



THE Tax Tipper

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We take your taxes personally!

Issue 83

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We [welcome your comments](#) on the **Tax Tipper!**

Thanksgiving Message

Dear Clients and Friends,

Another summer has passed by us, and we are having a warm fall here so far in Southern Alberta after months of summer heat waves. Farmers in our community have been racking in the crop, and the smoke from forest fires in the West was not as bad as previous years. The mountains still do not have much snow and we need the moisture badly, so hoping for large dumps soon. According to the Farmer's Almanac, 2022-2023 winter will be remembered as a time to "shake, shiver, and shovel"—a season filled with plenty of snow, rain, and mush as well as some record-breaking cold temperatures, so you heard it here first.

Is COVID finally over? If the latest announcement of all travel restrictions being lifted are indicative, many are asking how did this all get started if the COVID virus was never isolated? Over the summer, court documents revealed Canada's travel ban had no scientific basis and when the ArriveCAN app wrongfully quarantined travellers, it triggered enquiries. Recent Alberta, B.C. rulings against provincial health officers have not only woken people up about all the constraints since 2020 but they are now demanding evidence this virus even existed and wasn't politically motivated. In a recent documentary by Vaccine Choice Canada, Uniformed Consent, the evidence of a global eugenics agenda is vast and Del Bigtree, a pioneer in the movement, correctly predicted "The War on the Unvaccinated Was Lost." For the record, Canada was one of the higher "non-vaccinated" countries at 25% compared to the high of 40% for Europe and low of under 1% for Central America.

Needless to say, this has taken a toll on global economies. Inflation is running wild, stock markets are falling, consumer confidence plunging, World War 3 pending,

and currencies becoming worthless (the Canadian dollar has fallen over 5 cents in a month!). Was the pandemic really a medical virus or an economic battle against the people? Between 2020 and now, public (government) sector accounts for a large majority (86.7%) of all net new jobs compared to almost nothing in the private sector. Depositors are worried as Chinese banks close their doors and crowds are storming to rob them--of their own money. The cost to drive and own a home is becoming so expensive, owners are being forced into becoming renters and public transit users.

If the middleclass loses assets and their health, how can they fight back? One of the things that made Canada so desirable was a healthy bourgeois which raised the standard of living for all and allowed freedom to prevail. One of the reasons the elite hate this, is because the middleclass can generally not only think for themselves but can also restrain tyranny. Russia is now a country with a fast growing middleclass since they now have a gold-backed ruble which is destroying the US Petro dollar. Russia is a great example of the middleclass which is not only fighting back but setting an example for the world. Think about the tyranny they lived under during the 1900's and it's taken them over 30 years since the iron curtain fell in 1990 to become prominent and something the world admires.

By far the worst enemies have been the mainstream media, big tech, and social media. Trump was absolutely right about them years ago, and now they are publicly confessing it. MSNBC hack Katy Tur admits that nobody trusts them and wonders out loud whether she is doing more harm than good. Further, government subsidies for

continued . . .

media have led to a 'crisis' of distrust that now they are out of money, the public is no longer on board, and their days are finally coming to an end. The independents are now the mainstream as many are tuning the old guard out, and even Facebook is now facing bankruptcy. Since the RCMP say they've secretly used spyware on Canadians' devices, this has sparked anger in the public.

So, the two takeaways are that the censorship and surveillance are no longer working. People are now thinking more clearly and are researching the facts. This is going to snowball and lead to the inevitable change in leadership, etc. The truth is a force of nature, and the deep state has "always" been on the wrong side of history! Even if they try and pull something like a "climate emergency," whistle blowers will come out and expose it.

Recently, I've noticed there is much attention to Alberta being the place to live now that the lockdowns are over. With a comparatively low cost of living, high regard for liberty, and business friendly environment, it's no surprise many are making the move here. With an expected surplus of \$13 Billion, it practically blows away any place on Earth, let alone Canada. While most of it will go to debt repayment, it's GDP

is 5 times more than any place in the country, which is staggering. Let's face it, the pressure that impoverished most of the world is getting obvious, and Alberta may well be an oasis. A new movie just released, "Ungovernable: Alberta's Quest for Independence," may be more than a documentary and closer to a prophecy. Time will tell, but I'm very excited about this trend and as a near 30-year Albertan, I can't help but to think it's true.

Last Thanksgiving, I had the usual deep fried turkey which I've been doing since 2012. This year I'm heading out to Vancouver Island and cooking it on the beach so all the swimmers will be drooling. It's cool to swim this time of year but very refreshing and a unique way to celebrate this long weekend. I'd like to thank all the regulars for years of loyalty since 1998 and the opportunity to wish you, your family, and all loved ones a safe and restful Thanksgiving while enjoy the latest **Tax Tipper with your turkey---wherever that may be, and remember, "THE BEST IS YET TO COME!"**

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. You can now file previous returns if you're behind up to 5 years, meaning you can go back to 2017. For corporate and GST returns you may be able to go back as far as 10 years. For further information check out the "E-File" webpage or contact the call center at 1-800-959-8281.



