

Canadian Spring - II

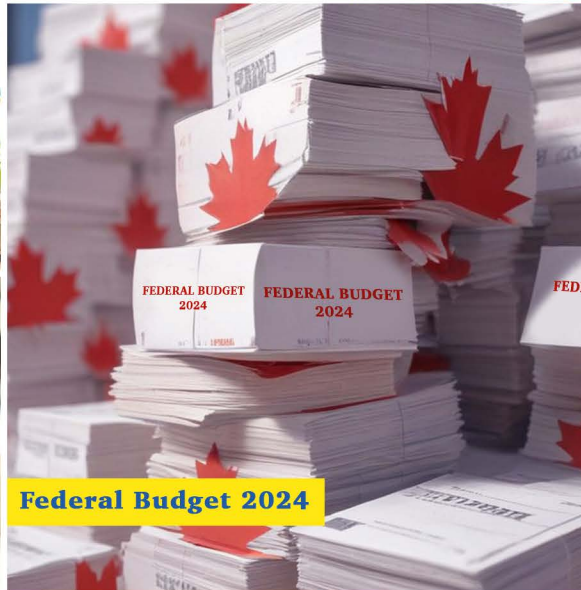


FEDERAL BUDGET 2024

PROPOSED TAX MEASURES, TAX DEADLINES, RATE PULSE & MORE

Table of Contents

- 1. President’s Message ...1
- 2. Our Services ...2
- 3. Federal Budget 2024 ...3
- 4. Ontario Budget 2024 ...5
- 5. Pre-Construction Projects ...7
- 6. Underutilized Housing Tax (UHT) ...8
- 7. Financing at Assentt ...9
- 8. Rate Pulse & Tax Deadlines ...10



President's Message



Dear valued clients, employees, and stakeholders,

As I reflect on the past year, I am filled with pride and gratitude for the trust you have placed in our firm. We have achieved remarkable success, and I am honored to lead such a talented and dedicated team.

Our vision remains clear: to provide exceptional Accounting and Financing services, empowering our clients to succeed. We are committed to excellence, integrity, and community involvement.

In the face of evolving industry trends and regulatory changes, we are innovating and adapting to stay ahead. Our investments in technology and talent ensure we deliver cutting-edge solutions and personalized service.

I extend my heartfelt appreciation to our clients for your loyalty and trust. To our employees, thank you for your tireless efforts and dedication. Your expertise and passion drive our success.

As we look to the future, I am excited about the opportunities ahead. We will continue to invest in our people, processes, and technology to deliver exceptional value to our clients.

Thank you for your continued trust and support. I am confident that together, we will achieve great things.

Sincerely

Balbir Singh Saini

Balbir Singh Saini, CPA, CGA
President, Assentt

Our Services

Explore our expert services at Assentt, where we specialize in tax & accounting, financing, and mortgage solutions. Our expert team is dedicated to providing you the top-notch assistance in navigating the complexities of financial management and planning. From optimizing your tax strategies to ensuring financial stability through tailored financing options, we are highly committed to helping you achieve your goals.

