



THE Tax Tipper

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We take your taxes personally!

Issue 65

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Our Readers Respond

Neel, we wanted to let you know that our tax assessments arrived. We really appreciate the Peace of Mind Service that PTC Canada has provided us for the last 10 years or more now. Once again, we thank you and look forward to filling out next year's returns!

Gene and Esther Kucherawy
 Okotoks, Alberta

Check out our [Media Room and testimonials page!](#)

Need tax help now? Click [here](#) to get started right away!

As usual, we [welcome your comments](#) on the **Tax Tipper!**

Valentine's Message

Dear Clients and Friends,

Lots has happened since the 2019 New Year began over a month ago. Things are going to move considerably faster this year than they did in 2018, and I'll be here to bring you the real news through newsletters, bulletins, etc. Also, the 20th anniversary of our website www.ptccanada.com is almost upon us, so I celebrated with a revamp. Please tell me what you think of the new look. It's designed for you, the client, to get your stuff to you in minimal time with maximum help. Back in 2000, it was one of a kind and has inspired many others in the tax business. With well over 1,000 clients across the globe, its features like PDF copies of returns and E-file have been the norm for over 15 years. Compared to the way we did things in the 1990s, it's unrecognizable.

The yellow vest movement is growing at breakneck speed around the world. It's an insurgence of the lower and middle classes tired of being squeezed by the elite. Started in France last summer, it has grown to millions globally, with no sign of stopping. In France, there are over 5 million involved, or 10% of the population, going day and night demanding an end to globalism. It's obvious that President Emmanuel Macron has lost control of the country like Nicolas Maduro in Venezuela and will be gone. With 25 countries currently participating, the mainstream media has begun covering the movement in Canada. Let's face it. When you turn the army on your own citizens with real bullets, it's just a matter of time, and regime change is coming even here in Canada. At the recent Davos meeting, the yellow vest movement was a big issue, with genuine concern that the tables are

about to turn. There are several chapters in Canada, but as far as I know they operate independently, so you'd have to search around for a location in your area.

Recent layoffs in the mainstream media come as no surprise. The fake news that President Donald Trump has exposed repeatedly has finally come home to roost this year. Many people are cutting their cable and going online while exploring independent media not attached to the dinosaur media. Many in the mainstream media have become known as journno-terrorists, another name for a paid propaganda factory. I'm delighted to see how many are finally catching on, though I still hear the majority saying, "I don't know what to believe anymore." To that I respond, "Then stop listening to the dying mainstream media," though I'm tempted to keep on bugging them about their bad judgment!

South of the border, 90% of the mainstream coverage of President Trump is negative, but amazingly, after only two years in office, he's been one of the best presidents. Former media baron Conrad Black, in his latest book, Donald Trump: A President Like No Other, and his recent article America's resurgence is reshaping the world, explains how Trump's accomplishments are bulldozing the establishment and not even the hysterical Trump derangement syndrome can stop it. In fact, the mainstream has switched tactics and now engages in financial terrorism, meaning monetary blacklisting that robs you of a chance to spread your message, do business, and function in a capitalist society. Thanks to the encroachment of progressive ideology into the financial industry, including major credit card companies like Visa, Discover, and

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Neel's Message, continued

Mastercard, this has become a reality. I'll keep you posted on this new development.

Social media is just as bad, if not worse, and is even coming out about their true motives of censorship, surveillance, data harvesting, etc. In other words, big brother is merging with big tech right before your eyes. That's why many are accusing companies like Google of being an enemy of humanity that must be eliminated ASAP. One article explains, "It's the 'mind' behind hundreds of millions of people's mobile phones, email accounts, and search engine of choice. But the Google empire is anything but benevolent—and if it isn't extinguished from the planet very soon, then we can all kiss our collective future goodbye." CEO Jack Dorsey admits that social media platforms "definitely collaborate" on methods of censorship. In other words, they all gang up on you. So this is no longer a conspiracy theory.

When you consider that Google-Facebook controls 80% of advertising dollars, it's a miracle anyone else gets exposure. This is why their stock is falling fast. Companies like Facebook dug their own grave, with spying, tracking and databasing, and headline after headline questioned their sinister practices, leading to massive sell-offs of stock. In China, censorship and surveillance are so out of control that George Soros (of all people) said at the last Davos meeting that China has to be taken down. I know, I don't get it either, but it goes to show how beyond reason some of this has gone. For years I wondered about that old Groucho Marx line, "I don't want to

belong to any club that would accept me as one of its members." Now, after seeing all this insanity, I finally get it. What Marx was saying was that just because he didn't join doesn't mean it's a bad decision. He just didn't want to sell out. That's why years ago I insisted on staying independent, funding my own ventures, and staying true to you, the client. So, no, no one is going to buy me out, and I'm not here to sell you out!

