

# Tax Season 2024



# TAX TIDBITS

2024 Tax Deadlines, Business Purchase, USA Tax

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# President's Message

## Get Ready for Tax Filing Season with Our Expert Assistance!

As tax filing season approaches, we want to ensure you have all the resources and tools you need to make the process as smooth as possible. Our website is now updated with the latest forms and a tax filing checklist for your reference.

Visit our website to access the latest tax forms needed for your filing. We've made it easy for you to fill out the forms and submit complete information online. Be sure to mark the tax due dates on your calendar to avoid any last-minute rush. Filing in advance allows us the necessary time to process your request efficiently.

If you have any specific requests or queries, submit a ticket on our website, and our team will be ready to assist you promptly.

Are you a Canadian working in the USA or a USA citizen living in Canada? We specialize in cross-border taxation and can help you navigate the complexities. Whether you're working, have a business, or are planning to expand into the USA and if you have plans to expand your business in the USA.

Thank you for choosing us as your trusted tax partner. We look forward to assisting you in making this tax season a breeze.

Sincerely

*Balbir Singh Gaini*

## Our Services

### EQUIPMENT LEASING



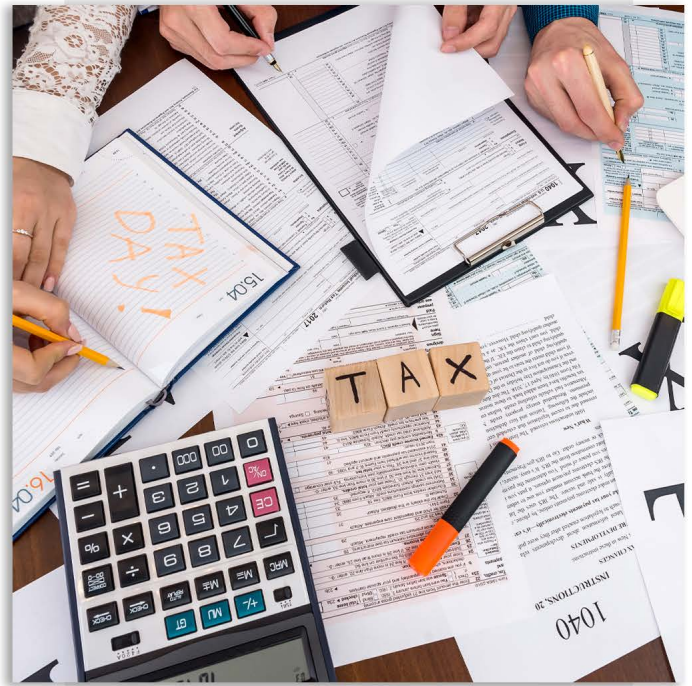
### BUSINESS PURCHASE/SALE & FINANCING



# TAX TIDBITS

Some quick points to consider - by Ali Shehzad CPA, CGA

- The 2024 RRSP contribution limit is \$31,560, requiring earned income in 2023 of at least \$175,333. The 2025 limit will be \$32,490 (requiring earned income in 2024 of at least \$180,500).
- The annual TFSA contribution limit for 2024 is \$7,000.
- The annual interest rate charged by CRA on late tax and installment payments has increased to 10% for the first quarter of 2024. Additional penalties may apply on underpaid installment payments.
- Over 6,100 audits on COVID-19 wage subsidies have been completed or are in progress. In terms of dollar figures, \$8.9 billion in claims have been audited, and \$7.5 billion in claims are currently being audited. Of the audited claims, \$458 million of claims have been denied.



## AUTOMOBILE DEDUCTION & BENEFIT RATES - 2024 LIMITS RELEASED

The limit on the deduction for non-taxable allowances paid by an employer to an employee using a personal vehicle for business purposes will increase in 2024 by 2 cents to 70 cents/km for the first 5,000 km driven and to 64 cents for each additional km. For Yukon, the Northwest Territories and Nunavut, the tax-exempt allowance will continue to be 4 cents/km higher, which is 74 cents for the first 5,000 km driven and 68 cents for each.

