ASSENTT WEALTH

# Summer Strategy
2025

# MID YEAR MOVES

June Tax Tidbits, Got a Tax Refund? Now What?, Canada's Middle-Class Tax Cut
Sale of Real Estate - Income or Capital Gain?, Don't make these 5 Summer Money Mistakes
Assentt Franchise Financing Program,Tax Guide for Real Estate Agents, Tariff War:
Tax Relief for the Impacted, Rate Pulse & Tax Deadlines

Assentt Wealth Newsletter Issue - XV

June 2025

Assentt Wealth

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Newsletter Issue - XV


## President's Message

## President's Message

Dear Friends,

As we reach the midpoint of 2025, I want to take a moment to reflect on the shifting financial landscape and what it means for you, our valued Assentt Wealth community.

In recent weeks, Canada has made headlines with meaningful tax reforms, including the rollout of a middle-income tax cut aimed at providing tangible relief for working households. This development—along with ongoing pauses in interest rate adjustments—signals the government's focus on balancing growth and affordability in a complex global environment.

June also marked Canada's turn as host of the G7 Summit. Discussions ranged from global trade tensions and the digital economy to climate finance and AI governance. These global dialogues will shape not just international policy, but also the domestic markets and investment strategies we navigate together.

At Assentt Wealth, our mission is to simplify the complex. Whether it's helping you take advantage of the new tax changes, planning for a home purchase in a high-rate environment, or adjusting portfolios in light of tariff developments, our team is here to support you with insight, care, and clarity.

As always, we encourage open conversation. If you haven't yet scheduled your mid-year review, now is the perfect time. Together, let's ensure your financial plan is aligned with both current conditions and your long-term goals.

Wishing you a safe, productive, and financially confident summer.

Balbir Singh Saini

Balbir Singh Saini, CPA,CGA
President, Assentt

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## Our Services

At Assentt, our services are designed to cater to your financial needs with excellence and precision. Whether you are looking for financing options, mortgage & leasing solutions, or tax and accounting support, we have you covered with our professional expertise.

### Tax & Accounting

- Accounting & Taxation
- USA Tax & Accounting
- Govt. Audit Representation
- Audit & Review Engagements

### Financing

- Asset Based Financing
- Canada Small Business Loan
- Business Purchase & Sale
- Working Capital Loan
- Business Plan & Projections
- Truck Loan

### Mortage & Leasing

- Equipment Leasing
- Private Mortgage
- Commercial Mortgage
- Residential Mortgage

## Middle-Class Tax Cut Begins July 1

• Federal tax rate on income up to $55,867 drops from 15% to 14%.

• Payroll withholdings will reflect this immediately for employees.

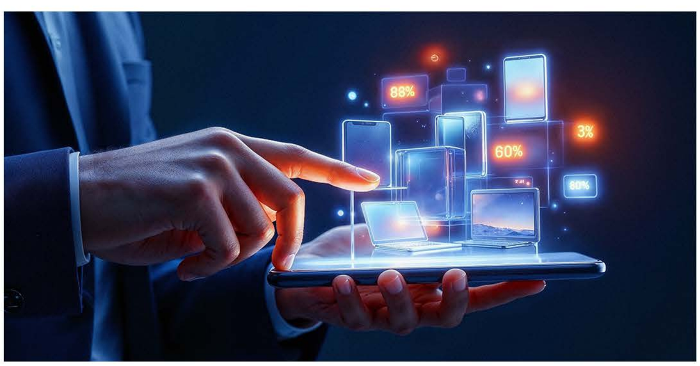
• Savings: Up to $800 per household depending on income.


## Digital Services Tax (DST) Deadline Approaches

• The new 3% DST on revenue earned in Canada by large foreign tech companies officially kicks in.

• First payment deadline: June 30, 2025.

• May affect pricing on platforms like streaming, ads, and SaaS for Canadian users.



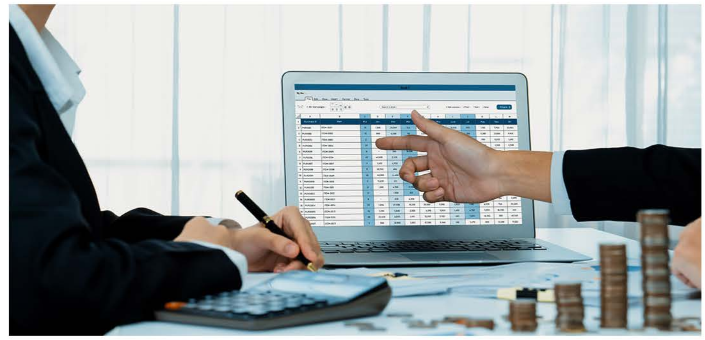
## No Carbon Tax or Fuel Charge

• The federal carbon tax and fuel charge have been set to 0% since April 1.

