



Wheatland Kernels

From Wheatland Accounting Services Ltd.

P.O. Box 123
Fillmore, SK S0G 1N0
Ph: (306) 722-3884
Fax: (306) 722-3560
info@wheatlandaccounting.com

Visit our website at www.wheatlandaccounting.com

Winter 2019

Important Deadlines!

February 28

T4 & T5 Filing

March 1

RRSP Purchases

March 31

T3 Filing

March 31

Trust Return Filing (or 90 days from the year end of trust)

April 30

Final day to cancel or change AgriStability for 2018.

Pay your income tax without interest.

President's Message

As we usher in 2019, the team at Wheatland wishes you all the best in this new year. With the holiday season behind us now, we are gearing up for our busiest time of year. The final couple months of last year we were occupied with tax reviews, projections and planning along with the usual flow of financial statements and bookkeeping. Now we are into T4, T5 and T3 preparation and looking forward to our 37th tax season coming up next. Though it is a lot of work crammed into a few months, we have a great team of dedicated people here at Wheatland ready for the rush again. We look forward to the opportunity this season presents for us to meet with many of you individually. We encourage you to bring or send your information in as early as possible to ensure timely service.

The winter months are great for planning and many of you have your crop plans pretty well firmed up for 2019. It is also a good time to stop and ponder not just this next year but to consider some strategic planning and goal setting for the next few years. The family farm is a big business these days and careful planning for growth and succession are key to making it succeed.

Many of our clients are taking a break this time of year to escape our winter for a week or two and enjoy some tropical weather. We didn't go to where it was warm but Elaine and I took a couple weeks after Christmas to visit our son Steve in eastern Canada. We spent some time in New Brunswick and then travelled to Quebec. The old part of Quebec City is very quaint and almost magical in the winter with snow gently falling among the narrow busy city streets. We took an intriguing guided tour of the old city, riding in a horse drawn carriage with blankets wrapped around us to keep out the cold! Not your tropical, lie on the beach kind of winter holiday but very enjoyable.

Kelvin Shultz PBA CAFA Dip Ag

Due to the large number of December corporate year ends we process, we encourage those corporations to bring in their information as soon as possible in order to obtain timely processing.

Tax News

Tax-Free Savings Account Contribution Limit Increased

Savers rejoice! At long last, the annual contribution limit on the Tax-Free Savings Account (TFSA) has been upped. In 2019, anyone who's eligible to contribute to the TFSA can contribute up to \$6,000 annually, up from \$5,500 in 2018.

As the name suggests, your money will grow tax-free inside the TFSA. Also, unlike the Registered Retirement Savings Plan, you won't have to pay any income tax when you withdraw your money.

Rates & Limits

- ◆ Employment Insurance (EI) Premiums are being decreased. The EI rate is being reduced from 1.66 percent in 2018 to 1.62 percent in 2019.
- ◆ Maximum pensionable earnings, the amount used to calculate Canada Pension Plan contributions for the year, will increase to \$57,400 in 2019, up from \$55,900 in 2018. Likewise, the employee & employer contribution rates for 2019 will increase by 5.1 percent from 4.95 percent in 2018.

When to Use Claim Code "o" in Your Payroll Calculations

If you are a non resident, or have more than one place of employment, please fill out a TD1 form as one of your employers should be using a claim code of "O". This is to avoid paying income tax in April.

Office Hours
Monday-Friday 9-5
Closed from 12-1

Tax can be rewarding!

Clients that send in all their 2018 tax information before March 29, 2019 will be entered into a draw for a \$50 credit on their Wheatland account. Please have all your tax information in prior to April 15th to guarantee completion by April 30th.

2019 Contracts

All value billing contracts have been sent out via mail or email. Please contact our office if you have not received your contract or have any questions.

Medical Expenses

Did you know that if you travelled over 40 km one way for a doctors appointment, to the hospital, dentist, or eye doctor you can claim \$0.45 per km without gas receipts.

If you are travelling more than 80 kms one way you can also claim a \$17 meal without a receipt. Simply keep an appointment card or your bill as proof in case you are audited and submit with your income tax receipts.

Prescriptions may be claimed on your tax return, but if you are getting a summary from your pharmacy, you need to check with them to be sure that it only includes eligible prescription expenses.

Accelerated Capital Cost Allowance Changes

The incentive accelerates the amount of capital cost allowance that can be deducted from taxable income. The change allows farmers to claim more allowance in year one, it reduces how much is left for subsequent years. The total amount of deduction hasn't been increased, you just get to claim deductions sooner.

Until now, you could only claim half of the regular allowance in the year that something was purchased. Now you can claim 100 % of the applicable capital cost allowance in the year of purchase. In addition, the first year of capital cost allowance has been bumped up by 50 %. Net additions to any class will be increased by a factor of 50 % for calculating the first-year capital cost allowance. For subsequent years, the allowance deduction returns to normal.

Here's an example of how it may affect your operation. Let's say you buy a new or used tractor for \$50,000. Tractors and other self-propelled equipment are in Class 10 and eligible for a 30 % capital cost allowance. If you purchased the tractor before Nov. 20, the capital cost allowance in the first year is 15 % or \$7,500. This is half of the 30 % allowance in the first year of purchase. If the tractor is bought after Nov. 20, the half-year rule is suspended, plus the amount is bumped up by a factor of 1.5 times. Rather than a capital cost allowance of 15 %, you can deduct 45 %, which is 22,500. How does this affect your tax bill? If you're running an incorporated farm with a federal tax rate of 12 %, the \$22,500 capital cost allowance reduces your tax bill by \$2,700. The same tractor purchased before Nov. 20 would generate a reduction in taxes of only \$900.

Legal Fees

You can claim your expenses in any of the following situations:

- ◆ You paid fees for advice or assistance to respond to CRA when they reviewed your income, deductions, or credits.
- ◆ You paid fees to collect a retiring allowance or pension benefit. However, you can claim only up to the retiring allowance or pension income you received in the year, **minus** any part of these amounts transferred to a RRSP plan or RPP.
- ◆ You incurred certain fees to try to make child support payments non-taxable. You **cannot** claim legal fees you incurred to get a separation or divorce or to establish custody of or visitation arrangements for a child.

If you claim support, you cannot claim legal costs incurred to establish, negotiate, or contest the amount of support payments.

You must **reduce** your claim by any award or reimbursements you received for these expenses. If you are awarded the cost of your deductible legal fees in a future year, include that amount in your income for that year.

Did you know.....you can save time, and money on postage, by submitting your documents to us electronically. Send any files as attachments to admin@wheatlandaccounting.com. Or you can also use the secure link below our signature in any one of our emails to you. Just simply upload files through the "click here" link. If you're not sure, or you'd like us to send you the link, just contact us.