

Early Spring 2024



BUILD WEALTH

PREPARING BUSINESS FOR SALE, BUSINESS TAX WRITE-OFF

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Assentt Wealth



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President's Message

I extend a warm welcome to the March edition of ASSENTT Wealth!

The overwhelming response to our January and February 2024 editions fills me with gratitude. I trust that you continue to find our newsletters enriching and informative. In this edition, we are excited to present valuable resources aimed at perfecting your tax strategies. Additionally, we're introducing a new segment focused on exploring promising business opportunities.

In our relentless pursuit of excellence in client service, I am pleased to announce the launch of our ticketing system at (app.assentt.com). This platform will ease seamless communication for any queries or requests you may have about our services.

Thank you for entrusting ASSENTT Wealth with your financial journey. We are still committed to providing you with the resources and support you need to thrive.

Warm regards,

Balbir Singh Saini



**TRUCK & EQUIPMENT
FINANCING**

**GOVERNMENT
GRANTS**

**BUSINESS PURCHASE
FINANCING**

**COMMERCIAL
MORTGAGES**

**BUSINESS PURCHASE
& SALE**

SERVICES

**BUSINESS PLAN
& PROJECTIONS**

TAX & ACCOUNTING

**TECHNOLOGY
CONSULTING**

USA TAX

AUDIT & REVIEW

TAX TIDBITS



New Trust Reporting: Unexpected Exposure

Changes requiring more trusts (and estates) to file tax returns and more information to be disclosed, first proposed in the 2018 Federal Budget, were delayed several times in the legislative process. The final rules (that are now law) first apply for 2023, with a filing deadline of April 2, 2024. As such, many trusts and estates (including many arrangements not commonly considered “trusts”) will be required to file for the first time in early 2024.

Required reporting has been expanded to include situations where a trust acts as an agent for its beneficiaries (often referred to as a bare trust). This occurs when the person on title or holding the asset is not the true beneficial owner but rather holds the asset for the benefit of another party. There are many common situations that may constitute reportable bare trusts in which no lawyer or written agreement may have ever been involved or drafted. Many parties involved in a bare trust arrangement may not realize that they are, much less that there may be a filing requirement with CRA.

The following lists some examples of potential bare trust arrangements; CRA has not commented on several of the examples below. It is uncertain how they will interpret and enforce the law.

- a child on title of a parent’s home (without the child having beneficial ownership) for probate or estate planning purposes only;

ACTION: Consider whether you may have a bare trust arrangement. If so, or if you are unsure, contact us to discuss.

a parent on title of a child’s property (without the parent having beneficial ownership) to assist the child in obtaining a mortgage;

- one spouse being on title of a house or asset although the other spouse is at least a partial beneficial owner;
- a parent or grandparent holding an investment or bank account in trust for a child or grandchild;
- a corporate bank account opened by the shareholders with the corporation being the beneficial owner of the funds;
- a corporation being on title of an individual’s real estate, vehicle or other asset, and vice-versa;

- assets registered to one corporation but beneficially owned by a related corporation;
- use of a nominee corporation for real estate development purposes;
- a property management company holding operational bank accounts in trust for their clients, or individuals managing properties for other corporations holding bank accounts for those other corporations;
- a lawyer’s specific trust account (while a lawyer’s general trust account would largely be carved out of the filing requirements, a specific trust account would not); and
- a partner of a partnership holding a bank account or asset for the benefit of all the other partners of a partnership.

In addition to bare trust arrangements, other trusts that have not had to file in the past may have a filing obligation under these expanded rules.

Exceptions from filing a return for trusts and bare trust arrangements are available in limited cases. If filing is required, the identity and residency of all the trustees, beneficiaries, settlors and anyone with the ability (through the terms of the trust or a related agreement) to exert influence over trustee decisions regarding the income or capital of the trust must be disclosed.

Failure to make the required filings and disclosures on time attracts penalties of \$25 per day, to a maximum of \$2,500, as well as further penalties on any unpaid taxes. New gross negligence penalties may also apply, being the greater of \$2,500 and 5% of the highest total fair market value of the trust’s property at any time in the year. These will apply to any person or partnership subject to the new regime.

CRA has recently indicated that, for bare trusts only, the late filing penalty would be waived for the 2023 tax year in situations where the filing is made after the due date of April 2, 2024. However, CRA noted that this does not extend to the penalty applicable where the failure to file is made knowingly or due to gross negligence. As there is limited guidance as to who would qualify, it is recommended that disclosures should be made in a timely manner.

