



P.O. Box 123
 Fillmore, SK
 SOG 1N0
 Ph: (306) 722-3884
 Fax: (306) 722-3560

Wheatland Kernels

From Wheatland Accounting Services Ltd.

www.wheatlandaccounting.com

Winter 2011

President's Message

2011 marks the 30th year of business for Wheatland Accounting. Reflecting back to 1981 and our debut in the front part of what used to be Boll's equipment dealership, a lot has changed. The first year with only myself on staff, 40 tax returns were completed. In 2011 we now have 8 team members and expect to complete approximately 600 personal returns and 100 corporate returns along with year round bookkeeping work for many clients and a growing practice of business, financial and estate planning. We want to thank you for your loyalty and support in helping us to build our business to where it is today, a unique accounting practice located in rural Saskatchewan with a focus on agriculture.

This year marks another milestone for Elaine and I with the birth of our first grandchild Gavin Roy Shultz, born to Tim and Carla! Gavin decided to arrive three weeks ahead of schedule on January 14th but still weighed in at 8lbs 3oz. Being Grandparents is very exciting, and we are enjoying it greatly. We all miss Carla here in the office while she is taking extended maternity leave but we are very happy that she can be at home to care for and enjoy her new little son!

It is hard to believe that we are almost into tax season again. This year we ask for your patience as we adjust some of our procedures to adapt to a staff shortage that we are currently experiencing. For several months we have been attempting to hire a designated accountant to assist us with our growing business and at this point we have not found a suitable person to fill the position. We are very happy to have Aimee and Michelle added to our team in January to fill needed roles in the office, and with their assistance, as well as changing some procedures to increase our efficiency we will work our way through this situation until we fill the accountant position. In the mean time I want to thank our existing team for their outstanding dedication and commitment to providing our clients with excellent service and support. We look forward to being of service to you during this coming year.

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

Employment Insurance for Self Employed Persons

A self employed person cannot collect normal unemployment benefits; however as of 2010 self employed persons can choose to pay into EI to collect the following benefits:

Maternity Leave (15 weeks)

Parental Leave (15 weeks)

Sickness Leave (15 weeks)

Compassionate Care Leave (6 weeks)

The weekly benefit amount is 55% of your average weekly earnings from the calendar year prior to your application up to a maximum of \$468 per week. The premium required is the same as the employee portion of salaried employees, the maximum amount being \$747 for 2010. You must enroll in the program through contacting Service Canada at least a year prior to collecting benefits.

On the surface this sounds like a very good deal, however on closer examination it may not be. Once you collect you cannot opt out of the insurance program and you will pay into it as long as you are self employed. (One solution to this problem of continuing to pay premiums for years to come is to incorporate your business so that you are no longer self employed.) It should also be noted that if you continue to receive self employed or employment income during the period you are collecting benefits any amount received over 25% of your weekly benefit will result in a deduction from your benefit.

Important Deadlines

Feb. 28, T4 & T5 Filing

Mar.1 RRSP Purchase

Mar. 31 Trust Return Filing

April 30 Personal Tax Filing

(See our Web site for a more complete list of deadlines)

Equipment & Bin Leasing

Leasing equipment and bins is becoming more common, and is attractive due to allowing the write off of lease payments made each year until the final payment, which is usually considered the actual purchase of the asset.

You should to be aware of the tax treatment when previously leased assets are sold, or written off for insurance purpose.

Any amount that you receive for the asset in excess of the purchase price (usually the final payment) is added back into income as recapture of the lease expense that you have already claimed.

This income inclusion can become very significant particularly for larger more expensive pieces of equipment.

For proper tax treatment please make us aware of any sale that was previously a leased asset.

We focus on agriculture!