• No direct federal consumer rebate is expected this quarter.

Tip: Businesses with commercial fleets or energy intensive operations may see modest relief.

## Mid-Year Review: A Smart Time to Act



With six months left in 2025, now's a great time to:

• Top up TFSA (limit: $7,000 for 2025),

• Contribute to RESP before back-to-school costs hit,

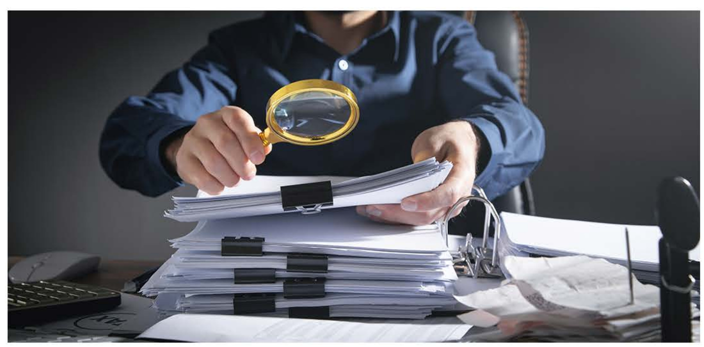
• Check RRSP room based on latest NOA.

## CRA Watch: More Pre-Assessments This Year

• CRA is expanding pre-assessment reviews on electronic returns.

• Common flags: high deductions, business losses, and moving expenses.

Tip: Keep digital receipts. We're here to help if you receive a CRA inquiry.



## Still No Federal Budget — But It's Coming

• The official 2025-26 federal budget is delayed until Fall 2025.

• However, targeted changes (like the tax cut) are being rolled out via special measures.

• Expect a Fall Economic Statement to preview broader fiscal strategy.

# You Got a Tax Refund — Now What?

For many Canadians, tax season ends on a high note—with a refund. Whether it's $200 or $2,000, a tax refund isn't "free money" (you earned it!), but it is a great opportunity to move your finances forward. Here's how to make the most of it.


## First, where it came from

Your refund likely means you overpaid income tax throughout the year—through payroll withholdings, installment payments, or credits/deductions you didn't fully account for. That's not necessarily bad—but it's worth reviewing. Try to adjust the withholdings next year to boost monthly cash flow instead of waiting for a refund.

## Cover the Essentials First

Before making big plans, check off the financial basics:

- **Emergency fund:** Do you have 3–6 months of expenses saved?
- **Outstanding high-interest debt:** Paying off credit card balances could yield an instant return.
- **Upcoming bills:** Use it to ease the pressure from tuition, insurance, or summer child care.

## Where to invest it?

**TFSA:** Tax-free growth with flexibility.

**RESP:** Great for parents—receive up to 20% in matching grants.

**RRSP:** Especially valuable if you're in a high tax bracket.

## Think like a Planner, not a Spender

Still tempted to splurge? That's okay!

Allocate a portion for enjoyment—guilt-free. But also consider:

Split approach: 50% toward fun, 50% toward future.

One-time upgrades: Invest in a course, health improvement, or equipment that enhances your productivity.

## Botton Line

Your refund is a tool—not a windfall. With a little intention, it can help you reduce stress, build wealth, and stay on track for your long-term goals.

Need help deciding what to do with your refund? Let's talk.

# Canada's Middle-Class Tax Cut

Effective July 1, 2025, the federal government is rolling out a one-percentage-point reduction in the lowest personal income tax bracket. This move is part of its effort to provide direct relief to middle-income Canadians amid cost-of-living pressures and global economic uncertainty.


## What's Changing?

- The lowest federal income tax rate is being reduced from 15% to 14%.
- This applies to taxable income up to $55,867 (2025 threshold).
- The change will not require any action from most employees—it will be reflected in updated payroll withholding tables used by employers starting in July 2025.

## How much will you Save?

- The average two-income household earning $80,000–$160,000 could save $600 to $800 annually.
- For self-employed individuals and small business owners, savings will depend on how income is structured and declared.

## Who Benefits the most?

- Middle-income earners, families with children, and Canadians who do not currently max out RRSP/TFSA contributions.
- Those who fully utilize tax deductions and credits (childcare, medical, donations) could see a boost to net income.