The ceiling on the capital cost for CCA of most passenger vehicles will increase to \$37,000 from \$36,000, and the limit for zero-emission passenger vehicles will remain at \$61,000.

The limit on leasing costs will increase to \$1,050 per month (from \$950/month) for new leases entered on or after January 1, 2024.

The maximum allowable interest will increase to \$350/month (from \$300/month) for new loans entered on or after January 1, 2024.

The general prescribed rate used to determine the taxable benefit relating to the personal portion of automobile operating expenses paid by employers will remain at 33 cents/km. For taxpayers employed principally in selling or leasing automobiles, the rate will remain at 30 cents/km.

## WORKING FROM HOME EXPENSES: EMPLOYMENT EXPENSES

The \$2/day flat rate method available to claim expenses for employees working from home was a temporary administrative measure only available from 2020 to 2022; it is no longer available in 2023. As such, employees working from home can only use the detailed calculation when claiming expenses.

For 2023 and subsequent years, a deduction can only be claimed where one of the following criteria is met:

(i) The workspace was the place where the individual principally (more than 50% of the time) formed their duties of employment; or performed their duties of employment; or

(ii) The individual used the space exclusively during the period to earn employment income and used it on a regular and continuous basis for meeting clients, customers, or other clients, customers, or other people with respect to the employment.

CRA indicated that they would consider i) to be met by the employees who were required to work from home more than 50% of the time for a period of at least four consecutive weeks in the year.





# Canada Dental Care Plan (CDCP): New Income-Tested Benefit

On December 11, 2023, Health Canada issued details on the Canada dental care plan that would cover a wide variety of dental services for certain Canadian residents. The plan will be rolled out from late 2023 to 2025.

To be eligible, the individual and their spouse or common-law partner (if applicable) must meet all the following conditions:

- (i) Have an adjusted family net income (AFNI) of less than \$90,000.
- (ii) Be a Canadian resident for tax purposes.
- (iii) Have filed their tax return in the previous year; and
- (iv) Not have access to dental insurance, meaning that it is not available through the taxpayer's or a family member's employer or pension, or not purchased through a group plan.

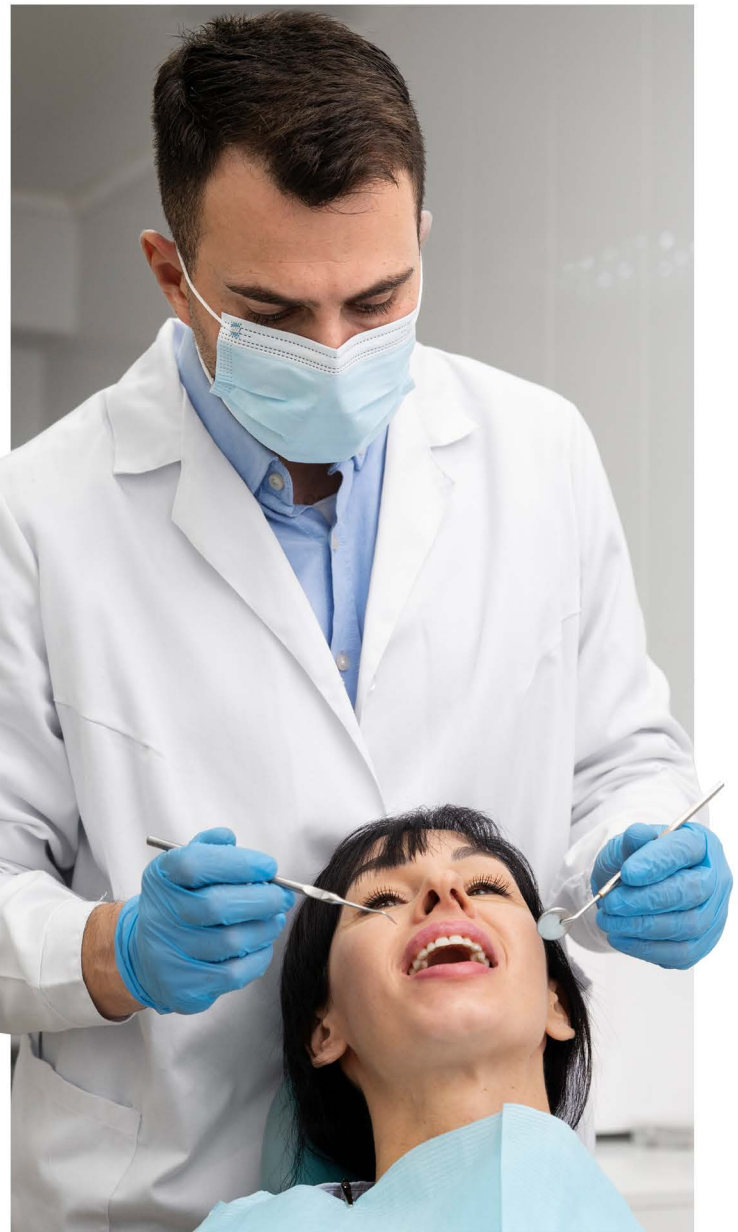
## Eligibility for children under 18 will be determined by their parents'/guardians' eligibility.

