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WILLIAMS ACCOUNTING PROFESSIONAL CORPORATION

Client Newsletter

December 2017

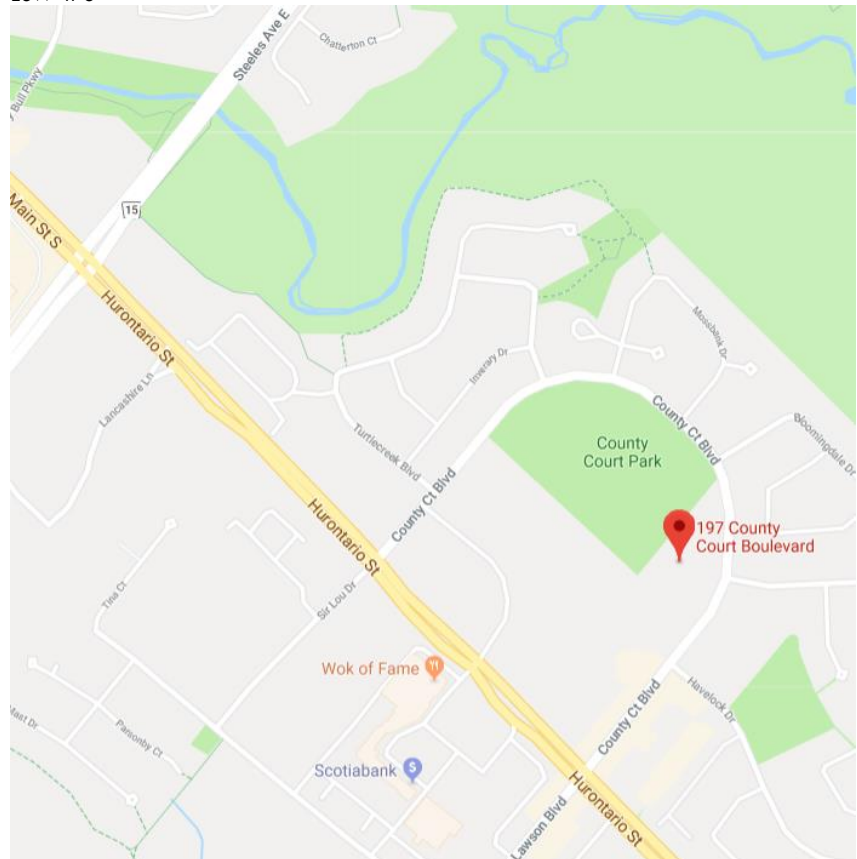
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New Offices!

Effective January 2, 2018 we are moving. Our new office location is:

Suite 203
197 County Court Blvd.
Brampton, ON
L6W 4P6



Our intention is to staff the new office from 8:30 a.m. to 4:30 p.m. every day so if you are dropping off paperwork you do not need to make an appointment. To be safe, you can always call ahead.

There are no changes to phone numbers, fax number or email addresses.

Plan now for 2018.

TAX AND ACCOUNTING SERVICES

WWW.WILLIAMSFM.CA

203-197 COUNTY COURT BLVD
BRAMPTON, ON L6W 4P6
PH: 905-457-2302
FX: 905-457-1227



Lower Small Business Tax Rates! Again!!

Beginning in 2016 the small business tax rate was reduced to 15% from 15.5%. Recent announcements at both the federal and provincial level reduce the rate even further to 13.5% effective January 1, 2018 and then to 12.5% on January 1, 2019.

Canadian Controlled Private Corporation Tax Rule Changes

In July of 2017 the federal government announced major changes to the taxation of private corporations. The opposition to these changes was fast, furious and persuaded the government to abandon or modify the proposals. Here is a summary of the proposals and the current status:

1. Lifetime Capital Gains Exemption

Initially, proposals were made to reduce the availability to the capital gains exemption. Currently, it is possible to structure the ownership of companies so each family member could sell shares of a private company, claim the capital gains exemption and pay no tax. The government proposed to limit the ability to claim multiple exemptions. This proposal was abandoned and will not be implemented.

2. Converting Income into Capital Gains

Creative accountants are always looking for ways to reduce tax. One method involved selling shares to a non-arms length party and paying tax on a capital gain. The government proposed new rules to convert this gain into taxable dividends. After the uproar on the changes the government has decided to leave the current rules in place with no changes (for now!).

