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To learn more about
MCIntyre & Associates, visit us
online at: www.mcintyreca.com

Questions? Call (613) 726-7788
and we will be happy to
address any of your questions.

Common U.S. – Canada Tax Issues

Until now, it has been nearly impossible for the IRS to know how many days you spend in the U.S. in any given year. This is about to change. Canada and the U.S. are planning to use passport scanning to track and share how much time you spend in each country. Both Canada and the U.S. will know exactly when you enter and when you leave. This information will be saved for at least 15 years.

If you're planning on spending time in the U.S. it could have an impact on your income tax return and filing requirements. Here are some things to keep in mind.

The Substantial Presence Test

You can be considered a U.S. resident for tax purposes if you meet the "substantial presence test." You will meet this test if you are physically present in the United States on at least:

1. 31 days during the current year, and
2. 183 days during the three-year period that includes the current year and the two years immediately before that, counting:

- All the days you were present in the current year, and
- 1/3 of the days you were present in the first year before the current year, and
- 1/6 of the days you were present in the second year before the current year.

Although these rules may seem complicated, an easy way to ensure you don't meet the substantial presence test is to limit your visits to 120 days annually. If you're unable to limit your visits, you can be considered a U.S. resident for tax purposes. This means that you would be required to file a U.S. tax return and report your worldwide income. There are some exceptions to this rule – for example, if you're a student or athlete.

Closer Connection Rule

Even if you meet the substantial presence test, you may be able to avoid being subject to U.S. tax on your worldwide income by using an exception known as the "closer connection" rule.

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Regular Hours

Monday to Friday

8:30 am to 4:30 pm

Our client drop box is open

Monday to Friday

7:00 am to 6:00 pm

Common U.S. – Canada Tax Issues (continued from page 1)

This exception is only available if the individual is present in the U.S. less than 183 days in the current year. In order to claim the exception, you must complete and mail Form 8840 titled "Closer Connection Exception Statement for Aliens" to the Department of the Treasury, Internal Revenue Service by April 15th, or later depending on your situation. This form can be sent with your U.S. tax return, or on its own if you are not required to file a U.S. tax return.

Summary

The tax implications of the substantial presence test can impact individuals if proper filing and withholding requirements are not followed. With the new cross border tracking policy being implemented, be cognizant of the number of trips made to the U.S. each year. If you have any questions about how this may affect your income tax and filing requirements, please [contact us](#).

What's New at MCIntyre & Associates

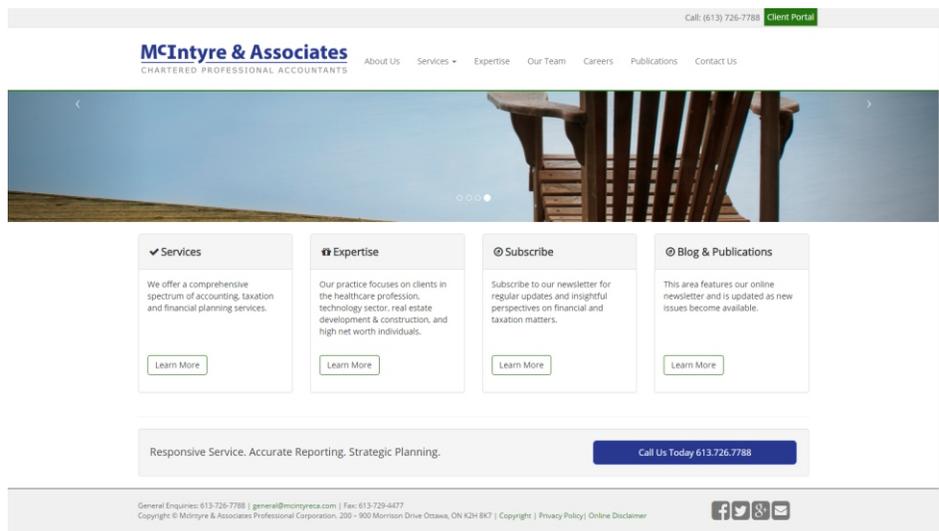
We would like to announce that Larry Hasson is now a Director at MCIntyre & Associates! Larry's area of expertise is in assurance, including International Financial Reporting Standards, corporate reorganizations and tax planning engagements.

Larry has a large practice in the healthcare and real estate field and is often asked to give presentations to healthcare professionals and small businesses on incorporation and various tax planning opportunities.

Larry's life is changing in more ways than one! On August 29th Larry and his wife Shanna welcomed a baby girl Maya Hasson to their family. Congratulations Larry and Shanna!

Congratulations to Travis Scott for completing his practical experience requirement and receiving his CPA, CA designation in October 2015. As a member of our assurance group, Travis will continue to provide superior service to our audit and review engagement clients.

The New and Improved MCIntyreca.com is Now Launched!



Our new website, www.mcintyreca.com, which includes a blog on the latest tax strategies and current news, is now launched! We encourage you to view the new website and its contents.

MCIntyre and Associates' new client portal system is in place and ready for you to use. The client portal will not only provide you with safe and secure data, but will also offer you the added convenience of 24/7 access to your financial information. Clients will have the ability to exchange confidential information with our firm such as bookkeeping records, financial statements and tax returns.

Enjoy the increased security and convenience being offered and sign up today!

Please email general@mcintyreca.com to register.

As always, we welcome your comments and suggestions!

CRA's Prescribed Interest Rates

The prescribed interest rates for the fourth quarter of 2015 are as follows:

- **1%** to calculate a deemed interest benefit on subsidized employee and shareholder loans;
- **3%** on refunds of income tax overpayments; and
- **5%** on payments of overdue income taxes, insufficient income tax instalments, unremitted employee source deductions, CPP contributions or EI premiums, and unpaid penalties.

These rates are in effect from October 1, 2015 to December 31, 2015.

Sign Up Today!

Register for our new online client portal and enjoy increased security and convenience.

To register, please email: general@mcintyreca.com

MCIntyre & Associates Professional Corporation

The opinions and advice in this newsletter are provided for the general guidance and benefit of MCIntyre & Associates' clients, based on information that we believe to be accurate. We cannot guarantee its accuracy or completeness for individual circumstances. While we strive to provide reliable material herein, we cannot account for all industry conditions and legislative changes that occur. Should you have any questions or concerns regarding the contents of this newsletter, please contact us.

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