Premium Accounting Services

Accepting New Clients

- ✓ Tax preparation
- ✓ Tax Planning
- ✓ Bookkeeping
- ✓ HST and Payroll
- ✓ Financial Statements
- ✓ Compilation Engagement
- ✓ Review & Audits Engagement
- ✓ CRA Audit Representation
- ✓ Year End Working Papers
- ✓ CFO Services



Healthcare



Small Business



Transportation



Professional Services



Real-Estate Agents



Dental Offices & Associates



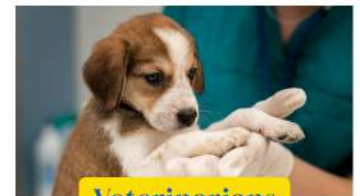
Mortgage Brokers



Dispatchers



Repair Shop



Veterinarians



Pizza Stores



Franchise Business

We help you grow your Business!

Reach Our Helpdesk

 **(437) 286-2000**

Helpdesk@Assentt.com

Assentt Capital Corp,

At Assentt Capital Corp., we work with passion to help Canadian Business Owners achieve success. Finance is the life-line of any business and it fuels its growth.

Business owners are busy taking care of their customers and need helping hand to arrange capital for their major business purchases and working capital. They are too busy to deal with banks and financial companies to understand their complex guidelines and paperwork requirements.

At Assentt, we have expert team of professionals and network of professionals, such as, bankers, leasing companies, CPAs, lawyers, appraisers and realtors. We work hand-in-hand with these professionals to help business owners arrange capital and find new business and investment opportunities.

Working with Assentt means getting access to tonnes of resources and expertise and getting projects approved. That's dictionary meaning of word Assentt to "APPROVE" and get success!



Our Specialities

- ▶ Highway Tractors & Day Cabs
- ▶ Dump Trucks
- ▶ Sweeper & Farm Trucks
- ▶ Dry Vans & Reefer Trailers
- ▶ Straight Trucks
- ▶ Construction Equipment

Benefits of Leasing

Preserves Working Capital & Line of Credit

Leasing is NOT a bank loan and does not tie-up your existing credit facility. Preserve your working capital and credit for other expenses.

Maintain a Healthy Cash Flow

No payback period to wait until your payment starts to earn positive cash-flow. Your leased equipment starts to earn positive cash-flow immediately.

Maximize your Income & Minimize Taxes

Lease payments are tax deductible and may help reduce your income taxes, helping to keep your tax dollars as profits.

Fixed Monthly Payments

Your monthly payments will never increase even if market rates rise during your term. You benefit from a fixed low monthly payment.

Flexible Terms & Purchase Options

We can structure your monthly payments to suit your cash-flow needs. You can also purchase your equipment at any time during the term.

Sales Tax Deferral

You merely pay sales taxes on the monthly payment and not on the cost of the equipment. This spreads out the sales taxes over the entire term, saving you money today.

If it appreciates BUY IT, if it depreciates LEASE IT.

How rich people Save Tax with Corporations in Canada

Every year, wealthy individuals in Canada take advantage of tax-saving strategies to reduce their taxable income and keep more of their hard-earned money. One popular method that affluent Canadians use to save on taxes is through the use of corporations. In this article, we will explore how rich people in Canada leverage corporations to minimize their tax obligations legally and effectively.

Benefits of owning a Corporation in Canada

1. Liability Protection:

One of the main advantages of owning a corporation is the liability protection it offers. By operating through a corporation, wealthy individuals can shield their personal assets from any business related liabilities. This separation of business and personal finances not only protects their wealth but also provides peace of mind.

2. Lower Tax Rates for Small Businesses:

In Canada, small businesses, including corporations, enjoy lower tax rates compared to individuals. This means that affluent Canadians can potentially save on taxes by taking advantage of the preferential tax treatment afforded to businesses. By structuring their income through a corporation, they can reduce the amount of tax payable on their earnings.

3. Income Splitting Opportunities:

Another key benefit of using a corporation for tax savings is the ability to engage in income splitting. By distributing income to family members who are in lower tax brackets, wealthy individuals can effectively lower their overall tax liability. This strategy allows them to allocate income to family members such as spouses or children, enabling them to take advantage of lower tax rates.



Strategies for Tax-Efficient Wealth Management

1. Holding Passive Investments in a Corporation:

One common tax-saving strategy employed by wealthy individuals in Canada is to hold passive investments, such as stocks and bonds, within a corporation. By doing so, they can benefit from the lower corporate tax rates on investment income. This can result in significant tax savings over the long term, allowing them to grow their wealth more efficiently.

2. Utilizing Holding Companies:

Holding companies are another tool that affluent Canadians use to save on taxes. By establishing a holding company to own shares of operating companies, they can take advantage of the tax deferral benefits offered by such structures. Holding companies can also facilitate estate planning and asset protection strategies, further optimizing tax efficiency.

