



DECEMBER 2019



FARM SUCCESSION PLANNING

Every farm succession plan is as different as the individuals involved in the plan. Agriculture is one of the most flexible businesses to be able to leave assets to the next generation while planning around income taxes. With many farms now incorporated this could also include a butterfly to separate farm assets into two or more corporations for the next generation. With the high cost of land and machinery the dollars involved in these plans are significant. Several plans also revolve around farming vs. non-farming children. There are several methods to be able to leave some legacy to non-farming children without having to trigger cash payouts at death. Wills should be updated on a regular basis. If you have questions regarding succession planning please contact our office.



AGRIINVEST PARTICIPANTS

If you are an AgriInvest Participant we require your PIN number in order to electronically file your tax return. Please ensure you provide it when you submit your tax information.



Q. Did you hear about the magic tractor?

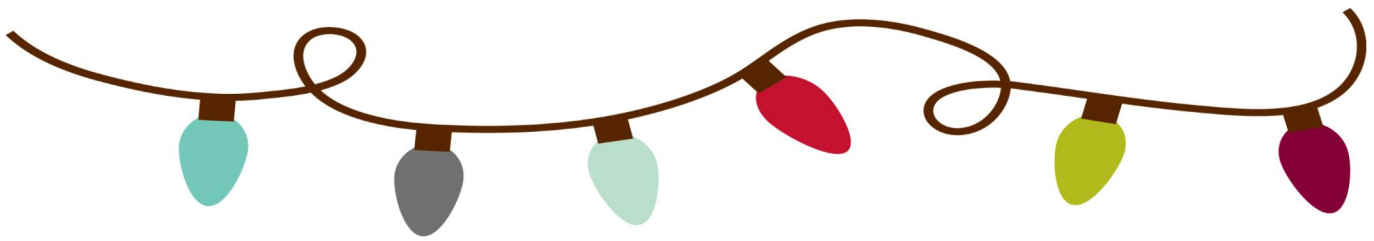
A. It turned into a field.

DIRECTOR'S PERSONAL LIABILITY FOR NEGLIGENCE

In March 2019 the Alberta Court of Appeal found that a director could be held personally liable for an accident that caused injury to an employee of another corporation. The director was involved in both the management and direct installation of a staircase that collapsed in a new home build. The workers' compensation insurance authority covered the damages to the injured worker and then sued the director to recover the costs.

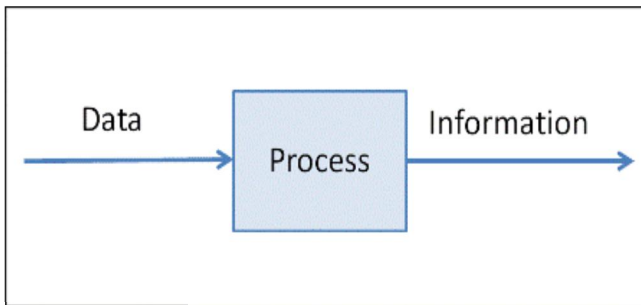
Where farms carry WCB they may wish to purchase the optional personal or Directors' Workers' Compensation insurance to avoid this type of liability.





SOFTWARE AND ACCOUNTING RECORDS BACKUP

Our office can produce a copy of your accounting records in a PDF format. This is a readable format that will still be available if your accounting software becomes obsolete. Anyone who has records in an old NewViews format may wish to have us print their information to PDF to ensure access in the future. If you are changing accounting software programs consider a PDF for future reference.



DATA PROCESSING

Please remember that our office offers a data processing service for those taxpayers who do not wish to compile their financial information. These services can be monthly, quarterly or annually – depending on the size of your operation.



FEDERAL FUEL CHARGE

Commencing January 1, 2020 a Federal Fuel Charge will be applied to all fuel sales in Alberta. Farm customers will want to provide a fuel charge exemption certificate (Form L402 E) to their farm fuel provider prior to December 31, 2019 to be exempt from paying this tax. Please contact your fuel provider for more details.

CRA REVIEW LETTERS

Canada Revenue Agency has a number of projects where they are reviewing specific expenses. Recent examples are asset additions to Class 10 and audit of vehicle expenses. CRA also conducts regular reviews on medical and donation expenses for personal income tax returns. Please note that our office does not get a copy of these requests for information. They are sent directly to the taxpayer. If you receive one of these letters please forward it to our office in order for us to assist in compiling the required information.



A summer visitor asked the farmer how long cows should be milked. "Oh, I reckon about the same as short ones!" the farmer answered.



Merry Christmas and Happy New Year
from all the Partners and Staff at
Gitzel and Company

