

## COMMUNITY INVOLVEMENT

### Partners

Gayle Walton CPA, CA  
 Brad Velie CPA, CA  
 Rachel van Tamelen CPA, CA  
 Robert Hoy CPA, CA

### Associates

Brent Gamble CPA, CA  
 Ken Burdeyney CPA, CA  
 Lynn Haunholter CPA, CGA

### Senior Manager

Sean Vreeling CPA  
 Peter Clarke CPA, CMA  
 Jake Southwick CPA

### Accounting Staff

Matthew Mines CPA  
 Taryn Hollingshead CPA  
 Carter Vreeling  
 Jordy Greschner

### Administration

Heather Vedress  
 Karen Schoettler  
 Rachel Epp

An Estate Planning & Information Session was hosted by ATB in Manning on January 23rd. The event was well attended!



Attendees sat in to hear presenters discuss the importance of estate planning from a legal and tax perspective. ATB Wealth, Reinders Law LLP along with Sean Vreeling made presentations.



Stop by our booth and say hi! Sean Vreeling will be at the Manning Trade Show on April 11th & 12th! Be sure to put your name in our draw for a KUMA chair!



**DAVIS AWARDS GALA 2025**  
 The annual Davis Awards were held on January 25th and was attended by Sean & Larissa Vreeling and Robby and Chelsea Hoy. Always fun to celebrating local businesses for their outstanding achievements and contributions to our community.

## DEADLINES

Considering to participate in AgriStability for your 2025 year end? The deadline to file the enrollment form to AFSC is April 30, 2025.

You do not need to provide any historical farm information or tax information at this stage, if you are new to the program or have been out of the program for four or more years. After enrolling, a fee notice is issued which you will receive annually for as long as you are in the program. (Payment due date is April 30/25 or 30 days after receiving the notice)

Historical information will need to be provided with your first application:

- ◆ a minimum of 3 years history if you have been out of the program for 4 years or more
- ◆ 5 years, if you choose to provide that many years



Personal Tax Filing deadline April 30th

## OFFICE NEWS

Anyone who wants our newsletter via email vs mail, send an email to [admin@invisioncpa.com](mailto:admin@invisioncpa.com) Provide your current email address(es) and let us know your preference:

Need access to our past newsletters? Scan QR code



**Common Posting Errors:** Monthly corporate tax installments and year end corporate tax payments are often posted incorrectly to "Income Tax Expense" (numbered #5\_ \_ \_). That account should only be used at year end by the accountant. The correct account to post to is "Corporate Tax Payable" or "Federal/Provincial Tax Payable" (numbered #2\_ \_ \_).

The "expense" and "payable" account names are similar and easy to mix up.



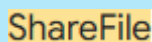
### IMPORTANT!!

Watch for the T183 forms (Personal Tax authorization to efile) for you to sign. It is VERY important that those forms are signed and returned to us ASAP. Mail to us at Box 6688 Peace River, AB T8S 1S5 or email to [data@invisioncpa.com](mailto:data@invisioncpa.com).



### Personal Tax paperless options!!

Again this year you can choose to receive your personal tax return copy electronically. You will receive an email notification we have uploaded it to our secure "Sharefile" portal. You must then create a password if this is the first time (user name is set to your email address). Going forward, we will store 3 years of your personal tax returns there.



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Welcome to Holly Vedress in a temporary scanning position for our personal tax season. Happy to have her help our team for a couple months!



Contributing To Your Success

# Audit Shield Coverage

## CRA Interest Rates

# Personal Tax Tidbits

### PERSONAL TAX TIDBITS



We do not need original copies of your tax slip, engagement letters or tax receipts to prepare your personal tax return. An email (preferred) or text is fine.

The first \$200 of personal Registered Charity Donations saves you \$150 of tax! For 2024 personal tax returns, you can claim such donations made in 2024 AND in January/February 2025.



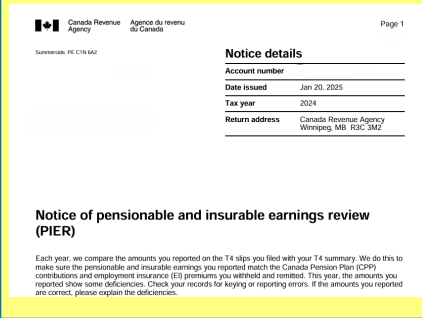
Massages in Alberta, even if paid to a Registered Massage Therapist, do not qualify for the Medical Expense Tax Credit.

