

# BAKSH & ASSOCIATES INC.

**Accounting, Bookkeeping and Income Tax Services**

W I N T E R   E D I T I O N

## FEATURED BUSINESS

- The Ferrie Wealth Management Group
- Consumers Tire

## C R A   G O E S   A F T E R   G I F T I N G   T A X   S H E L T E R S

Starting with the 2012 tax year, if a taxpayer is claiming a credit for participating in a gifting tax shelter scheme, the CRA will put on hold that taxpayer's assessment of returns. The CRA will first complete the audit of the tax shelter — up to a two-year process — before it issues assessments and refunds. This, says the CRA, will avoid the issuance of invalid refunds and discourage participation in these “abusive” schemes.

The tax shelter schemes involve making a donation or payment for one amount then being issued a tax receipt for a higher amount. For example, in [\*Guindon v The Queen\*](#) ([\*Knowledge Bureau Re-\*](#)

[\*port, Oct. 31\*](#)) participants acquired vacation ownership weeks (VOWs) in a Turks and Caicos Islands time-share resort for \$3,248 a week, which they were to donate to a charity in return for charitable donation receipt for \$10,825.

The CRA has not found any gifting tax shelter schemes that comply with Canadian tax laws. To date, it says, it has denied more than \$5.5 billion in donation claims, reassessed more than 167,000 participating taxpayers and, since June 2000, assessed \$63.5 million in third-party penalties against promoters and tax preparers. The CRA has also revoked the

charitable status of 44 charitable organizations.

For this reason, the CRA is reminding you that if it seems too good to be true, it probably is. If you are considering entering into a tax shelter arrangement, the CRA encourages you to obtain independent, professional advice before signing any documents. Independent advice means advice from a tax professional who is not connected to the tax shelter or to the promoter.

Taxpayers whose returns are on hold will be able to have their returns assessed if they remove the claims for the gifting tax shelter receipts in question.



**CRA**  
<http://www.cra-arc.gc.ca>

**Canada Business**  
<http://www.canadabusiness.ca>

**WSIB**  
<http://www.wsib.on.ca>

**Government of Canada**  
<http://www.canada.gc.ca>

**Government of Ontario**  
<http://www.ontario.ca>

## FERRIE WEALTH MANAGEMENT GROUP



The Ferrie Wealth Management Group provides its global clients with knowledgeable and insightful advice to help them realize their dreams. Our clients include individuals, foundations and corporations.

### Our Team

#### David Ferrie

David acts as the Chief Investment Strategist for the FWMG and is responsible for the asset allocation and portfolio investment selection within all portfolios. David manages the portfolios through daily and vigorous risk analysis of the overall market and portfolio asset classes. He has worked with BMO Nesbitt Burns since 1987, and is a Managing Director (PCD)

and a Portfolio Manager. He resides in Aurora with his wife and daughter. He is an active marathon runner, skier and sailor.

#### Anthony Petruccelli

Anthony graduated from McMaster University with a Commerce degree and a minor in Economics. He joined BMO Nesbitt Burns shortly after graduating in 1999 and joined David's team in November 2003. Working closely with David, Anthony oversees all client account asset allocations and is the principal trader for the team. He also assists with clients' estate and financial planning needs. Anthony has completed the required courses to earn his Finan-

cial Planning (PFP), Options and Life Insurance licenses. Presently, he is studying to become an Associate Portfolio Manager. Beyond business, Anthony is an avid sports fan and enjoys playing basketball, football and soccer. Anthony lives in Thornhill with his wife Helen.

#### Gabriela Boada

Gabriela has been with BMO Nesbitt Burns since 1997 and joined The Ferrie Wealth Management Group in 2011. Gabriela has 12 years of experience in the operations field where she worked as an Administrative Assistant for the Willowdale Branch. As an Investment Representative, Gabriela is responsible for all administrative duties within the group. Gabriela resides in Pickering where she enjoys baking and spending time with her dogs.

### The Ferrie Wealth Management Group

[www.DavidFerrie.com](http://www.DavidFerrie.com)

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Toronto, ON M2N 5X3  
1-800-567-2626

# CONSUMERS TIRE



CONSUMERS TIRE Sales and Service was founded by Jim Wilson in 1990 and operated out of a small building on Bentworth Avenue in Toronto. As the business grew Mr. Wilson opened locations in Markham (1993), Mississauga (2000) and Whitby (2005). Over the years, Mr. Wilson's nephews Kent Wilson, Peter Rasanen and son-in-law John Fowler joined Consumers Tire Sales and Service and managed the various locations.