3. Implementing Corporate Pension Plans:

Wealthy individuals can also leverage corporate pension plans to maximize their tax savings. By setting up a pension plan through their corporation, they can make tax-deductible contributions and enjoy tax-deferred growth on their investments. This not only helps them save on taxes and allows to plan for your retirement with greater financial security.

In conclusion, rich people in Canada utilize corporations as a powerful tool for tax planning and wealth management. By structuring their affairs through a corporation, they can access a range of tax-saving strategies that help them minimize their tax obligations while preserving and growing their wealth. Through careful planning and strategic use of corporate structures, affluent Canadians can achieve significant tax savings and financial advantages.

How to Prepare your Business for Sale

Preparing your business for sale involves several key steps to maximize its value & attractiveness to potential buyers

Here's a comprehensive guide:

Clean up your financials: Ensure your financial records are accurate, up-to-date, and well-organized.

Increase profitability: Identify areas where you can cut costs or increase revenues to improve your bottom line.

Resolve outstanding issues: Address any outstanding legal or financial issues such as pending lawsuits, tax liabilities, or overdue debts.

Document processes and procedures: Create detailed documentation of your business operations, including standard operating procedures (SOPs), employee roles and responsibilities, and key contacts.

Streamline operations: Identify inefficiencies and streamline processes to improve productivity and reduce costs.

Diversify customer base: Reduce dependence on a single customer or client to minimize risk for potential buyers.

Review contracts and agreements: Ensure that all contracts and agreements, including customer contracts, vendor agreements, and leases, are up-to-date and legally sound.

Intellectual property protection: Verify that your intellectual property (IP) is properly protected through patents, trademarks, or copyrights. Transfer ownership of IP assets to the business if necessary.

Compliance: Ensure compliance with all applicable laws and regulations in your industry, including labor laws, environmental regulations, and industry standards.

Assess market position: Evaluate your market position and competitive landscape to understand where your business stands relative to competitors.

Identify growth opportunities: Highlight potential growth opportunities and market trends that could attract buyers and justify a higher valuation.

Build a strong brand: Strengthen your brand image and reputation through marketing efforts and customer engagement strategies.

Document key personnel: Identify key employees and document their roles, responsibilities, and contributions to the business.

Retention strategies: Implement retention strategies to ensure key employees remain with the business during and after the sale process.

Prepare financial projections: Create realistic financial projections for the future performance of the business based on historical data and market trends.

Indian Restaurant for Sale

- Asking \$450,000
- Property in busy location
- Low Rent
- Ample of lease pending



Sell your Business

- We have qualified buyers
- We assure you best market price
- Serving in Ontario and Alberta



Call our office today for more information!

(888) 729-1860





What is Business Tax Write-Off?

Are you a business owner in Canada looking to save on taxes? Understanding tax write-offs is crucial for maximizing deductions and minimizing your tax liability. In this article, we will explore the concept of business tax write-offs in Canada and provide you with some valuable tips on how to save money on taxes.

What are Tax Write-offs?

Tax write-offs refer to expenses that businesses can deduct from their taxable income, thereby reducing the amount of taxes they owe. These deductions can include a wide range of expenses, such as office supplies, advertising costs, travel expenses, and rent.

Common Tax Write-offs for Canadian Businesses

Home Office Expenses: If you operate your business from home, you can deduct a portion of your household expenses, such as rent, utilities, and internet costs.

Vehicle Expenses: If you use your vehicle for business purposes, you can deduct expenses such as gas, maintenance, and insurance.

Professional Fees: Fees paid to accountants, lawyers, and other professionals can be deducted as business expenses.

Advertising and Marketing: Costs related to advertising your business, such as website expenses and marketing materials, are eligible for deductions.

How to Maximize Your Tax Write-offs

Keep detailed records: It's essential to keep thorough records of all your business expenses to ensure you can claim all eligible deductions.

Consult with a tax professional: Working with a tax professional who is familiar with Canadian tax laws can help you identify all possible tax write-offs and maximize your savings.

Take advantage of tax credits: In addition to deductions, there are also various tax credits available to Canadian businesses. Make sure to explore these options to further reduce your tax bill.

Some more Write-offs

- › Business Meals
- › Work-Related Travel Expenses
- › Work-Related Car Use
- › Business Insurance
- › Home Office Expenses
- › Office Supplies
- › Phone and Internet Expenses
- › Business Interest and Bank Fees
- › Depreciation
- › Professional Service Fees
- › Salaries and Benefits
- › Charitable Contributions
- › Education
- › Child and Dependent Care
- › Energy Efficiency Expenses
- › Investments
- › Foreign-Earned Income Exclusion
- › Medical Expenses
- › Real Estate Taxes
- › Mortgage Interest
- › Moving Expenses
- › Retirement Contributions
- › Advertising and Promotion
- › Client and Employee Entertainment
- › Startup Expenses

In conclusion, understanding tax write-offs is essential for business owners in Canada who want to save money on taxes. By keeping detailed records, seeking professional advice, and taking advantage of available tax credits, you can maximize your deductions and minimize your tax liability. Start implementing these strategies today to ensure you are making the most of your business tax write-offs in Canada.

