



Accounting & Tax Update

From Wheatland Accounting Service Ltd.

www.wheatlandaccounting.com

Fall 2007

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Year End Tax Review!

Concerned about your 2007 tax position! Contact us as soon as possible (prior to December 15th 2007) and arrange an appointment for us to calculate your tax position prior to the end of the year and discuss tax strategies with you!

Important Deadlines!

December 31, 2007

- If your year end is Dec 31, have all expenses paid by this date that you want included as deductible in the year (including family wages)!
- The new AgriStability program fee deadline is Dec 31. (Or 30 days after you receive the enrolment notice whichever is later)

February 28th, 2008

- T4's and T5's must be filed

February 29th, 2008

- Last day to purchase RRSP

Help us name our newsletter!
See contest details on page 2!

Watch in January for our
Customer Appreciation Day!

President's Message

I am excited to provide you with this premiere issue of our newsletter! We hope to use this method to stay in touch and keep you informed of important programs, deadlines and changes! We will pass along helpful tips regarding tax, bookkeeping and more! This is also a great method to keep you informed of our company; what we are doing, new services we are offering, update you about our team members, and have a little fun too! (see the "Help us name our Newsletter!" section)

Of course our newsletter will focus on ag related issues because Wheatland Accounting takes pride in our agriculture focus! Our rural location keeps us in touch with what is happening in the farming industry, and it is extremely important to us as well as it is to you! A welcome happening occurring right now is the recent upward movement in grains and oilseed prices, a long overdue turn of events for our grain producers, and as the year end is approaching we remind you to be considering your tax position now to avoid surprises at tax time! (See the Year-end tax planning section of this issue!)

I want to take this opportunity to thank you for your support in allowing us to be of service to you! We appreciate your business and wish you and yours the very best for the upcoming holiday season and new year!

Kelvin Shultz, Diploma Ag, RPA, CAFA
President: Wheatland Accounting Services Ltd.

Year End Tax Planning

This could be the year that catches you off guard with the record prices we are experiencing this fall, be sure to have your books up to date and analyze your tax position while you can still take steps to manage it. Remember personal tax rates range from 26% to 44%, the Federal brackets change at \$37,178, \$74,357, and 120,887. If your farm is not incorporated you need to be very aware of these rates and consider a combination of tax saving and deferral mechanisms.

- Wages to family members in lower income bracket than you (must be reasonable for duties performed)
- Purchasing RRSP's
- Equipment Purchase (you get 50% of the normal CCA for each asset in year of purchase)
- Deferring grain sales
- Paying all 2007 operating costs before year end (You can deduct bills paid with Visa, Mastercard, Agricard, and any farm supplier account financed through a bank or financial institution)
- Pre purchasing inputs for next year

We would be happy to meet with you to further explore your options.

The above strategies are short term planning items and caution should be taken when deferring and pre-purchasing that you are not setting yourself up a worse tax situation in the future.

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T4s & T5s

If we are preparing your T4s & T5s, **please bring in your T4/T5 Summary Forms that you received from Revenue Canada.** We require your *Filer Identification Number* when we E-File the T4s & T5s.

Pension Income Splitting - New for 2007!

New for 2007 is the ability for spouses to split their RRSP, RIF, and employer-sponsored pension plans! This is a tax saving feature for pensioner couples receiving unequal income. A joint election must be filed by the couple determining how much of the pension will be transferred! An added benefit is the transferred pension will qualify for the \$2000 pension deduction for the receiving spouse, making it easier to maximize this credit.

Computerized Bookkeeping

AgExpert Analyst is a computerized accounting system that keeps structured and accurate records for both income tax and farm management purposes. Currently in our office, Danielle Mytopher & Vickie Procyk are Certified Advisors, able to help you set up and customize this program to meet your needs, as well as provide training on using the program to complete your bookkeeping.

During the Holiday Season,
our Office Hours will be:
Monday – Friday 9am – 5pm
Closed: Dec 24-26 & Jan 1-2

We focus on agriculture!

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Take the time to do some long term planning and consider your future taxable income.

- How much have I already deferred into 2008?
- How many 2008 expenses have I already prepaid in 2007?
- What is the value of inventory I have to sell in 2008?
- If I was to sell my equipment sometime in the future how much taxable income would that create?

A corporation in Saskatchewan will be taxed at 16.5% on up to \$400,000 of active business income. If you are concerned about future taxability come in and talk to us now!

New Government Programs!

The CAIS program has been replaced by AgriInvest (a Nisa like program) and AgriStability. In addition to these programs they have added AgriRecovery (to respond to natural disasters) and AgriInsurance (production insurance).

Those who participated in CAIS in 2006 should receive a 2007 Enrolment Notice and fee calculation. You must pay your fee and respond to this notice by December 31, 2007 to avoid penalty.

Anyone who was not enrolled in CAIS in 2006 should contact the AgriStability at 1-866-367-8506 before December 31, 2007 to inform them you are interested in participating and to receive a new participant package for enrolment.

We will be sending further information on these programs to CAIS participants in the future.

Help us name our Newsletter!

We are looking for a creative name for our newsletter. If you have a great idea and want to help us name our newsletter, send your suggestion to us by mail, fax or email to kshultz@wheatlandaccounting.com by December 31, 2007.

The winner of the contest will be announced at our Customer Appreciation Day in January. The winner will receive \$50 credit towards their next income tax bill.



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