.ca/en/article/red-ensign/>

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