- ✓ **Tax & Accounting**
- ✓ **Financing**
- ✓ **Mortgage**
- ✓ **Leasing**



Accounting & Taxation



USA Tax & Accounting



Govt. Audit Representation



Audit & Review Engagements



Business Plan & Projections



Equipment Leasing



Truck Loan



Private Mortgage



Commercial Mortgage



Residential Mortgage



Asset Based Financing



Canada Small Business Loan



Business Purchase & Sale



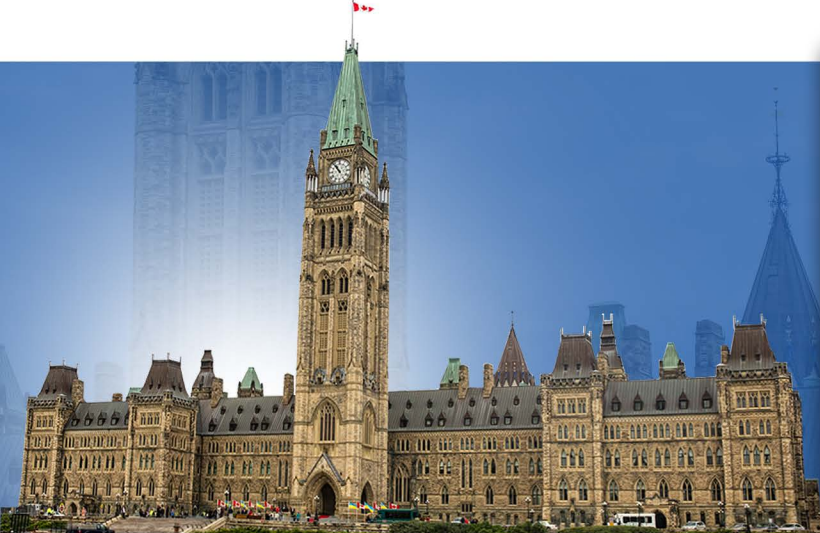
Working Capital Loan



Technology Consulting

FEDERAL BUDGET 2024

Economic Growth, Social Programs, Capital Gain Tax, Home Buyer's Plan & More



The Canadian Federal Budget 2024 has been the subject of much discussion and analysis, particularly when it comes to understanding the implications of capital gains tax.

This budget will have far-reaching implications for Canadians across various sectors. From healthcare to education, from small businesses to large corporations, the budget will shape the economic landscape and impact individuals and communities nationwide. It is essential for citizens to stay informed about the budget's details to plan their finances accordingly.

Key Points to highlight

Economic Growth: The budget is expected to focus on strategies to stimulate economic growth and recovery post-pandemic. This may include investments in infrastructure, job creation programs, and support for key industries.

Social Programs: The budget is likely to prioritize funding for social programs such as healthcare, education, and social services. Enhanced support for vulnerable populations and measures to address income inequality may also be included.

Climate Change Initiatives: With a growing emphasis on sustainability and climate action, the budget is expected to include investments in green technologies, renewable energy, and initiatives to combat climate change.

Taxation and Revenue: The budget will outline the government's approach to taxation, revenue generation, and fiscal management. Changes to tax policies, incentives for businesses, and measures to increase government revenue may be addressed.

Debt Management: The budget will likely outline strategies for managing the country's debt levels, ensuring sustainable fiscal policies, and maintaining economic stability in the long term.

Home Buyer's Plan: The budget increases the withdrawal limit under the home buyers' plan to \$60,000 (from \$35,000) for 2024 and subsequent calendar years in respect of withdrawals made after April 16, 2024. This increase would also apply to withdrawals made for the benefit of a disabled individual.

Electric Vehicle Supply Chain investment tax credit: The budget announces the government intends to introduce a new 10% Electric Vehicle Supply Chain investment tax credit on the cost of buildings used in key segments of the electric vehicle supply chain, for businesses that invest in Canada across the following supply chain segments:

- Electric vehicle assembly
- Electric vehicle battery production
- Cathode active material production

Vaping product tax: The budget increases the vaping product excise duty rate, effective July 1, 2024. This proposed increase would also apply to the additional duty imposed in respect of participating jurisdictions under the coordinated vaping product taxation framework.

FEDERAL BUDGET 2024 - CAPITAL GAIN TAX IN CANADA

What is Capital Gain Tax?

Capital gains tax is a tax levied on the profits from the sale of assets such as stocks, real estate, or other investments. When an individual sells an asset for more than they paid for it, they realize a capital gain, which is subject to taxation. The rate at which capital gains are taxed varies depending on the asset and how long it was held before being sold.

How does Federal Budget 2024 impacts Capital Gain Tax?

One of the key highlights of the Federal Budget for 2024 is the proposed changes to the capital gains tax rate. The government has announced plans to increase the tax rate on long-term capital gains, which are gains realized on assets held for more than a year. This increase is part of the government's efforts to generate additional revenue and fund various programs and initiatives.

According to Federal Budget 2024, the Canadian Government has implemented a heightened inclusion rate for specific capital gains. Individuals who realize a capital gain exceeding \$250,000 will now be subject to a taxable rate of 66.67% on that gain. This new inclusion rate modification will take effect on June 25, 2024. Until that date, it is important to be aware of how capital gains will be impacted.

Key Points to highlight

- 🔵 Increases the capital gains inclusion rate from 1/2 to 2/3, effective June 25, 2024 (up to \$250,000 of annual gains for individuals will continue to benefit from the 1/2 inclusion rate)
- 🔵 Raises the lifetime capital gains exemption to \$1.25 million and introduces a new 1/3 inclusion rate for up to \$2 million of certain capital gains realized by entrepreneurs
- 🔵 Confirms previously announced alternative minimum tax proposals effective January 1, 2024, but softens the impact of these proposals on charitable donations

Capital Gain on Sale of Property

When must capital gains tax be paid on sale of property? What is the tax rate for capital gains? We answer these questions and more.