With so much going on, I'm committed to keeping you posted on these stories and more. Space is limited, but I supply the links to all the stories I'm covering. With the Family Day long weekend coming up in Alberta, one of my favourite rituals is to go snowmobiling with friends on a frozen lake. It's awesome to slip out at night, roast wieners over an open fire while waves crash a few feet away, and gaze at a starry mountain sky. While some may think that's dangerous, it's one of the most exhilarating things to do. You have to try it at least once—because no risk means no reward. You can't win all the time, but when you do, man, does it feel good! Remember, PTC Canada clients, we're playing to win—the right way! I wish you and your loved ones a Happy Valentine's Day and Family Day long weekend.



Neel Roberts
President and Founder

What's Happening

2019 Tax Service Schedule Filling Up!

Friends, waiting until the last minute to get your taxes done is never a good idea, especially if you need them assessed soon. Once you're ready to file your 2018 return, make arrangements TODAY rather than on April 30. Most pros like me are jammed to the rafters with appointments, and you may have to wait weeks before getting in. Take advantage of our email, fax, phone, and mail service. The days of office locations and 9–5 hours are a thing of the past, and regrettably businesses stuck in yesterday's ways will get left there. Most clients are demanding more options, and—no surprise—conventional appointments are becoming a thing of the past too!



Shared Economy like Uber Need to Know the Tax Rules

Love 'em or hate 'em, the shared economy like Uber is here to stay. While these services may offer some insight into the tax laws in Canada, they are not native to this country, so it's not their responsibility. As of 2017, all Uber-like drivers are classified as taxi services and must report income accordingly. The income usually includes taxes but must be clarified for each province. Knowledge Bureau gives a brief outline, but each taxpayer must seek the right counsel for their situation. Also, local laws must be considered as Uber is not allowed in all regions, British Columbia for example.



RRSP Deadline Approaching!

This year's contribution deadline is Friday, March 1, 2019, for your 2018 income tax return. If you miss the deadline, you can always use the contribution for your 2019 return. Make sure you have relevant information such as your contribution room, Home Buyers' Plan or Lifelong Learning Plan repayment requirements, and so forth. Check out the [RRSP webpage](#) for details or call 1-800-267-3100, and use your [CRA Account](#) to get your information online.



CPP Premiums Going Up But So Are Some Benefits

Bad news that CPP premiums will be going up, but on a better note, benefits for those who are qualified will increase. Bill C-86, passed last year, will have a redesigned [Canada Workers Benefit \(CWB\)](#) for tax year 2019. Also, social assistance payments, Climate Action Incentive payments, and more will be recalculated based on income, family situation, and more. [Knowledge Bureau has an article](#) with details, and as more becomes available, I will update you.



CRA's "File My Return" Not Popular—Well done, Y'all!

Last year CRA launched a new service called [File My Return](#). About 950,000 qualified taxpayers with simple, low-income, unchanging situations were targeted to complete their returns over the phone. While [it may look appealing](#) to do your taxes for free in the comfort of your own home, [many tax professionals like me have been warning taxpayers](#) not to be lulled into complacency.

Miraculously, very few went for it, less than 5%. While the reasons for this mass rejection are not all known, I believe it's for the many reasons listed. Rumour has it that CRA will discontinue the program in its present form, though I'm sure they'll take a reinvented kick at the can down the road. I will stay on top of this, but please remember that many companies like mine offer free resources to help clients assess their situation. Also, CRA has offered [volunteer tax preparation clinics](#) for years with no objection from the industry, so this is not an income issue for professionals. What we are concerned about is your loss of representation and the overreach into your rights, so for that reason many professionals will continue to object.



More and Improved E-Services for 2019 Personal Returns

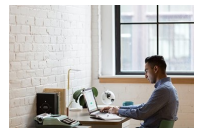
It's official. E-File starts first thing Monday, February 11, 2019, for all 2018 personal returns. Most refunds come in 1–2 weeks, and I suggest you get direct deposit. Also, there are [a variety of slips now available online](#) as far back as 10 years, with online mail and more. You can link between [My Account](#) and [My Service Canada Account](#). When you file your return, simply take your banking information or a blank cheque and you can have your refund, GST Credit, and Child Tax Benefits all done. If you forget, simply file the [Direct Deposit form](#) with CRA and they should be able to start in 1–2 months. Corporations can E-File all year round up to 4 years back, and can do direct deposit via the [Corporate Direct Deposit form](#). For further information, contact general inquiries at 1-800-959-8281.



Remote Workers Are the Trend for the Century

One of the scarier trends over the last few decades has been the permanent loss of jobs when big layoffs happen. Whether these jobs are moved overseas, contracted out, or declared obsolete, one of the options employers are using is to hire remote or offsite workers. There are many benefits to this—lower costs, lower maintenance, and less responsibility for the employer. Whether the workers remain on the payroll or become subcontractors, there is more freedom and sometimes a pay raise.

But this isn't for everyone. I've been a remote worker for 20 years and I love it. I wouldn't trade it for the world. A [recent article on this trend](#) explains why most offices, etc., will soon be a thing of the past. I've counselled many clients who have crossed this bridge, and from a tax point of view, they can claim [employment expenses](#) or start their own [small business](#). Whatever you decide, a consultation with a professional will pay dividends down the road.