In July 2006 Larry Bristowe purchased the Toronto business from Mr. Wilson. Two years later, as Mr. Wilson prepared for retirement, he sold the Mississauga location to Peter Rasanen, the Whitby location to Kent Wilson and the Markham location to John Fowler.

At CONSUMERS TIRE, we pride ourselves on supplying the best products offered by every tire manufacturer. Our commitment to customer satisfaction combined with

At CONSUMERS TIRE, we guarantee to provide the best quality products and knowledgeable service, with attention to detail, courtesy and integrity at a competitive price

At CONSUMERS TIRE we have state-of-the-art equipment capable of handling any tire situation. All appointments are handled through reservations and our certified tire technicians will have your vehicle in and out in less than one

hour.

### Consumers Tire Markham John Fowler

3295 14th Avenue  
Markham, ON L3R 0H3

Tel.: 905-479-1313  
Email: [markham@consumerstire.com](mailto:markham@consumerstire.com)

Tires that are travelled on even short distances while flat are often damaged beyond repair. If a tire loses all or most of its air pressure, it must be removed from the wheel for a complete internal inspection to ensure it is not damaged. Most punctures, nail holes or cuts up to ¼ inch – confined to the tread area – may be satisfactorily repaired by our trained technicians using industry-approved methods.

If your vehicle is vibrating in the steering wheel or the seat, chances are your vehicle's wheels are out of balance. Our certified tire technicians will be happy to provide you with prompt, professional service to correct your problem. Properly balanced tires lead to driving comfort and long tire life.

Under-inflated tires will cause uneven wear and make your vehicle engine work harder, resulting in poor tire life and fuel economy. For best results, check your air pressures on a monthly basis. Always use the inflation recommended by the vehicle manufacturer.

Regular tire rotation promotes more uniform tire wear. Tires should be rotated every 10,000 to 12,000 kilometres. A full size spare may be included in the rotation pattern. When tires are rotated, inflation pressures must be adjusted to the vehicle manufacturer's recommendations.

### \$500 Boost to TFSA Limit

**In 20123 you will be able to contribute and additional \$500 to your TSFA account taking the annual contribution limit to \$5,500.**

When the TFSA was introduced in 2009, the [federal government](#) promised the \$5,000 annual contribution limit would be indexed to inflation in \$500 increments. Next year, the first increment takes effect. The contribution limit for 2013 becomes \$5,500; the limit for calendar 2012 remains \$5,000.

Under the TSFA program, each calendar year Canadians 18 years of age and older can contribute up to \$5,000 – \$5,500 as of Jan. 1 – to a TSFA. All income (interest,

dividends and capital gains) earned within the TFSA and withdrawals from a TFSA are generally tax-free. Nor does having a TFSA affect federal benefits and credits.

There are other benefits to a TFSA. Unlike an RRSP, you can withdraw funds from your TFSA tax-free at any time for any purpose. Unlike a RRSP, however, there is no deduction from taxable income for contributing. TFSA contributions are made with after-tax dollars.

Withdrawals made from the TFSA as well as unused contribution room carry forward and accumulate for future years. In fact, if you have unused TFSA contribution room, you can re-contribute withdrawn amounts in the same year as you made the withdrawal. If not, you have to wait until the following year.

If you contribute more than your allowable TFSA contribution room, the Canada Revenue Agency (CRA) warns, you will be considered to be overcontributing to your TFSA and you will be subject to a tax equal to 1% of the highest excess TFA amount in the month, for each month you are in an excess contribution position.

“ P U T Y O U R H E A R T , M I N D , A N D S O U L I N T O E V E N  
Y O U R S M A L L E S T A C T S . T H I S I S T H E S E C R E T O F  
S U C C E S S . ” – S W A M I S I V A N A N D A

#### Does everyone have the same filing due date?

Your tax return “reconciles” what the correct amount of tax should have been for the calendar year—January to December. It then establishes whether you will receive a refund (if you overpaid your taxes), or if you must pay a balance due. For most people that balance due date is April 30. However, if you are a proprietor—the owner of an unincorporated small business—you and your spouse have until June 15 to file without incurring late filing penalties. But be aware that you’ll pay interest on your balance due, as if your filing deadline was April 30, so it always pays to file by then if you are self-employed.