We welcome Aimee Aamodt and Michelle Donald to the Wheatland Team

Aimee Aamodt is a recent graduate from the University of Saskatchewan and has obtained a Bachelor of Commerce degree with an accounting major. Aimee will be assisting in the preparation of financial statements, corporate and personal tax returns. Aimee was raised on a farm outside of Kelliher, Saskatchewan and she is happy to be back in a small town setting with her fiancé and their son.

Michelle Donald will be taking over Sheila's role as receptionist to free Sheila up to become more involved in taxation, bookkeeping and farm program work. Michelle was raised on a farm in Alberta and has recently moved to this area from BC. She has completed several accounting and administrative assistant courses through the community college

AgriStability and AgrilInvest Deadlines

Most documents you receive from AgriStability and AgrilInvest have time sensitive information in them. Please read all documentation closely and watch for deadlines. When you forward these documents to us, please draw our attention to them by separating them from other receipts and information. If the deadline is less than three weeks away, please fax the document or phone us to be sure that we are aware of the upcoming deadline.

Special Form Rates

Here are our current flat rates for completion of certain special forms.

- Fuel Rebate application \$50.00
- Supplement application \$40.00
- Drug Plan application \$30.00

Did you Know.....

- If you are registered for GST and collect land or machinery rent you must charge GST on these rentals. If you do not and are audited you could have to pay the amount that should have been collected plus penalties and interest.
- CRA does not allow work clothing, gloves and boots as a deductible expense. Generally, where clothing could be used for work and personal activities, the expense is considered personal in nature and cannot be deducted.
- CRA will not accept deduction of groceries for meals at seeding and harvest unless meals are included as a taxable benefit to the employees and subject to wage deductions
- If you own or rent housing for an employee's use the employee will also have to claim a taxable benefit equal to the fair rental value of the housing.

Be Prepared for the 2010 Tax Season

Yes it is time to get organized for 2010 tax season to ensure that nothing is overlooked! Clients for whom we filed a 2009 tax return, will receive an *envelope* with this newsletter. This envelope lists critical information and slips to watch for and is meant to assist you in gathering the information we will need for your 2010 return!

Some things to be aware of for this year:

- **Children's Fitness Tax Credit** - Parents with children under 16 years of age at start of 2010 who are enrolled in sports or activities requiring physical exercise could qualify for this credit. Ensure that you bring the receipts with your tax information. Receipts should include birth date of child, total amount of program and amount eligible for fitness tax credit, and name of program.
- **Active Families Benefit** - A parent or legal guardian of a child six to fourteen years old is eligible to receive an annual tax benefit of up to \$150 per child per taxation year. This fully-refundable tax benefit helps encourage children to participate in activities that are vital to healthy, active living. To qualify, children must be in an allowable cultural, recreational, or sports program that offered by a Saskatchewan service provider. This credit can be claimed in addition to the Children's fitness credit, and includes programs which are not covered by the fitness credit, such as music lessons and 4H.
- **Medical expenses** for cosmetic purposes such as hair replacement and teeth whitening are no longer accepted as allowable medical expenses.
- **Medical Travel** in excess of 40 kms can be claimed as a tax credit, however to do so you must have evidence of the trip such as signed appointment cards or a referral letter. Please include this documentation with your 2010 tax information that you forward to our office.
- **Caregiver Credit** - Anyone providing care in their home for a relative dependent upon them should advise us of the situation as you may qualify for this credit.
- **Disability Tax Credit:** Anyone with a severe or prolonged impairment in physical or mental functions should check to see if you qualify for the disability tax credit.
- **Tuition and education credits** available to children taking post secondary education can be transferred to a parent if the child does not have sufficient income to use the credit. The child has to sign the tuition slip authorizing its use by a specified parent. Alternatively the student may carry forward the unused portion of their credit to apply to future years.
- **Prescription drug printouts** can be obtained from your Pharmacy listing all the drugs purchased in the year and the cost of each prescription. Obtaining this list is extremely helpful and timesaving in preparing a tax return involving a lot of medical prescriptions. Some pharmacies have a charge for this service.