New Canada Disability Benefit

A new Canada Disability Benefit would supplement, not replace, existing federal and provincial-territorial supports. Eligible low-income Canadians aged 18-64 with severe disabilities and an after-tax income up to \$12,520 will qualify, resulting in over 1 million recipients. Knowledge Bureau has an article on this, and stay tuned for further developments.



2022 Tax Service Now Available

As some of you were alerted to in the summer, 2022 tax preparation service is now available. Those who have all their information or are filing zero income can take advantage of this service and avoid the rush. You can also get the paperwork yourself from the forms website. Unfortunately, most will have to wait until early March 2023 when they have all their T-slips, etc. One of the bonuses is the 2022 calculations are also available (of course based on the current information), so for example if a client foresees a sizable amount of money coming from a buyout with the option to defer, it's always recommended 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, most end up paying too much tax on severances because they are not properly informed on how to address it!



CRA Unable to Collect \$23.4 Billion in Taxes



CRA cannot get some to pay up owed taxes. The federal government is missing out on up to \$23.4B a year in uncollected taxes, according to the Canada Revenue Agency's most detailed effort to date to estimate Canada's tax gap according to the [Globe and Mail](#). *"The estimated tax gap – the difference between the taxes received versus what's owing – peaked in 2018 when it reached upwards of \$40.4 billion, though the CRA has been able to cut it in half since then. The missing taxes are typically from illegal cash payments or offshore holdings, while others are from bankruptcies or unpaid tax debts."* [Ben Cousins, Editor at LinkedIn News](#) explains. It covers the years from 2014 to 2018, so there's more to it!

A Staggering 7 Million+ Taxpayers Owe Nearly \$7,000 Each



With the cost of everything going through the roof, over 5% of Canadians are carrying a debt balance with CRA for the tax year 2021. That's over \$47 billion dollars and a lot by any standard. While some will have to engage the services of a bankruptcy trustee, most can usually work it out. First, try to work out a payment plan. Second, if you're not good at it, see if your tax professional can help. Lastly, stick with the plan to pay to avoid garnished wages, seized assets, and offsetting of various tax credits and refunds in the future until the debt's paid. [Knowledge Bureau has an article](#) on this and if this is your situation, contact the [collections department](#) at 1-888-863-8657, 1-866-291-6346 for corporations, 1-877-477-5068 for GST/HST and 1-877-548-6016 for payroll.

Judge Tells CRA to Not Mind Businesses' Business



A surprising ruling involving a Vancouver Island couple operating a corporate marina business, which a judge recently sided with the taxpayer's business decision. In a [recent article by Jamie Golombek](#), the business was a 50-year successful enterprise providing a diversified range of goods and services to a large, remote group of small communities, mostly near the water's edge, on the islands north of Vancouver Island. While they claimed some personal usage of the boat, the majority was used for business. CRA tried to flip the situation the other way around, but the judge disagreed citing, *"The tax authority has no business telling a businessperson how to run that person's business."*

New Changes to Disability Tax Credit Allows More to Qualify



Under the current [Disability Tax Credit \(DTC\)](#), blindness, inability to feed or dress oneself, inability to perform basic functions even with therapy or the use of devices and medication such as perceiving, thinking, remembering, or other cognitive functions, hearing, and controlling bowel/bladder functions were some of the traditional qualifications to claim the credit. However, an expanded list of mental functions that, if impaired, would allow the person to qualify for the disability amount. Also, patients who are diagnosed with Type 1 diabetes deemed to spend at least 14 hours per week on life-sustaining therapy should qualify. [Knowledge Bureau has an article](#) on this, and stay tuned for further developments. Applications which were previously rejected for these [new claims are now being reconsidered](#).

GST/HST and Home Flippers



Remember the good old days of buying a home in construction and then rolling it over to another buyer without even moving in for a quick profit? Well, do your own research on the new GST/HST rules because according to [a recent ruling](#), the flipper may be on the hook for GST/HST. Under the current GST/HST rules, an assignment sale made by a person that is not an individual in respect of newly constructed or substantially renovated residential housing is generally taxable, whereas an assignment sale made by an individual may be either taxable or exempt. The old rules left a gap the government has now closed. The proposed amendment would make all assignment sales, including those made by individuals, in respect of newly constructed or substantially renovated residential housing taxable for GST/HST purposes. Furthermore, the proposed amendment would exclude any amount attributable to a deposit paid by an assignor to a builder from the consideration for a taxable assignment sale when certain conditions are met. [Knowledge Bureau has a detailed article on this](#), and we'll have to see how it plays out in 2022 and beyond.

VISA and MasterCard Merchants May Make a Claim up to \$600.00 Due to Successful Class Action Lawsuit



In a windfall lawsuit settled this year, vendors can claim up to \$600.00 if they were Visa and/or Mastercard recipients between March 23, 2001, and September 2, 2021. There is a process to see who qualifies as there are limits, etc., to how much one can claim. *“For more than a decade, CFIB has been fighting to ensure small businesses are treated fairly and transparently by the credit card industry. While very few merchants are expected to add surcharges for card acceptance, we believe the power to do so will give them additional clout in pushing back against future fee hikes”* said Dan Kelly, CFIB president. If you feel you qualify for this bonus, you can file a claim: [Canadian Credit Card Settlements – Online Claim form](#).