## How to use the extra income?

Even modest monthly increases in net income can go a long way when directed with intent. Here are some of the ideas to start saving more:

- Reinvest: Set up auto-contributions to your TFSA or RESP.
- Reduce debt: Use the savings to pay down high-interest credit or your mortgage faster.
- Pad your emergency fund: Boost liquidity, especially useful amid uncertain markets.
- Donate: Consider charitable contributions—paired with tax credits.

## Why this tax cut now?

This one-point cut—from 15% to 14% on the first federal tax bracket—comes at a time when Canadians are feeling the pinch of higher inflation rates, housing costs, and global uncertainty. The federal government has framed the cut as a way to:

- Support household purchasing power without stoking inflation,
- Stimulate domestic economic activity during global trade tensions (especially following recent U.S. tariff shifts), and
- Deliver tangible relief without waiting for a full federal budget, which has been deferred to Fall 2025.

## Strategic Tip from Assentt Wealth

- Re-evaluate RRSP/TFSA contribution strategies.
- Adjust withholding if your situation has changed significantly.
- Plan how to reinvest or reallocate those tax savings—toward debt, savings, or investments.

# Sale of Real Estate: Income or Capital Gain?

A July 19, 2024 Court of Quebec case considered whether the sale of a house in 2016 was on account of capital or income. The taxpayer had purchased the property during a temporary marital separation but later reconciled and sold the property within six months at a profit.

The property was sold before the federal property flipping rules took effect on January 1, 2023. Under the property flipping rules, sales within a year of acquisition are treated on account of income, unless an exception applies. Sales over a year or where an exception applies, may be on account of capital or income based on the factors discussed below.

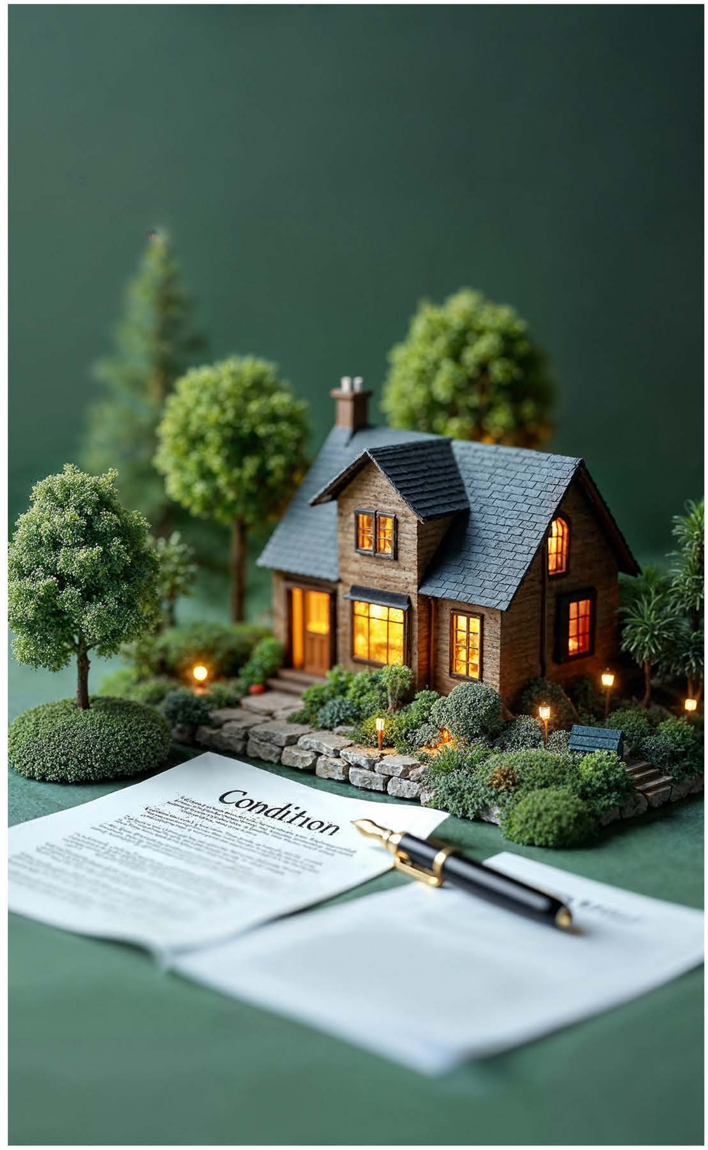
## Taxpayer Losses

The Court provided multiple reasons for concluding that the taxpayer's primary intent in selling the property was to make a profit, thereby classifying the gain as fully taxable income.

