



Wheatland Kernels

From Wheatland Accounting Services Ltd.

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Fall 2013

Important Deadlines!

December 31, 2013

Final deadline for paying the 2013 AgriStability fee with 20% penalty applied.

Final deadline for submitting your AgriStability application with penalty.

December 1, 2013

Final deadline to submit information to our office for a income tax review.

We will complete a tax review upon request. Please let us know if you would like a tax review as soon as possible.

Presidents Message

November days are getting cooler reminding us that the year is winding down again and it is time to think about your tax position and how to manage it. We expect to see some significant income and inventory levels again amongst our farmers with the good crops that most of our service area experienced this year. We look forward to being of assistance with your tax planning and ask that you contact us before December 1st regarding this so we can plan our workload accordingly.

Elaine and I have just returned from a month in Argentina visiting our son Rob who is there doing Christian ministry work. We thoroughly enjoyed visiting a lot of the central and northern part of the country. Argentina has vast areas of agricultural land, and in the central rural areas you could think you were in Saskatchewan. As we moved to the north the climate became much more tropical and there was no doubt that we were in a foreign country. The economy of the country is poor right now with some government policies making it very difficult for farmers and industry, for instance their 25% export tax! Once again we are glad for all the advantages of living in Canada, but were also happy to find Rob fully enjoying life in Argentina.

Here at Wheatland we have engaged in an exciting 90-day challenge to accountants around the world to improve efficiency and service. Accountant consultants from Australia are leading this challenge and our team is joining firms from Europe, North America, Australia and New Zealand in attending webinars and workshops specifically aimed at improving the level of service we provide to you! Our personal challenge is that you will notice a difference!

Kelvin Shultz RPA CAFA Dip Ag

Understanding Corporations Workshop

In the new 5 year Growing Forward plan the government is providing assistance to farmers to obtain training courses in areas that will enhance the management of their operation. We have decided to put together a workshop seminar aimed at helping farmers understand corporations and how they can be used to effectively operate, grow, transition or exit your farm. This one day seminar will be of interest to those who are considering incorporation as well as those who have incorporated but want to make sure that they are getting the most out of their structure. The training workshop will follow the outline below but is not limited to this, as we will gladly touch on other areas of interest to the participants. This workshop will be held in January, please contact us as soon as possible if you are interested.

- Basic introduction to the common business structures
- Points to consider in making the decision to incorporate
- Setting up a corporation
- Transferring assets and liabilities into a corporation
- Practical things to understand about operating a corporation
- Bookkeeping requirements
- Basics of corporate income tax
- Removing funds from the corporation for personal use
- Use of multiple corporations
- Winding up a corporation
- Tax treatment of using corporate assets for personal use and visa versa
- The corporation as beneficiary of life insurance
- Corporate funded medical plans
- Using a corporation to effectively operate your farm
- Using a corporation to effectively "grow your farm"
- Using a corporation to accomplish intergenerational transfer
- Using a corporation to effectively "exit" farming
- Purifying a corporation to qualify shares for rollover or capital gains deduction

Payroll Deductions

Please send your payroll information into us following your last payroll calculation of 2013.

January 15 is the final remittance due date, sending information to us will ensure your payroll account has the correct balance for the 2013 year.

Don't forget if you are paying your employee a year end cash bonus deductions must be taken!

Office Hours

Monday-Friday 9-5
Closed from 12:00-1:00

Holiday Office Hours

Closed December
25th, 26th, January 1st

Closed at 3:00pm on
December 24th & 31st

GST New Housing Rebate:

If you built or are building a new home you may qualify for the GST New Housing Rebate.

This rebate will provide a refund on the GST you paid on the qualifying expenses of your new home.

For more information you can call CRA at:

1-800-959-5525 or read the information package online at:
<http://www.cra-arc.gc.ca/E/pub/gp/rc4028/rc4028-07-13e.pdf>

CRA Remittances:

To ensure your remittance to CRA is applied to the correct account, be sure to include your business number or social insurance number, along with the correct account such as: RC (corporate tax), RP (payroll), RT (GST) and the period on your remittance forms and the memo on your cheque. CRA will not know where to apply the payment unless you specify.

Donations

Donation receipts must be in the name of the taxpayer that is claiming the credit, CRA will not allow a credit for an individual when the Charitable Donation receipt is issued to your corporate name and vice versa.

***The greatest
compliment you
can give us is a
referral!***

Splitting Income and Maximizing Spousal Tax Credits

As year-end approaches our thoughts turn to minimizing our taxes again. One area to focus on is the ability to split income between spouses as well as maximize the utilization of various tax credits available to both. Remember that CRA considers a "spouse" to include a common law relationship that has existed for at least a year, or when there is a child born or adopted into the relationship.

To ensure that you and your spouse are paying the least amount of tax jointly, it is usually best for both of you to work with one accountant. This ensures that the accountant is fully aware of both situations such as, who is claiming the credit, as well as the correct taxable income of both spouses.

The following credits can transfer or be utilized on one spouse or the other:

- Married Credit
- Child Credit
- Age Credit
- Pension Credit
- Disability Credit
- Children's Fitness Credit
- Children's Arts Credit
- First-time Home Buyers Credit
- Tuition and Education Credit
- Medical expense credit
- Donation credit

Income splitting is another area that should be considered in order to maximize the use of the lower tax bracket and tax credits. If one spouse has income well into the middle tax bracket or higher and the other spouse is well under the top of the low bracket then it saves tax if you can lower the higher income spouse's income and add it to the lower income spouse.

Some methods of doing this:

- Business owners or farmers can pay a legitimate wage to their spouse or consider setting up a partnership or corporation to allow income to be split
- Utilize the pension splitting provision to split RRIF, RSP, and employment pensions between spouses
- Take advantage of CPP equalization between spouses
- Highest income spouse invest in spousal RRSPs to reduce their current income and allow for future transfer of income to other spouse when withdrawn after 3 years from last contribution

As you can see from the above credits and benefits, it is wise that both spouses deal with one accountant in order to ensure that every credit and benefit is being used and maximized.

Beware of Fraudulent Communications

CRA has issued a warning about fraudulent emails that look like they are from CRA asking for personal information such as; bank account, credit card, and personal information. Please know, that CRA does not send emails, or ask for bank account and credit card information. If you think you have been a victim of this scam, please contact the Royal Canadian Mounted Police's Canadian Anti-Fraud Centre by email at info@antifraudcentre.ca or call 1-888-495-8501

Like us on Facebook for your chance to win!

Wheatland Accounting is proud to announce their new Facebook page! Like Wheatland's page and you will be updated with approaching deadlines, tax changes and updates for future events held by our office.

Like our page and be entered for a chance to win a \$50.00 gift certificate to Wheatland! Contest ends December 31, 2013 at noon.

Visit us at: <https://www.facebook.com/pages/Wheatland-Accounting-Services-Ltd/442242425890493>