



## DECEMBER 2018 Newsletter

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*Here come the holidays ...*



### *A Note from Lynne*

Another year is coming to a close - boy time flies when you're having fun! I can scarcely believe 2019 will be here so soon! Thank you to all of my clients, colleagues, friends and staff who made 2018 so incredible. Sue, Min, Marc and I wish you and yours the most wonderful warm holiday season, and much happiness for 2019.

If you have any questions or need anything at all, please call or email the office – we love to help! Please phone 613-271-0683 or email [lynne@forgette.ca](mailto:lynne@forgette.ca) or [sue@forgette.ca](mailto:sue@forgette.ca) Thank you!

#### **Do you sell to Quebec Residents? QST CHANGES!**

Changes have been introduced to the Quebec Sales Tax (QST) program that may impact businesses from outside of Quebec that make sales to Quebec residents (and that are not already registered for QST under existing rules). As of September 1, 2019, suppliers who have taxable sales to Quebec consumers in excess of \$ 30,000 will be required to register for QST, regardless of whether or not they have a business presence in Quebec. Detailed information can be found at the Revenue Quebec site here:

<https://www.revenuquebec.ca/en/businesses/consumption-taxes/gsthst-and-qst/special-cases-gsthst-and-qst/suppliers-outside-quebec/>

*Call me if you think your business may be affected!*

#### **Fall Economic Updates**

In November, Ontario released the 2018 Economic Outlook and Fiscal Review, and the Federal government released the 2018 Fall Economic and Fiscal Update. My friends at Stern Cohen have once again done a great job of summarizing the highlights which you can read here:

<https://www.sterncohen.com/resources/2018-provincial-federal-fall-economic-updates/>

#### **CPP changes are coming that will affect employees and employers!**

Read more from CRA about how you'll be affected here: <https://www.canada.ca/en/revenue-agency/news/2018/10/the-canada-pension-plan-enhancement--businesses-individuals-and-self-employed-what-it-means-for-you.html>

## Tax On Split Income Reminder

As the end of the year approaches, often corporations think of paying out dividends to their shareholders, but taxpayers need to remember that the government introduced new rules meant to block attempts at income splitting. Starting in 2018, dividends paid to family members of the owners of a Canadian private corporation will be taxed at the highest marginal tax rate for dividends unless they meet very specific exceptions, such as working continuously at least 20 hours per week in exchange for a "reasonable" dividend amount based on the work performed. CRA has set up a number of questions and answers to guide taxpayers in the application of the new rules at the following website: <https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/federal-government-budgets/income-sprinkling/frequently-asked-questions-income-sprinkling.html>

## Reminder on Employee Gifts

As the holiday season approaches, remember that gifts you give to your employees may be considered taxable benefits by CRA. For example, gift certificates are considered "near-cash" and will be a taxable benefit. You may give non-cash gifts (but not gift certificates) totalling up to \$ 500 of value without triggering the taxable benefit rules. CRA has an interactive question and answer guide on their website to help you determine if a taxable benefit applies and will help you calculate the amount here:



[https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/t4130/employers-guide-taxable-benefits-allowances.html#P515\\_51151](https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/t4130/employers-guide-taxable-benefits-allowances.html#P515_51151)

## Help with Hiring!

The Canadian Federation of Independent Businesses will be offering a free webinar in January to help small business owners with the hiring process. Whether you are hiring for the first time, or just want to have a smoother experience, the webinar may be of assistance to you. Find out more, including how to register, by visiting their website here:

<https://www.cfib-fcei.ca/en/tools-resources/free-webinar-cutting-red-tape-hiring>

## And now for a break from taxes...



One of my favourite quotes is from St. Francis of Assisi: "All the darkness in the world cannot extinguish the light of a single candle". Many different faiths celebrate the triumph of light over darkness - Hindus by lighting diyas during celebration of Diwali, the Jewish festival of lights, Buddhists focusing on the light of insight over the dark of ignorance, and Christians celebration of the Advent season with the lighting of candles. I believe there is light in all of us, and that with all the emphasis the news often puts on darker events in the world, it's good to take a moment to reflect on the good that exists. One of my go-to sites when I need a little hit of goodness to restore my faith in the world is Kindspring at <https://www.kindspring.org/>. The site is run by volunteers looking to spread the spirit of kindness through small acts. If you're looking for a fun activity to help spread good cheer, you can order or print "Smile Cards" from their site and then find fun ways to leave a little light in a strangers day. Leave a box of chocolates on a neighbours doorstep, or pay for the coffee for the car behind you in the drive-through, with a Smile Card attached to encourage the kindness to be passed on to others.

*Please remember that the information presented here is for educational purposes only, and it is not possible to include all situations, circumstances and exceptions – individual facts should always be discussed with a qualified professional.*

*Although I have made every effort to ensure the accuracy of the information in this newsletter, I accept no liability for any errors or omissions.*

*Please call or email if you would like any further information or have any questions!*

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