First, the Court emphasized that the property was purchased significantly below the municipal assessment from an estate, without legal warranty, and was promptly renovated and resold within six months at a substantial profit. This quick turnover, coupled with extensive renovations, indicated a real estate flip rather than a long-term personal residence. Moreover, the property was insured as vacant, and the taxpayer never changed her address to reflect her asserted intention to move into the property.

Second, the financial arrangements and the listing description (at acquisition) suggested a profit-oriented motive. The taxpayer took out a mortgage without any penalties for early repayment, which facilitated a short-term sale. The property listing itself described the house as a good opportunity for a "flip," signaling an expectation of resale for profit. These factors contradicted her assertion that she purchased the property primarily as a residence.

Third, the Court considered the broader pattern of the taxpayer's behaviour. It noted two subsequent real estate transactions in 2018 and 2019 where the taxpayer engaged in similar transactions (purchases, renovation and quick resales for significant profits). None of these properties were used as her residence. The frequency and similarity of these transactions demonstrated a pattern of business activity.




Overall, the Court found these combined factors such as purchase conditions, financial strategy, renovation and resale practices and a pattern of similar transactions – indicative of a clear intent to profit, thus justifying the classification of business income.

Disposing of real estate may be fully taxable as income or partially taxable as a capital gain. If it is a capital gain, the principal residence exemption may be available. Consider what evidence you have, or could obtain, to support your filing position.

# Avoid 5 Summer Money Mistakes

**Summer is a time to unwind—but don't let your finances melt away in the heat. Whether you're planningvacations, renovating, or just enjoying the season, here are five common money missteps to avoid—plus smart strategies to stay financially cool.**

## Overspending on Travel Without a Plan

Spontaneity is great, but not when it leaves you in credit card debt. Last-minute bookings, foreign transaction fees, and unplanned upgrades can quickly derail your budget.

**Smart move:**
Set a total trip budget before booking anything. Look for travel rewards, book flights mid-week, and notify your bank to avoid international charges or fraud blocks.

## Underestimating the Renovation Costs

Summer is prime time for home improvement—but it's also peak season for inflated contractor costs and supply chain delays.

**Smart move:**
Always get written quotes, include a 10–15% buffer, and ask about payment plans or credit options. Also, check if you qualify for home energy rebates or renovation tax credits.

## Letting Lifestyle Creep Take Over

Summer concerts, patios, road trips, weddings—suddenly you're tapping your card without blinking. Lifestyle inflation can snowball, especially when it's disguised as "making memories."

**Smart move:**
Budget for fun (you should enjoy summer!), but set weekly spending caps. Use apps to track entertainment and dining expenses to stay mindful without feeling restricted.

## Ignoring Your Credit or Investment Accounts

It's easy to "check out" financially during the summer—but missing payments, investment opportunities, or contribution deadlines can cost you.

**Smart move:**
Set calendar reminders for credit card due dates, TFSA/RRSP contributions, or installments. Consider automating minimum payments or deposits so you stay on track while you travel or relax.

## Skipping Your Mid-Year Financial Check-In

June and July are ideal for assessing your progress. Have your income or expenses changed? Are you on pace to hit savings or investment goals? Without a check-in, you may miss chances to pivot.

**Smart move:**
Book a mid-year review with your advisor. It's a great time to revisit your goals, realign your tax strategy, or adjust contributions based on new income.

## Final Thought

Summer doesn't have to mean setbacks. With a little foresight and a few smart moves, you can enjoy the season and stay financially fit. After all, peace of mind pairs well with sunshine.

Need help with your summer plan? Reach out to our Expert Team at Assentt today.

# Assentt Franchise Financing Program

The world of franchising offers immense opportunities for entrepreneurs to build their businesses on the foundation of proven models. However, accessing the necessary capital to establish or expand a franchise can often pose significant challenges. Assentt recognizes these hurdles and has designed its Franchise Financing Program to empower entrepreneurs with flexible and accessible financial solutions.

## What is Franchise Financing Program?

Assentt's Franchise Financing Program is a specialized financial service tailored to meet the unique needs of franchise owners and prospective franchisees. The program provides customized funding solutions, ensuring that entrepreneurs can focus on growing their business while Assentt takes care of their financial needs.

## Why Assentt?

Assentt's commitment to empowering entrepreneurs sets it apart as a leader in franchise financing. With a customer-centric approach, industry expertise, and innovative financial products, Assentt ensures that franchisees have the resources they need to thrive.