The CDCP will pay for eligible services provided by an oral health provider (such as dentists, denturists, dental hygienists, and dental specialists), less a portion that is to be paid directly by the patient (the "co-payment"). No co-payment is required if AFNI is under \$70,000. The co-payment starts at 40% for AFNI between \$70,000 and \$79,999 and increases to 60% for AFNI between \$80,000 and \$89,999.

Oral health providers are encouraged to follow the CDCP fees, which are not the same as the provincial and territorial fee guides, so their patients do not face additional charges at the point of care. Oral health providers who have enrolled with CDCP will bill the plan directly. Health Canada noted that patients should ask if the provider has enrolled in the CDCP when booking their appointment to limit unexpected out-of-pocket payments.

The program will be first rolled out to seniors with application invitation letters starting in December 2023. Eligible seniors will be able to engage in covered services as early as May 2024. Those with a disability tax credit certificate (T2201) or under 18 years of age can begin to apply as of June 2024. The remaining eligible residents will be able to apply in 2025.

CRA noted that only those who are 70 years old or older by March 31, 2024, have AFNI of less than \$90,000 for 2022, and were Canadian tax residents for 2022 will receive the initial application instruction letters.



Once an individual has applied and is determined to be eligible, Service Canada will share the individual's information with Sun Life, the contracted service provider, for enrolment into the CDCP. Eligible individuals will receive a member card and be notified of the start date of their coverage. The start date will vary based on when each group can apply, when the application is received and when enrollment is completed.

Oral health providers will be able to enroll voluntarily as a participating CDCP provider directly with Sun Life in early 2024. Details on this process will be available on Health Canada's webpage when enrollment opens. Oral health providers enrolled in the CDCP will be required to submit the claims directly to Sun Life for payment rather than having patients seek reimbursement from Sun Life for services covered under the plan.



# RECENT PROJECTS

## Business Plan & Projections



## Canada Digital Adoption Plan (CDAP)

**Grant - \$15,000**

**Loan - \$25,000 to \$100,000**

Requirement - Minimum \$500,000 Revenue during any of last 3 tax years and Minimum 1 Employee

**PROCESSING TIME : 8-12 WEEKS**





# Grow your business through Franchising

Mr. Jaswinder Singh, Business Consultant

Franchising is a business model that grants the right to use company's brand, products, and business model to third parties (franchisees) in exchange for fees and ongoing support. This model allows individuals or entrepreneurs (franchisees) to own and operate their own businesses using the established brand, products, and systems of the franchisor.

**1. Quickly Growing:** Franchising your business allows you the ability to leverage the resources and capital of motivated franchisees. This in turn helps to expand your brand at a much faster pace than would be possible without significant investment.

