



Wheatland Kernels

From Wheatland Accounting Services Ltd.

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Spring 2013

*Annual Summer
Barbeque at our
office from
12:00-1:00pm
August 1, 2013
Everyone welcome!*

The Payroll Deductions Tables are updated in January & July of each year, so be sure to please update your EI and CPP calculations if you pay the same salary each month.

A friendly reminder to all of our valued clients, please notify us of any changes to your address, phone number, or email.

Office Hours
Monday-Friday 9-5
Saturday Closed
Sunday Closed
Closed from 12:00-1:00

President's Message

Spring has arrived on the prairies, and even though it was a little late coming it is always amazing to see the change that occurs from fields being under a thick blanket of snow to emerging crops and hope for another growing season. As I write this, farmers are engaged in the usual hustle and bustle of activity as they race against a late spring, and threatening weather to get the crop into the ground. Recent rainfall is adding stress as it delays seeding further.

Income tax season is behind us once again at Wheatland and I want to thank our team for their dedication and tremendous support as we worked together to complete a record number of returns this year. It seems that every year brings changes, and 2013 is certainly bringing it's own set of changes for us. As Vickie is about to take a less active role on our team (see article in this newsletter), I want to recognize the valuable contribution that she has made to Wheatland over the last 12 years. Vickie has given herself completely and tirelessly in the pursuit of excellence in customer satisfaction, looking for ways to improve the delivery and quality of our service, and always giving her personal best. We are pleased that Vickie plans to continue to work with us even though it is to a lesser extent.

Any of you that have need for succession planning, business planning or changes in business structure, please read the article in this newsletter on the assistance offered by the government in the new Growing Forward 2 programs. Please contact us if you would like more information on how these programs can work for you.

All the best in the 2013 growing season!

Kelvin Shultz RPA, CAFA

Growing Forward 2 "Farm Business Development Initiative"

Saskatchewan Agriculture has announced new funding for farmers for the development of business plans and to enhance business skills in the following areas: Business Strategy, Marketing Production Economics, Human Resources, Financial Management, Environment, Succession Planning and Business Structure.

This program is somewhat similar to the previous one offered, however the funding arrangements have changed. The government will now reimburse farmers 50% for up to \$5,000 of consulting with varying funding caps based on the area of consulting. The funding caps regarding the areas that Wheatland Accounting can assist in are as follows: Strategic Planning and Succession Planning \$5,000, Financial Management and Business Structure \$2,000. This funding is available for each member of the family that meets the requirements of the program. Please contact us if you have any questions.

Important Deadlines!

AgriStability application deadline without penalty
September 30, 2013

AgriStability application deadline with penalty
December 31, 2013
A penalty of \$500/month will be reduced from your benefit

AgriStability fee deadline with 20% penalty applied
December 31, 2013

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

AgriInvest Withdrawals

When an AgriInvest withdrawal is made, the government portion (Fund 2) will be considered withdrawn first and be taxable in the year. These funds are taxable under the name on the account (for example, an individual or a corporation). If you have a newly formed corporation, any AgriInvest funds held in your personal name that are withdrawn will be taxable to you personally, not your corporation.

Some 2013 Federal Budget Highlights

Lifetime Capital Gains Deduction: It is proposed to increase the Capital Gains Deduction available on sale of Qualified Farm Property including farmland and Qualified Small Business Shares from \$750,000 to \$800,000 effective January 1, 2014. It is also proposed to index the exemption to inflation every year thereafter.

First Time Donors Super Tax Credit

First time donors will receive a 25% additional charitable donation tax credit on donations of up to \$1000. Anyone who has not donated to charity in the last 5 years is considered a first time donor.

Dividend Tax Credit.

Commencing in 2014 a dividend tax credit change results in dividend income received from your corporation being taxed at a slightly higher rate than before.

Deduction of Safety Deposit Box

Safety deposit boxes will no longer be deductible for tax purpose

Phase out of Labor Sponsored Venture Capital Corporations Tax Credit

For 2013 and 2014 tax years the Federal Credit will remain at 15%, for 2015 it will drop to 10% and again in 2016 it will drop to 5% and phase out in 2017.

Restricted Farm Losses

It is proposed that in order for farm losses to be fully deductible against other income, any off farm income must be "subordinate" to farming income. If such is not the case then the first \$2500 of the farm loss will be deductible, and 50% of the remaining loss is deductible in the year to a maximum loss deductible of \$17,500. Unused farming losses from the current loss year may be carried back 3 years or ahead 20 years to be applied against farm income only.

Wheatland Staff Changes

As Vickie Procyk completes her 12th year with Wheatland Accounting she plans to take a step back from her various roles in the office in order to have more time available to assist with their farm operation and with other interests. We look forward to her assistance in the office again during our future tax seasons and with some contract work from her home. Our Wheatland team wishes Vickie the very best in this new arrangement, and we want to thank her for her years of dedicated service in her previous roles with our company.

Aimee Aamodt, who has been with us for just over two years, is taking over the office manager role from Vickie. With this role Aimee will be responsible for our accounts receivable, accounts payable, human resources and office workflow. We look forward to working with Aimee in these areas in addition to her existing roles in the office.

Change the 2013 Ag Expert Software

****If you forward your AgExpert data file to us to complete your financial statements this change will affect you.****

The 2013 AgExpert Analyst software has an open year end, which means that you do not roll forward your file the way you used to. The method as to which you send the file to us has also changed in the 2013 version. You will create an accountant's copy by selecting "create accountant's copy" from the file menu and select a divider date to create the file to send to us. A divider date is normally set at the end of a fiscal year. This is the file that would be sent to us.

Once an "accountant's copy" is created there are restrictions to your file. For a full list of these restrictions, please refer to your owner's manual. You may continue entering in your data file and once your financial statements are complete we will return the accountant's copy back to you. If you have questions and you have purchased the software support you may phone AgExpert for questions, otherwise you may call us and our AgExpert Certified Advisors would be more than happy to assist you.