Whether you are stepping into the franchising world for the first time or are a seasoned owner looking to scale, Assentt's Franchise Financing Program offers the support you need to succeed. Start your journey today with Assentt and bring your entrepreneurial vision to life.


## Key Features of the Program

### 1.Tailored Loan Options

- Loans specifically structured to cover franchise fees, equipment purchases, real estate& working capital.
- Competitive interest rates and repayment terms customized to the franchise's cash flow cycle.

### 2.Quick Approvals

- Simplified application processes, minimal paperwork.
- Expedited approval timelines, allowing entrepreneurs to seize time-sensitive opportunities.

### 3.Dedicated Support

- Access to franchise financing experts who provide guidance throughout the loan process.
- Personalized advice to match financing solutions with business goals.

### 4.Flexible Repayment Options

- Options to align repayment schedules with seasonal business trends or specific franchise revenue cycles.
- Grace periods for startups to ease financial pressure during the initial stages of operations.

### 5.Comprehensive Coverage

- Financing available for single-unit, multi-unit, or master franchise agreements.
- Support for new franchisees as well as existing owners seeking expansion or upgrades.

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# TAX GUIDE
## FOR REAL ESTATE AGENTS

Scan to Read Online!

1. Tax Deadlines
2. Business Expenses
3. Productivity Tips
4. Benefits of Incorporation
5. How we can help you
6. Get Social with Us

## Realtors Tax Guide

Are you a realtor looking to navigate the world of taxes? Check out our new Realtors Tax Guide!

This comprehensive guide will help you understand tax laws, deductions, and best practices for maximizing your earnings.

# Tax Relief: Support For Those Impacted by Tariffs

In response to the recent escalation in U.S. tariffs, the Government of Canada has introduced a suite of temporary tax relief measures to support impacted businesses and individuals.

According to a release issued by the Prime Minister's Office, the Canada Revenue Agency (CRA) will implement the following provisions:

• Deferral of GST/HST remittances and corporate income tax (T2) payments due between April 2 and June 30, 2025;

• Waiver of interest on GST/HST and T2 installment or arrears payments required between April 2 and June 30, 2025;

• Interest relief on existing balances for both GST/HST and T2 corporate taxes during the same period.

These measures are designed to ease cash flow pressure, preserve working capital, and give businesses time to adjust amid heightened trade uncertainty.

Interest will resume starting July 1, 2025, on all previously deferred GST/HST and T2 corporate tax balances.

The Canada Revenue Agency (CRA) has also reminded taxpayers that they must continue to file GST/HST returns and T2 returns by their due dates in order to remain compliant with federal filing requirements—even if payments are deferred or interest relief is in place.

To further support Canadian businesses impacted by U.S. tariffs, the Department of Finance announced the following key measures:

• **Trade Impact Program via Export Development Canada (EDC):** Launching a $5 billion initiative over two years to

- Help Canadian exporters access new international markets, and
- Assist businesses in navigating the economic disruptions caused by tariffs.

• **$500 Million in Loans through the Business Development Bank of Canada (BDC):** Offering favourably priced loans to

- Businesses in sectors directly affected by the new tariffs, and
- Companies operating within impacted supply chains.

• **$1 Billion in Financing through Farm Credit Canada (FCC):** Providing new funding to reduce financial barriers in the agriculture and food sectors, supporting stability and growth during volatile conditions.

• **Temporary Enhancements to the EI Work-Sharing Program:** Expanding both access and maximum duration of EI Work-Sharing agreements. This program:

- Allows employees to work reduced hours while receiving EI benefits,
- Helps employers avoid layoffs and retain skilled workers, and
- Supports workers in maintaining income, job continuity, and skill development.

These combined measures are designed to provide flexibility, liquidity, and job protection for businesses and workers facing the economic ripple effects of global trade disruptions.

# Rate Pulse

## BANK PRIME RATE – 4.95%

**Prime Mortgage (Insured)**
- Variable Rate - 4.25%
- Fixed Rate - 4.19%

**Prime Mortgage (Conventional)**
- Variable Rate - 4.55%
- Fixed Rate - 4.49%

**Alternative Mortgage**
- 1 year - 6.00-6.50%
- 2 Year - 5.50-6.25%

**Private Mortgage**
- First Mortgage - 8%
- Second Mortgage - 12%

**Commercial Mortgage**
- Prime - 5%
- Alternative - 9%

**Business Loan**

Business Purchase
(Variable Open Loan)
8.20%

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

*Deadline Alert*

# CORPORATION TAX FILING DEADLINE

**JUNE 30, 2025**


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