**2. Local Market Knowledge and Expertise:** Franchisees can bring in-depth knowledge of local markets, consumer preferences, and cultural nuances. With their expertise, franchisees can adapt your business concept, within your guidelines and operating structure, to cater to the specific needs of their communities, this will lead to higher customer satisfaction and loyalty.

**3. Shared Investment:** Franchisees contribute initial franchise fees, ongoing royalties, and advertising fees. This shared investment structure helps generate additional revenue streams for you, the franchisor, to invest back into your brand and its marketing activity, which in turn accelerates growth.

**4. Ambitious & Motivated Entrepreneurs:** Franchisees are ambitious individuals seeking business opportunities but without the will to start a business from scratch. They have a personal stake in the success of the franchise, this makes them highly motivated to maintain high-quality standards and meet any performance targets set. This dedication will strengthen the overall brand reputation.

**5. Reduced Financial Risk:** Franchisees invest their own capital to start and operate their franchised units or territories. This will significantly reduce the financial burden on you.

## Some key tips for growing your franchise include:

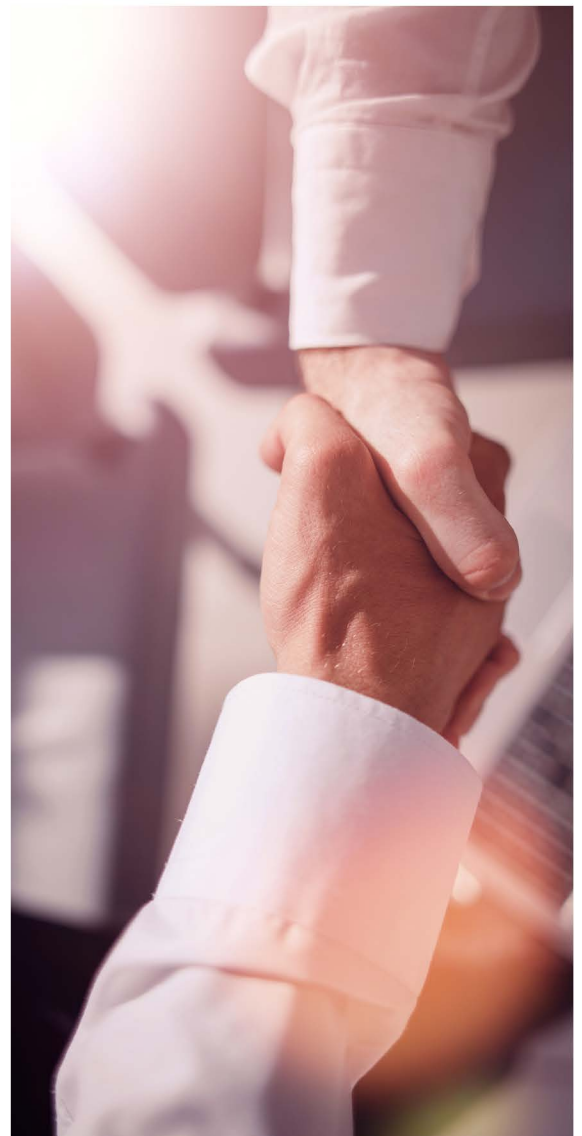
1. Emphasizing leadership.
2. Building a solid brand; and
3. Evaluating your business model.
4. Developing strong relationships with your franchisees.
5. Offering training and resources.

Best examples of successful franchise models like Retail Grocery Store, Restaurant Business, Pizza Store, Appliance Store, Physiotherapy, Massage Clinics, Mortgage Brokers and Accounting Services.