3. Income "Sprinkling"

Under current rules dividends paid to a minor (under 18) are taxed at very high rates. This is often referred to as the "kiddie tax". Its proper name is "tax on split income" or TOSI. The government has proposed that this high rate of tax be applied to all split income regardless of the age of the recipient unless the amount paid is "reasonable". The government is proceeding with this measure so beginning in 2018 income splitting with adult children and spouses will be limited. More details on the changes are expected to be released before the start of the year. Think of it as a lump of coal in your Christmas stocking from the federal government!

4. Passive Investment Income

The government is concerned about companies building up assets in investment accounts in private corporations (stocks, bonds, real estate etc.). At this point in time no changes are proposed. The government has committed that the changes will not affect any savings already accumulated. They also have committed to allowing \$50,000 per year of investment income that will not attract additional tax. And they have promised that any changes will only affect the future. Expect more on this in the next federal budget.

Bottom Line: If you are concerned how these changes may affect you, please call me so we can discuss the impact and any options you may have.



Finance Minister Bill Morneau

Consider one last dividend to an adult child or spouse before the new rules take effect January 1, 2018.

Bill 148 – Fair Workplaces, Better Jobs Act, 2017 Now Law

Ontario has passed into Law a number of significant changes to labour laws that may affect you as an employee or a business owner:

- January 1, 2018 Minimum wage will be \$14.00/h
- January 1, 2019 Minimum wage will be \$15.00/h
- All employees working 5 years or longer with the same employer now must be give 3 weeks or 6% vacation pay.
- Beginning January 1, 2018 every employee is entitled to two **paid** sick days per year. Employers **cannot** require a sick note from a doctor.
- Equal Pay for Equal work. Part-time, casual or temporary staff must be paid the same as full-time staff.
- Beginning January 1, 2019 employee must be paid a minimum of 3 hours of pay if on call and not called into work, works a shift less than three hours, or has a shift cancelled on less than 48 hours notice.
- New Public Holiday Pay calculation. Employee must now be paid based on the pay period prior to the public holiday divided by the number of days worked.
- Various increases in non-paid leave for pregnancy, still-birth, domestic violence, critical illness, child death and medical reasons.



Need a Good Referral?

I belong to a networking group. We refer business to one another. I have belonged to this group for 14 years and its members are all reputable business people. Many of their services I have used myself. So if you need any of the following services please contact me and I will give you their contact information:

- Mat Rentals, carpet and furniture cleaning and restoration
- Internet Marketing
- Life, Disability and Critical Illness Insurance
- Home and Auto Insurance
- Auto Repair Shop
- General Contractor
- Mortgage Broker
- Lawyer
- Residential Real Estate Agent
- Home Stager
- Cleaner
- Send Out Cards Distributor
- Certified Home Inspector
- Physiotherapist
- Floral Design and Event Planner
- Investment Advisor
- HVAC Contractor

If you are in business and interested in growing your business by referral give me a call and we can discuss the possibility of joining my networking group. We are looking for someone in IT, Graphic Design, Travel Agent, Plumber and an Electrician,



Networking Visitors Day
January 26, 2018
7:00 a.m. – 8:30 a.m.
Call me for details
I'll pay for your breakfast!



CREATING VALUE FOR YOUR BUSINESS



Williams Accounting Professional Corporation is a full service firm providing bookkeeping, accounting and tax services to small and medium size businesses in Peel Region since 1997.



GLENN WILLIAMS
CPA, CMA

- FINANCIAL STATEMENTS
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- BOOKKEEPING & PAYROLL
- TAX MINIMIZATION STRATEGIES
- NON-PROFITS & CHARITIES
- ACCOUNTING SYSTEM IMPLEMENTATION

We take care of the details so you can focus on your business.
Could your business do better?
Let's talk and "Create Value for YOUR Business"

We have updated our website and marketing materials. Please check us out!

905-457-2302 | WILLIAMSFM.CA

Upcoming Deadlines

Accountants work with deadlines all the time. Here are a few you should be aware of in the near future.

T4 and T5 Issuing	February 28, 2018
RRSP Deadline	March 1, 2018
Personal Tax Installment	March 15, 2018
Trust Return	March 31, 2018
January-March HST and/or WSIB Return	April 30, 2018
Personal Tax Return	April 30, 2018
Proprietorship Tax and HST Payment	April 30, 2018
Proprietorship Tax and/or HST Return	June 15, 2018
Personal Tax Instalment	June 15, 2018
December Corporate Tax Return	June 30, 2018



*Thank you for your referrals!
We very much appreciate the referrals we receive. If you know of someone who may benefit from our services please pass my name to them. As always, we provide a complimentary initial meeting.*