Upcoming for the 2019 Tax Season

There are [a variety of changes for this tax season](#), including elimination of the public transit tax credit, the children's fitness tax credit, and children's arts tax credit; changes to medical/donation credits; and enhanced scholarships, fellowships, bursaries, and artists' project grants exemption. There are also [improvements for e-services and how to interact with your tax professional](#) and/or CRA online. For further information contact general enquiries at 1-800-959-8281.



New Log-in Service Coming for CRA Accounts



CRA has been quietly testing a new log-in service for your online account and more. According to the [Ottawa Citizen](#), security company SecureKey and the CRA spent five months last year testing a service called Verified.Me that will allow government agencies and banks to share information securely and verify your identity quickly when you try to log in to their sites. Its offline component allows individuals walking into a government services office to confirm their identity even without their government-issued identification. Also, they've been testing using this information in reverse, for example having the CRA send income data to a bank for a loan application. While this sounds convenient, it's being met with much skepticism, regarding loss of privacy, etc. A [recent Knowledge Bureau article explains](#). More to come as it unfolds this year.

Thought \$15 Minimum Wage Was Too Much? Get Ready for \$33!



Many states and provinces are moving to a \$15 minimum wage, something that would have seemed fantastic 10 years ago. Given the cost of living, it makes sense in some regions, though it's upside down in others. Alberta, for example, with its [middle of the road cost of living](#), is currently [the only province that high](#), unlike expensive cities like Toronto and Vancouver. That's why there's a move toward a [\\$33 minimum wage](#). Yes, as in \$33 per hour, or \$1,320 per 40-hour week, or

\$68,640 per year for flipping burgers! Why so high? Well, it turns out that in sky-high cities like [New York](#) and San Francisco, it takes that much to house and feed a family at the minimal level.

Now why do I believe this increase is going to happen? In San Francisco today, [the low income threshold is US\\$117,400](#), which works out to US\$56 per hour. Friends, don't be surprised if this happens in 10 years. If you predicted this with hard facts to back you up, you'd be labelled a conspiracy theorist. More proof that today's fictions become tomorrow's facts.

2019 Expected to be Volatile



While the United States continues to enjoy low unemployment, healthy GDP growth, and continued consumer confidence, it's not the same here. With massive deficits, immigration out of control, and a stubborn economy, we must be ready for the worst this year.

I have no doubt the current Liberal government will continue to do everything wrong, so you as a citizen must prepare no matter what. One thing I'm advising my clients is to get out of debt ASAP. While it may be hard to avoid a mortgage, I'd pay off all credit cards, loans, and leases.

Carbon taxes, for example, have quietly robbed the everyday man and woman of a lot of purchasing power. If income taxes go up on top of that, things will get worse. Re-examine your budget monthly and insist on having a positive cash flow no matter what. I know it's painful in the beginning, but it'll pay off down the road. [Knowledge Bureau has several recommendations](#) the average person can consider.

Just Asking ... Just Answering

Is My Son's House in My Name a Rental Property?

Real People with Real Questions About Real Situations



Dear Neel, my son couldn't qualify for a mortgage, and while I offered to co-sign, the only creditor that would take it on would do so only if the title was in my name. My son is paying all the expenses and doing the maintenance, so technically I'm just the owner on paper. Am I on the hook for rental income? I don't receive any.

Lynne R.

Dear Lynne, from the numbers you showed me, you should be fine not declaring income if you document everything carefully. First, have a written, notarized agreement with your son as to the nature of the deal. Make sure you include all the letters from

lenders requiring you to be on title. Second, keep receipts for all expenses to show you did not receive income, nor did you have a reasonable expectation of profit as outlined in the [Rental Income Guide](#). Lastly, in the event of a profit when you sell, be prepared to pay, as [gains or losses could be taxable income or capital](#). Technically, your son should be exempt under a personal residence sale provided both of you owned one matrimonial home. If CRA says it's a rental property, you'd be entitled to adjust all the previous returns and claim the losses. So keep all receipts, etc., as that will be a nice payday. Good luck!

Are You *Just Asking* tax questions?

Neel can *Just Answer* them.



It's a Photo Finish!

Surprise Your Valentine with Pickled Cupcakes?!



Courtesy [Wide Open Eats](#)

You may have heard the saying “Everybody wants something.” How about “Did that really happen?” Well, forget the [garlic cookies](#), [mustard icing on cakes](#), and [ketchup ice cream](#), because, believe it or not, that’s all been done! So if you want to impress your sweetheart—or try to—check out [pickled cupcakes](#)! Yes, they have real pickles, and I must admit they look surprisingly good. Now, as for taste? Ahh, there’s the catch! Beauty is in the eye of the beholder, so be prepared for your loved one to say, “You should have left it there!”

Did You Know?



... Groundhog Day was originally on February 14th?
No shadow, so bring on Spring!



Astronomy fans or enthusiasts can follow Neel’s monthly column [Sky’s the Limit](#) in the [Vulcan Advocate](#) published the first Wednesday of every month!

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