## Quick Benefits of Franchising

- 🔑 Quickly Growing
- 🔑 Local Market Knowledge & Expertise
- 🔑 Shared Investment
- 🔑 Ambitious & Motivated Entrepreneurs
- 🔑 Reduced Financial Risk

**In a nutshell, it's a win-win for both the parties involved**



# BUSINESS PURCHASE FINANCING PROGRAM



## Eligible Assets

- ✓ Land & Building
- ✓ Business Equipment
- ✓ Inventory
- ✓ Goodwill
- ✓ Lease deposit
- ✓ Marketing cost

## Terms

- ✓ Open loan
- ✓ Maximum loan without property \$500,000
- ✓ Maximum loan with real estate 1 Million
- ✓ Term 5-7 years ; Real Estate 15 Years
- ✓ Interest rate - Prime plus 3%
- ✓ Down payment - 35%
- ✓ Credit Score - More than 680 preferred

## RESTAURANT PURCHASE

- Franchises
- Ethnic Restaurants
- Pizza Stores

**(437) 286-2000**

HELPDESK@ASSENTT.COM



# What to consider before handing your business over to the Next Generation?

Kim Kaur - VP Financing

At some point we need to pass on our business to the next generation. Handing your business over to the next generation is a significant decision that requires careful consideration.

Here are some key points to keep your business growing:

**1. Business Continuity:** Assure you there are plans to maintain business continuity during the transition period. This may include new challenges of leadership or implementation of plans.

**2. Professional Advisor:** Keep your advisors, such as lawyers and accountants in loop so that they can guide you throughout this journey and it goes legally to other hands. Their expertise can help you in all legal, tax, financial, and strategic aspects.

**3. Family Dynamics:** Consider the dynamics within your family and how they may impact the process of growing your business impactfully. Keep your communication clear so that it does not occur any conflicts near future.

**4. Risk Management:** Identify and mitigate potential risks associated with the succession process, such as key personnel leaving or a decline in morale among employees.

**5. Communication with Stakeholders:** Keep stakeholders, including your employees, customers, suppliers, and investors, informed about the succession plan. Transparency can help maintain trust and reduce concerns about the transition.

**6. Alignment of Goals and Vision:** Ensure that the next generation shares a similar vision for the future of the business. It's essential that they are aligned with the company's mission,

values, and long-term goals to maintain continuity and drive success.

**7. Succession Planning:** Have a clear plan in place for how the transition will occur. This includes identifying potential successors, whether they are family members or key employees, and defining their roles and responsibilities.



## USA TAX PREPARATION SERVICE

by Balbir Singh Saini CPA, CGA

*We service several different types of clients, including both US and Canadian residents, businesses, part-year residents, U.S. residents with foreign corporations, as well as non-residents.*

- Preparation and e-filing of personal income tax return 1040 & 1040 NR
- Preparation and e-filing of corporate tax returns 1120
- Preparation and e-filing of partnership tax returns 1065
- Rental income, Capital gains and Dividend income tax returns
- Tax planning on move from Canada to U.S. and vice versa
- U.S. and Canada treaty tax implications
- Cross Border tax implications and tax planning for businesses & professionals

# 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  
(DEC 31 Y.E.)  
GST HST ANNUAL - MARCH 31  
(DEC 31 Y.E.)  
PAYROLL REMITTANCE - 15<sup>TH</sup> OF MONTH

### Notes

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Call (888) 729-1860

Mississauga    Calgary

helpdesk@assentt.com



# Business and Investment Opportunities

## Invest in Private Mortgages

- Secure investment return from 8 to 15%
- Term 1 to 2 years
- Minimum investment of \$100,000



## Grocery Store Franchise Available

- Area needed 3500 to 4000 Sq. Ft.
- Investment of \$350,000 to \$400,000
- Locations across Ontario
- Turnkey takeout restaurant included



## 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**

## Upcoming Articles for March Edition

- ✓ Tax tid bits
- ✓ Lease vs Finance
- ✓ Farm losses can be reduced
- ✓ How to prepare for business sale
- ✓ How rich save tax with corporations in Canada



# 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

RRSP Contribution - 29th February 2024 <

T4 T5 Tax return - 29th February 2024 <

### Personal Tax Filing

Employed - 30th April 2024 <

Self-Employed - 17th June 2024 <

## USA Tax Deadlines

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



**BALBIR SINGH SAINI CPA, CGA**

15 YEARS OF EXPERIENCE

**(888) 729-1860 / (437) 286-2000**

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