Truck & Trailer Financing

Become an Owner-Operator with our quick Truck & Trailer Loans!

Get your Loan approved for an old or a new Truck & make your dreams a reality



We can help you **Grow your Business**

**OWN YOUR DREAM TRUCK
ON YOUR ROAD TO SUCCESS!**

\$500,000 SMALL BUSINESS LOAN

FOR PURCHASE OR GROWING YOUR BUSINESS

Get up to \$500,000 Government Guarantee Loan (with or without Property)

- ✓ Financing available up to 90% of the "Eligible Cost"
- ✓ Affordable Monthly Payment with Longer Amortization
- ✓ Low Personal Guarantee
- ✓ Competitive, fixed & floating interest rates available
- ✓ Eligible Businesses : Restaurant , Transportation, Gas Station, Convenience Store, Franchise Business, Plaza and Mix use Property
- ✓ Eligible Assets : Commercial Vehicle, Commercial Equipment, Inventory, Working Capital, Franchise Fees and Research & Development

ELIGIBLE BUSINESSES

RESTAURANTS & CAFE

FRANCHISE

CONVENIENCE & GROCERY STORE

SMALL BUSINESS



Tax Filing Checklist

Year 2024

Period _____
Date Received _____
Company Name _____
Contact _____
Email Address _____

Business

- Business Bank and Credit Card Statements
- Business Expense Bills and Receipts
- Company Articles of Incorporation
- Documents for change of Director/Shareholder
- Lease Agreement (Business Equipment & Real Estate)
- Loan Agreement and Statements
- New Assets Purchase Bill and Payment proof
- Revenue Invoices (Preferably in PDF)

Personal

- Childcare Receipts
- Nanny Payroll
- Disability Tax Credit Claim Form T2201
- Donation/Political Contribution Receipts
- Employment Expenses (T2200)
- Medical, Dental, Prescription Drugs Expenses
- RRSP Contributions
- FHSA Receipt
- Professional & Union Dues
- Property Tax/Rent Receipts/ Mortgage Statement
- Student Loan Interest
- Tuitions Fees T2202A
- First Home Buyer Credit
- Meal Expenses(Truck Drivers)

TAX DUE DATES

GST / HST

JAN 1 TO MAR 31 - APR 30
APR 1 TO JUN 30 - JUL 31
JULY 1 TO SEP 30 - OCT 31
OCT 1 TO DEC 31 - JAN 31

PERSONAL TAX

EMPLOYED - APRIL 30
SELF-EMPLOYED - JUNE 15
RRSP - FEB 28/29
FHSA - DEC 31

CORPORATE TAX

T4/T5 - FEB 28/29
T2 RETURN - JUNE 30
GST HST ANNUAL - MARCH 31
PAYROLL REMITTANCE - 15TH OF MONTH

Notes

Call (888) 729-1860

Mississauga Calgary

helpdesk@assentt.com

RATE PULSE

BANK PRIME RATE – 7.20%

Prime Mortgage (Insured)

- Variable Rate - 6.40%
- Fixed Rate - 5.14%

Prime Mortgage (Conventional)

- Variable Rate - 6.75%
- Fixed Rate - 5.49%

Alternative Mortgage

- 1 year - 6.94%
- 2 Year - 6.64%

Private Mortgage

- First Mortgage - 8%
- Second Mortgage - 12%

Commercial Mortgage

- Prime - 7%
- Alternative - 9%

Business Loan

- Business Purchase
(Variable Open Loan)
10.20%

* Rates are general in nature and subject to change. You can book an appointment with our office to review your file.

Canada Tax Deadlines

- Annual HST Filing - 31st March 2024
- WSIB Filing - 30th April 2024
- Personal Tax Filing
- Employed - 30th April 2024
- Self-Employed - 17th June 2024

USA Tax Deadlines

- Individual Form 1040 - April 15th, 2024
- Partnership Form 1065 - March 15th, 2024
- S Corporation Form 1120S - March 15th, 2024
- C Corporation Form 1120 - April 15th, 2024



BALBIR SINGH SAINI
CPA, CGA

15 YEARS OF EXPERIENCE

REACH OUR HELPDESK
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(437) 286-2000

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