2024 personal tax return meals and mileage rates for Northern Residents and Medical Travel have been set by CRA at \$23/meal (3 meals per day, per person are allowed) and \$0.545/km.

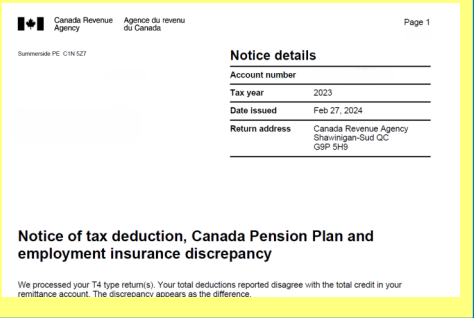


## PAYROLL ISSUES COVERED BY AUDIT SHIELD

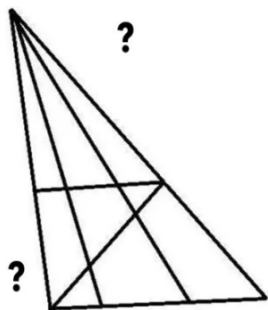
After your 2024 T4's are submitted, you may receive either a "Notice of tax deduction, Canada Pension Plan and employment insurance discrepancy" or a "Notice of pensionable and insurable earnings review (PIER)" if CRA sees any such problems with your T4 submission. Audit Shield covers our fees to figure out the reason for the T4 problem/issue and to respond to CRA to explain. We calculate if the amount CRA is billing you for on the notice is legitimate. If the notice advises of a CREDIT (overpayment), CRA will only refund it if a sufficiently detailed explanation is provided.



**Reminder: The Audit Shield Fee Waiver Service can be purchased at any time during the year for a pro rata fee to provide coverage to you up to July 31, 2025 (the annual renewal our firm offers for this service). Contact Heather at our office for a fee quote.**



How many triangles do you see?



Answer on Page 3

## CRA Interest Rate on Overdue Taxes

The interest rate charged on overdue taxes, late or missed personal/corporate tax installments, GST and payroll remittances was decreased from 9% to 8% effective January 1, 2025.

This is the rate in effect until June 30, 2025.

(This does not include any penalties that may be applicable.)



If we had no winter the spring would not be so pleasant.

ANNE BRADSTREET

Southern Living

# Capital Gains Changes

Triangle Answer

Living Allowance

## Can I pay my employees a tax-free living allowance?

Only employees working at a “remote work location” or a “temporary work site” can receive a tax-free living allowance (sometimes called a “camp allowance”). Specific conditions must be met.

For a living allowance to be tax free, the employee has to be the one paying for his meals and/or accommodations. The allowance has to be reasonable, in relation to the actual costs the employee incurs in paying for those expenses.

**Example #1:** An employee is working at a remote work location and staying at a work camp that supplies meals. The employer is paying for the camp and meals costs. The employee cannot receive a tax-free living allowance for meals/accommodation, as the employee is not paying for any costs relating to meals or accommodations. If he receives a “camp allowance” or “living allowance” it is taxable.

**Example #2:** An employee is working at a remote work location and staying at a work camp that DOES NOT provide meals. The employer is paying for or providing the camp accommodation but requires the employee to bring their own groceries and cook themselves. The employee can receive a tax-free living allowance for meals only. The tax-free allowance amount must be in line with the cost of the groceries.

## Can I have my own corporation pay me a tax-free living allowance?

The same issues arise and the same conditions must be met for a living allowance to be tax-free to the owner of the company. Additional considerations include:

- \* The owner must be an employee, receiving a wage and T4 (if the owner only receives dividends from the company, he is not an employee for tax-free living allowance purposes)
- \* The owner cannot have the company pay for and deduct such meal and accommodation costs in the corporation and receive a tax-free living allowance personally.
- \* Typically, company owners will just have their company pay for meals and accommodations to minimize administration of receiving an allowance personally and paying for meals/accommodations personally

If a living allowances does not specifically fall under the “remote work location” or a “temporary work site” situations and meet the above criteria, it is taxable like any other employment income and is included in the employment income box 14 on the T4 slip.