New Details on a Multitude of Legislative Tax Provisions



Back in the summer, CRA released details about legislative proposals from the latest budget. Topics include: The Residential Property Flipping Rule, The Small Business Deduction, Borrowing by Defined Benefit Pension Plans, Eliminating Flow-Through Shares for Oil, Gas/Coal Activities, and more. [Knowledge Bureau has a detailed article](#) on this and you can see the whole 2022 budget for the big picture.

CRA Classifying Rebellious Small Business Owners



In a “not so surprising” move, CRA is compiling behavioral profiles of small business owners including “rebels & potential non-compliers.” According to a recent Blacklock’s report, <https://www.blacklocks.ca/tested-tax-filers-personality>, the “Tested Tax Filers Personality” targets small businesses. Typically, small enterprise operators trust the private sector over government while 25 percent prize “individualism” and “work ethic,” according to behavioral research by the Canada Revenue Agency. Management divided business owners into six personality profiles in a bid to boost tax compliance: “Tax administrations around the world have started using behavioral insights.” This is as scary as it sounds, as there’s probably more to it than what we know so far.

CRA Claims Prosecuting Tax Cheaters Takes Too Long



In a recent article by the Western Standard, backlogs, red tape, and CRA employees working at home is giving tax dodgers slack from prosecution. According to CRA, low complex income tax objections take 110 days, medium 248 days, and high 2 or more years. I have clients who have been gridlocked in objections for almost 10 years as it’s now with the courts and that can be a black hole. This is not acceptable and CRA must work to speed this up so people can regain confidence in the system. There hasn’t been much interest to address this problem, so I’ll have to monitor this for changes.

CRA Has \$1.4 Billion of Uncashed Cheques



Are you missing a refund or benefits cheque? You may be part of a massive pool of uncollected payments, \$1.4 billion worth, accumulated over the years, with some dating back to 1998 that need a home, according to an MSN article. CRA says it will be sending e-notifications about uncashed cheques to 25,000 Canadians monthly and launched a campaign in February 2020 to get Canadians to cash their cheques. So far, it’s returned more than \$800 million back to taxpayers. Most Canadian taxpayers have signed up for a CRA on-line account and Direct deposit as CRA had planned to eliminate cheques in 2016, however the program is still not 100% successful due to unbankable taxpayers, late filers catching up, and some folks not on-line (how do they live?!?).

Tuition Versus Canada Training Credit



Since 2020, taxpayers 25-65 years old began earning an entitlement to the Canada Training Credit of \$500 per year if they had eligible tuition fees. The traditional non-refundable credit for 15% (federally) of your tuition claim remains unchanged but you’ll never get a refund from claiming tuition. However, the Canada Training credit is a refundable credit for the lesser of one-half of your tuition and your Canada Training Credit entitlement. Also, you can claim the rest of your tuition if you need it and [Knowledge Bureau has a detailed article](#) on this.

Missed CRA Audit Mail Online so Now I Owe

Real People with Real Questions About Real Situations

Dear Neel,
I was not signed up for My Account and was apparently notified by CRA online last year that they wanted to audit my return for employment expenses for a couple of years. I'm trying to get this fixed because I'm not very computer savvy and preferred the previous communication method of mail. How can I get this solved and go back to a hardcopy via post?



Cody M.

Dear Cody M.,
The My Account, which has been available since 2006, has been very well received by millions of Canadian taxpayers and continues to grow in users. Nevertheless, I have similar stories to yours and while it's still an option to be able to return to postal notices, the heat is on to go totally paperless by 2023. In fact, with a recent meeting I had with CRA, they plan to shift much marketing to their e-services and while some accountants are batting for those not online, they are by far in the minority. You can file an adjustment with all the appropriate documentation via mail, so technically you should be fine. However, I would not count on this as a long-term solution as I haven't used the mail in years for my business and all my clients have been online since the last decade. Good Luck!

Neel

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



Don't miss ...



The Leonids meteor shower peaking Thursday, November 17, 2022. Astronomy fans and enthusiasts can follow Neel's monthly columns the first Wednesday of every month!



us on Facebook!



It's a Photo Finish! US Capital Invaded by-----Wild Turkeys?



A flock of wild turkeys closing in on the golf course

Courtesy www.coasttocoastam.com

Did you used to believe attackers would come from outer space or off shore? Not these fine fowls; they're not only local, organic, and act like they own the place but are downright delicious when the gang come over for the Thanksgiving weekend. The aggressive birds have become a neighborhood nuisance, ruining gardens and rushing after residents. An assertive tom has been tackling cyclists, runners, and walkers on the Anacostia Riverwalk Trail in Washington, D.C. for the past five months. This had led to at least three different agencies joining in the hunt for the birds which may very well be America's most wanted hen at the moment. Yup, the turkey patrol really is in Washington, D.C.!

Send us your fascinating photo or story.



Did You Know?

A wild turkey can fly?



And they don't even use a plane!



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