#### File by April 30th

Even though proprietors and their spouses have until June 15th to file their tax returns before late filing penalties kick in, it makes sense to file by midnight April 30th to avoid interest charges if you have a balance due. If you cant file by April 30th and you will owe, at least pay the estimated tax by that date. File earlier to recover your tax refunds as quickly as possible.

#### BAKSH & ASSOCIATES INC. 2012 PRICING MENU

**Student:** \$ 29.00 \*  
Tuition receipt – T2202

**Information Return:** \$ 39.00 \*  
Statement of Benefit T5007  
UCCB – RC62

**Basic:** \$ 59.00 \*  
Employment income – 1 T4  
Old Age Security – T4A(OAS)  
Canada Pension Plan – T4A(P)

**Basic Plus:** \$ 79.00  
CPP or QPP benefits  
EI benefits  
Employment income multiple T4’s  
Pension Income (Canadian)  
Social assistance of WSIB  
Transit passes  
UCCB  
Union dues

**Standard:** \$ 99.00  
Eligible dependant  
Carrying charges/interest expense  
Donations  
Home buyers plan  
Life long learning plan  
Investment income  
Medical expenses  
RRSP income/contributions  
Support payments  
Scholarships  
Student loan interest  
Tuition & education amounts

**Complex:** from \$149.00  
depending on complexity

Capital gains/losses  
Caregiver amount/infirm dependant  
Child care expenses  
Clergy residence deduction  
Disability amount/supports  
Employment expenses  
Foreign income & FTC  
Moving expenses  
Northern residents’ deduction  
Pension income splitting  
RESP accumulated income  
Stock options/share deductions  
Business/professional/commission income  
Capital gains deduction  
Exploration & development expenses  
Farming / fishing income  
GST 370  
Loss carry back  
Overseas tax credit  
Partnership income/losses  
Rental income  
Trust & deceased return

\* no discounts apply to these returns – sales tax not included – prices in effect until March 31<sup>st</sup> 2013

W I N T E R   E D I T I O N



Bakhsh & Associates Inc. brings years of experience in the income tax preparation, accounting and bookkeeping profession. We give you the opportunity to spend your time taking care of your service delivery while we take care of your administration.

As president of Bakhsh & Associates Inc., Andy Bakhsh ensures that his client's needs are met on an accurate and timely basis.

**We keep your books "healthy".**

T A X   O R G A N I Z E R

This checklist is to assist you in organizing your tax information. The deadline for filing personal income tax returns is April 30<sup>th</sup>, and for personal tax returns with business income the deadline is June 15<sup>th</sup>.

**INCOME**

- T4 or T4A If you were employed during the year.
  - T4A (OAS) If you received Old Age Security
  - T4A (P) If you received Canada Pension Plan Benefits
  - T4A (RRSP) If you received pension income
  - T4A (RRIF) If you received pension income
  - T4E If you received Employment Insurance benefits
  - T4RSP If you received proceeds from your RRSP
  - T4RIF If you received proceeds from your RRIF
  - T5 If you received dividends or interest in the year
  - RC62 If you received universal child care payments
- If you were self-employed, had rental income or professional income, please bring it to our attention so that an Income/Expense statement may be prepared.

**DEDUCTIONS**

- Please provide official receipts for any of the following items that are applicable to you:
- RRSP Contributions
  - Union Dues
  - Medical Expenses
  - Charitable Donations
  - Political Contributions
  - Tuition Fees
  - Child Care Expenses (name, address & SIN of provider)
  - Attendant Care Expenses (name, address & SIN of provider)
  - Alimony payments (name, address & SIN of recipient)
  - Separation Allowance (name, address & SIN of recipient)
  - Child Support (name, address & SIN of recipient)
  - Disability Amount (a completed T2201 from your physician for 1<sup>st</sup> time claims)
- Have you incurred any of the following expenses related to investments or other

- income earning activities?
  - Interest expense
  - Management or Administration Fees
  - Safety Deposit Box
  - Carrying Charges
  - Professional Fees
- Do you incur employment expenses such as promotion, auto, travel etc.? If so you may be able to claim employment expenses as long as your employer will complete a T2200. Please speak to one of our representatives for information.

**MISCELLANEOUS**

- Notice of 2011 Assessment (s)
- Home Buyers Repayment Plan (if applicable)
- Copy of 2011 tax return (if first time client)
- Copy of last pay stub for 2012