



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

Important Deadlines

AgriInvest deposits to be made **90 days from the deposit notice date.**

2011 AgriStability application deadline without penalty
September 30, 2012.

2011 AgriStability application deadline with penalty
December 31, 2012
A penalty of \$500/month will be reduced from your benefit.

2012 Agristability fee deadline with 20% penalty applied.
December 31, 2012.

2012 Agristability interim application deadline
March 31, 2013.

We send our newsletter via email when possible, please contact us to update your email address or notify us if you would prefer to receive a paper copy.

Regular Office Hours:
Monday – Friday
9am – 5pm

Wheatland Kernels

From Wheatland Accounting Services Ltd.

Spring 2012

President's Message

As I write this the South East part of the province has received an abundance of rain somewhat reminiscent of last year. However for the most part there is already much more seed in the ground than there was a year ago. 2011 went down in history as a very unusual year in the South East and we do hope that 2012 will be a better production year for all our farming clients.

I want to take this opportunity to thank our dedicated Wheatland team who worked together for a successful personal tax season. Various team members are involved in the different steps of preparing a tax return including: collecting the required information, preparing, checking and compiling returns, scheduling appointments, meeting with clients, mailing client returns, and E-filing them. While this is going on our team members are also doing many other activities including: completing bookkeeping and GST, preparing AgriStability applications, preparing T4's and T5's, filing T3 trust returns, preparing financial statements, corporate tax and partnership returns, assisting clients with tax, business, and succession planning and collecting and compiling financial data from participating Saskatchewan dairy farms for reporting to the Canadian Dairy Commission for their cost of production study. I am very appreciative of our incredible team at Wheatland who work together and are committed to doing their job, and providing outstanding service to our clients.

I also want to thank you for entrusting your business to us. We always appreciate your comments and suggestions as to how we can improve our services to better meet your needs.

Once again we are planning our annual community and client barbeque. Please join us at noon on July 31st for an opportunity to mix and mingle with our team, neighbors and friends.

Books and Records

My income tax return is filed. I'm in the clear! Well.....maybe.....maybe not.

That's because Canada Revenue Agency (CRA) includes a note on the assessment indicating that your return may be subject to review at a later date. So in the event that CRA does call you to conduct an audit, it is important that you have well organized records at hand. The onus of proof is on you to provide supporting documentation for revenue you earned and for the expenses you deducted. The consequences of not keeping adequate records include the disallowance of expenses that you are unable to support and penalties and interest on additional tax owed.

To emphasize the importance of records, CRA issued their Guide RC4409. The guide can be found on their website at www.cra-arc.gc.ca.

CPP Changes

Most employees are required to contribute to CPP even if they are already collecting a CPP retirement pension.

- Employees who are under age 65 have to start contributing to CPP again even if they are already collecting a retirement pension.
- Employees ages 65 to 69 are required to contribute to CPP contributions unless they have a completed Form CPT30 *Election to stop contributing to the Canada Pension Plan, or revocation of a prior election* on file.
- Employees who are over 70 continue to be exempt.

We focus on agriculture!

Farm Business Development Programming

Saskatchewan Agriculture and Food is still offering the **Farm Business Development Programming** sector of the Growing Forward suite of programs. The application has to be completed prior to January of 2013.

This Business Planning Service will enhance skills in nine business practice areas:

- business strategy
- marketing
- production economics
- human resources
- financial management
- environmental strategy
- succession planning
- business structure
- risk management

To help qualified applicants obtain private sector business services and/or access farm-related education and training programs, the government will fund 75% of the cost of these services up to the \$4,000 maximum. In the case of partnerships or corporations that involve more than one family member, \$4,000 is available for each partner or active shareholder in the business.

The **Farm Business Development Initiative for Young Farmers** has much of the same qualifications. It is available to farmers between the ages of 18 and 39. YFBDI will reimburse up to 90 per cent of eligible costs of training and consulting services to a maximum government contribution of \$10,000.

To start the process, visit <http://www.agriculture.gov.sk.ca/TakingStock> to download the "Taking Stock" booklet (or pick up a copy from the Regional Agriculture Service Office). Once you have completed this assessment, arrange a meeting with the Regional Farm Management Specialist Ken Evans in Weyburn at (306) 848-2847.

Income Tax Instalments

Taxpayers who meet certain conditions, are required to pay taxes in instalments. An instalment is a periodic payment of tax otherwise payable in lump sum in April of the following year. The Income Tax Act requires self employed people and corporations to make instalment payments so that they are treated the same as employed taxpayers who have tax deducted from their employment income.

Individuals will have to pay their income tax by instalments for 2012 if the net tax owing will be more than \$3,000 for 2012 and was \$3000 or greater in either 2011 or 2010. Due dates for the payments are March 15, June 15, September 15 and December 15, 2012. CRA will send you a remittance form with their calculation of your instalment payment. If you expect your income tax for 2012 will be less than the amount of the total of instalments for the year that they calculate, you may send in a lesser amount based on your estimate.

Self employed farmers only have to make one instalment payment by December 31, 2012 of at least two-thirds of the net tax owing if the main source of income is from farming, and in each of the years 2010, 2011, and 2012 the net tax owing is more than \$3,000.

Corporations have three options to calculate their instalment payments. Instalments can be based on estimated tax payable for the current year, the previous year's tax payable, or the second previous year.

Interest will be charged at the time your income tax for 2012 is assessed if instalment payments were due and not made. As well, if the interest calculated is more than \$1000, CRA may charge an instalment penalty.

**Annual Summer
Barbeque at our
office, noon
July 31st, 2012
Everyone
Welcome!**

Come to our Barbeque and as you register guess how many Smokies will be consumed and you could win ...

Don't forget...
the payroll tables
change in
January & July!

Ag Program Coordinator

Sheila Olver is responsible for the Ag Programs sector of our office. If you haven't already, please ensure that you have returned the AgriStability information sheets that were sent out at the beginning of the year so that she can prepare your application.

**Did you know?
Wheatland Accounting is a
dealer of the FCC Farm
Management
Software (AgExpert & Field
Manager Pro).**

Three members of our staff are certified advisers of the AgExpert software. They can come to your farm and help you set up your books and get you on track to record and summarize the information you need to run your business.