Before delving into tax implications, let's review the process of calculating capital gains from the sale of a property. Fundamentally, this calculation determines the increase in the property's value from the initial purchase to the date of sale.

$$\text{CAPITAL GAIN} = \text{PURCHASE PRICE} - \text{SELLING PRICE}$$

So, it's not that capital gains are taxed at a rate of 50%, but it's that 50% of the capital gains are taxable. At least until June 25, 2024, when that rate changes to 75% for gains more than \$250,000. And the capital gains tax rate depends on the amount of your income. You add the capital gain to your income for the year, including money you receive from your job, side hustles, dividends in non-registered accounts, any selling of assets and so on.

Preparing for the changes

As the Federal Budget for 2024 approaches, taxpayers should take proactive steps to prepare for potential changes to the capital gain tax regime. This may include reviewing their investment portfolios, consulting with tax professionals, and staying informed about the latest tax developments. By being proactive, taxpayers can ensure that they are prepared for any changes that may impact their tax liability.

Ontario Budget 2024



Building Ontario - A Comprehensive Analysis

Are you curious about what the Ontario Budget 2024 has in store for the residents of Ontario? Let's delve deep into the key points highlighted in the latest budget and assess whether it is good or bad for the economy and the people of Ontario.

The Ontario Budget 2024 focuses on key areas such as healthcare, education, infrastructure, and economic development. The government has allocated significant funds to enhance healthcare services, improve educational facilities, and invest in the crucial infrastructure projects across the province.

Overview

Healthcare: The budget includes increased funding for hospitals, long-term care facilities, and mental health services. This will lead to better access to healthcare for residents of Ontario and ensure that they receive the care they need in a timely manner.

Government vows the investments of nearly \$50 billion over the next 10 years in **Health Infrastructure**, including close to \$36 Billion in capital grants.



Education: The government has made substantial investments in education, aiming to improve student outcomes and support teachers in delivering quality education. This includes funding for new schools, updated curriculum resources, and professional development opportunities for educators.

Infrastructure: Ontario Budget 2024 includes funding for major infrastructure projects such as road and transit upgrades, bridges, and public buildings. This investment aims to enhance transportation networks, create jobs, and stimulate economic growth in the province.

Building Ontario - Accelerating Ontario's Plan to Build, the most ambitious capital plan in the province's history by investing more than \$190 billion over the next 10 years to build and expand highways, transit, homes, high-speed internet and other critical infrastructure that will support economic growth.



Ontario Budget 2024 : Score Meter

Many people may wonder whether the Ontario Budget 2024 is a positive step forward for the province. Let's assess the budget from different perspectives to determine its overall impact:

Positive Aspects of the Budget

Investment in Key Areas: The increased funding for healthcare, education, and infrastructure shows a commitment to improving essential services for Ontarians.

Job Creation: The focus on economic development and infrastructure projects is expected to create jobs and stimulate economic growth in the province.

Support for Small Businesses: The initiatives to support small businesses and foster innovation are likely to benefit local entrepreneurs and contribute to the overall economic prosperity of Ontario.

Negative or Average Aspects of the Budget

Debt and Deficit: Some critics may argue that the budget does not do enough to address Ontario's growing debt and deficit levels, which could have long-term consequences for the province.

Inequality: There may be concerns about whether the budget adequately addresses income inequality and social disparities, particularly in vulnerable communities.

In conclusion, while the Ontario Budget 2024 has several positive aspects, there are also potential challenges that need to be addressed. It is essential for the government to monitor the implementation of the budget carefully and make necessary adjustments to ensure that it benefits all residents of the province.

The Ontario Budget 2024 highlights the government's priorities in key sectors such as healthcare, education, infrastructure, and economic development. By investing in these areas, the government aims to improve services, create jobs, and stimulate growth. However, there are also challenges to address, such as debt levels and inequality, which require careful consideration. It will be interesting to see how the budget unfolds and its impact on the province in the coming years.

Economic Development: The budget focuses on supporting small businesses, attracting investment, and fostering innovation. Initiatives such as tax incentives, grants, and training programs aim to boost the economy and create new job opportunities for Ontarians.

Schools: Over the course of a decade, there will be an investment of \$23 billion dedicated to the construction, expansion, and renovation of schools and child care facilities. This includes approximately \$16 billion allocated towards capital grants. Additionally, \$1.4 billion has been earmarked for the current school year to address the necessary repairs and upgrades needed in schools.

Housing Infrastructure: Providing the required funding for municipal infrastructure projects that support housing by allocating \$1 billion to the new Municipal Housing Infrastructure Program, focused on essential infrastructure projects. Additionally, we are increasing the Housing-Enabling Water Systems Fund to \$825 million for water infrastructure projects that facilitate new housing, quadrupling the current funding level.