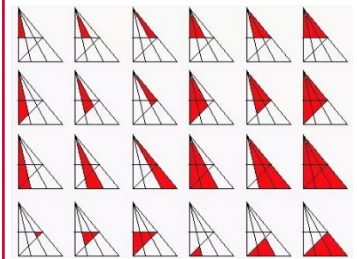
### SPECIAL WORKSITE:

- ◆ Employee required to be at the special worksite(s) for 36+ consecutive hours
- ◆ Work at the special worksite is temporary (CRA accepts 2 years or less)
- ◆ Employee has a regular place of residence elsewhere

### REMOTE WORK LOCATION:

- ◆ The nearest community of 1,000 people or more is 80 km from the work location
- ◆ Employee required to be at the remote worksite(s) for 36+ consecutive hours

How many triangles?  
Answer 24



## ON - AGAIN / OFF - AGAIN CAPITAL GAINS CHANGES

On January 31, 2025, the Federal Government announced it will not implement the Capital Gains Inclusion rate change (from 50% to 66 2/3%) for June 25, 2024 and onward. The government now says, the capital gains inclusion rate increase will be effective January 1, 2026. However, it is widely speculated that the new Federal Government, be it under the new Liberal leader or a newly elected Conservative government, is opposed to the inclusion rate increase and would not table or pass such legislation, thereby leaving the capital gains inclusion rate unchanged at 50%.

The spring 2024 budget had proposed sweeping changes to capital gains (explained in detail in our June 2024 newsletter). While the increase in the capital gains inclusion rate has been delayed until January 1, 2026 (and likely to be cancelled altogether), the increase in the capital gains exemption from \$1 million to \$1.25 million still stands. The capital gains exemption applies to farmland, shares of a small business corporation, shares of a farm corporation and farm partnership interests.



# Federal Tax Donations

Tips on Collections

Keyboard Trivia

## Making a Political Donation for the 2025 Election?

Federal or Provincial political donations to a registered political party saves more tax than you think. Personal political donation tax credit calculations are different from charitable donation tax credit calculations.

**ie. a federal political donation of \$400, saves \$300 of tax**  
 (\$400 x 75% = \$300 tax savings)

**ie. a federal political donation of \$1,275, saves \$650 of tax**  
 ((\$400 x 75%) + (\$350 x 50%) + (\$525 x 33.3%) = \$650 tax savings)

Provincial Donations	Tax Credit Rate
Up to \$200	75%
Next \$900 (\$200 to \$1,100)	50%
Next \$1,200 (\$1,100 to \$2,300)	33.3%
Over \$2,300	Nil

Federal Donations	Tax Credit Rate
Up to \$400	75%
Next \$350 (\$400 to \$750)	50%
Next \$525 (\$750 to \$1,275)	33.3%
Over \$1,275	Nil



Keyboard Trivia

Did you know?

The typical keyboard layout is called the “QWERTY” layout and is 149 years old! The name comes from the first 6 keys starting from the top left.



## Tips on How to Collect from Late Paying Customers

- ◆ **Do your homework:** Gather information about your client. Any large volume customer isn't going to be happy about receiving a collection call over a small invoice. On the other hand, a first time customer with a large over due bill should be contacted sooner rather than later.
- ◆ **Begin with a courtesy email:** The first reminder can be a friendly email sent soon after payment is due.
- ◆ **Stand up for yourself:** If the email doesn't receive a reply, it's time to pick up the phone and stand up while you are on the phone, as your voice will resonate authority and confidence.
- ◆ **Share the facts not accusations:** Telling people they are late or overdue sounds like a generalization. Instead give specific dates and encourage them to talk. "Is there something about the payment I should be aware of?" This isn't the time to state your positions. Instead, summarize your understanding of the facts you collected. A huge part of building trust with anyone is demonstrating that you get their circumstances.
- ◆ **Empathize:** After you've summarized your understanding of their situation, if they have, indeed been experiencing financial setbacks, then empathize. Begin with two magic words: "sounds like". "Sounds like you've had a run of unfortunate events. I'm sorry to hear that" makes you sound human and go a long way towards making late paying customers want to cooperate.
- ◆ **Don't make it personal:** Avoid using the word "you". So rather asking "when can you pay?" instead ask, "when can we expect payment?"
- ◆ **Summarize your understanding:** Before hanging up, clarify what you and the customer have decided. Then send them a written summary confirming what you discussed.
- ◆ **Last resorts:** If you conclude there's slim hope of collecting all monies or that you no longer want to continue doing business with that customer, consider settling for less than the full amount.
- ◆ **Deposits/up front payments:** Next time, consider asking new or frequent-late-payers for a deposit or to pay in advance before commencing work or supplying product.