Truck Drivers: In an effort to reduce expenses for drivers, it has been suggested to prohibit the implementation of any additional tolls on both new and current provincial highways.



Pre-Construction Projects Available Starting \$600s

Are you a First Time Home Buyer? Find a great place to raise your family; which you can afford.

- Affordable Options
- Early Closing
- Qualify for 30 Years Ammortization
- Flexible Deposit Structure
- List of Cities

(289) 999-0786



CCC Canadian Construction Consultants

Planning to Build Custom Home?



CCC can save your Time & Money

- ✓ Home Construction
- ✓ Commercial Construction
- ✓ City Permits
- ✓ Zoning Changes
- ✓ Legal Basement
- ✓ Construction Financing

Home Construction Financing



FSCO # 12853

CALL US TODAY

(647) 479-2277

BEST RATES GUARANTEED



Underused Housing Tax



The Underused Housing Tax, effective as of January 1, 2022, is an annual federal tax of 1% imposed on vacant or underutilized housing in Canada.

While primarily targeted towards foreign national property owners, the tax may also be applicable to certain Canadian owners, including partners, trustees, and corporations, in specific circumstances.

UHT - What Is It?

The underused housing tax is a policy that incentivizes property owners to make better use of their vacant or underutilized properties.

By imposing a tax on properties that are not being fully used, the government aims to encourage property owners to either rent out or sell these properties, ultimately increasing the availability of housing options in the market.

Why Is the UHT Important?

The underused housing tax is crucial in addressing the shortage of affordable housing options in many communities. By targeting properties that are sitting empty or being used inefficiently, this policy can help unlock much-needed housing inventory and create more opportunities for individuals and families looking for a place to live.

Benefits of the UHT

- ✔ Encourages property owners to make better use of their properties
- ✔ Increases the availability of housing options in the market
- ✔ Helps address the affordable housing crisis in communities
- ✔ Generates revenue for the government to invest in housing initiatives

Quick Facts

- 📌 Date of Commencement – 2022
- 📌 Purpose – Government Wants no property to be vacant so that maximum houses are available in the market for the Canadian Citizens to ease housing shortage
- 📌 Filing Date – April 30 of every year from 2024, October 31 for 2023
- 📌 Applicable – Buying or Holding Pro as on December 31, 2022
- 📌 Tax – 1% of the value of the house
- 📌 Payable by – Non-Residents, Work Permit Holders, Corporations if a shareholder non-resident
- 📌 Filing Mandatory for – Non-Residents, Work Permit Holders, Partners, Holding Corporation, Corporation
- 📌 Partnership Clause – Paid on % Ownership with the Canadian Resident
- 📌 Property type – Residential Property (Detached, Semi-Detached, Row House, Condominiums, Cottages)
- 📌 Penalty for non-compliance – \$5000 for Individuals per property & \$10,000 for Corporations per property

\$500,000

SMALL BUSINESS LOAN

Best chance to Buy or Expand your Business

Best Suited for:

- ✓ Small Business
- ✓ Convenience & Grocery Store
- ✓ Restaurant & Cafe
- ✓ Franchise
- ✓ Others

 (437) 286-2000

Loans@Assentt.com



Hurry, apply today!

\$200,000

WORKING CAPITAL LOAN FOR SMALL BUSINESSES

\$25,000-\$200,000

Loan for Your Business

- › Profit Making Business
- › At least 1 Year Old Business
- › 6 Months Bank Statement

 (437) 286-2000

Loans@Assentt.com

Rate Pulse

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.

Decades of Excellence

Canada Tax 2023-2024

 JUNE 15 - PERSONAL TAX RETURN (SELF-EMPLOYED)

 JUNE 15 - INDV. GST/HST RETURN

 JUNE 30 - CORPORATION RETURN

We Are Experts

USA Tax Filing

 JUNE 17 - EXTENDED DUE DATE FOR 2023
INDIVIDUAL INCOME TAX RETURNS FOR TAXPAYERS THAT ARE OUTSIDE THE US ON APRIL 15TH, 2024

 JULY 17 - EXTENDED DUE DATE FOR 2023
ESTATE, DOMESTIC TRUST & PARTNERSHIP TAX RETURNS

**BALBIR SINGH
SAINI** CPA, CGA

15 YEARS OF EXPERIENCE



2024 All rights reserved

This Newsletter is for education purposes only. Its not a tax, accounting, legal, financial or real estate advice by any means. Always book one-on-one consultation with our office to discuss your unique situation.

REACH OUR HELPDESK
(888) 729-1860
(437) 286-2000

HELPDESK@ASSENTT.COM
LOANS@ASSENTT.COM

WWW.ASSENTT.COM