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McIntyre & Associates, visit us  
online at: [www.mcintyreca.com](http://www.mcintyreca.com)

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

## Changes to Form T1135

### Foreign Income Verification Statement now requires more information

If you or your company own specified foreign property, then you may have to complete the Foreign Income Verification Statement, Form T1135.

If at any time during the year the cost of the property exceeds \$100,000 CAD, the form must be completed and filed with your personal or corporate income tax return.

Personal use property and property used in an active business are excluded from this requirement.

Items such as stocks of non-Canadian corporations, bank accounts or real estate are included in this verification statement.

**Personal use property and property used in an active business are excluded from this requirement.**

Over the summer of 2013, CRA updated Form T1135. The form now requires more information, such as the maximum cost of the property during the year, the cost of the property at the end of the year, any income generated by the property, and any gain or loss on its disposition.

While this information is similar to that which was previously required, the big difference is that this information is required on a property-by-property basis rather than as a summary.

Form T1135 is an information statement only, and does not result in any additional income taxes owing, however the consequences for not completing the form have become more severe. Typically once CRA has assessed a specific taxation year, they have up to 3 years to perform any additional work on it. Anything after the three-year deadline is considered statute-barred and is not available for review under normal circumstances. Failure to properly complete Form T1135 could give CRA the ability to extend the normal assessment period by an additional 3 years.

Completion of the new Form T1135 requires substantially more information. We recommend contacting your broker or investment advisor early to ensure that you have all the information available to you when preparing the tax filings.

## Employer Health Tax Changes

A number of changes to the Employer Health Tax take effect starting January 1, 2014.

The **payroll tax exemption** (shared by any associated companies) is **increased from \$400,000 to \$450,000** and will be adjusted for inflation every five years. In addition, the exemption is eliminated for private sector employers with annual payroll over \$5 million.

## Important Deadlines to Remember

### February 28, 2014

2013 T4, T4A, T4PS, T5 slips and summaries must be filed. Please ensure that any applicable taxable benefits (i.e. automobile, shareholder loan) are calculated and included on the T4s.

### March 1, 2014

RRSP contributions made on or before this date can be deducted on your 2013 personal income tax return if you have not exceeded your contribution limit.

### March 15, 2014

The 2013 Employer Health Tax Annual Return must be filed and any amount owing must be paid.

### March 31, 2014

2013 Inter Vivos Trust Returns are due (i.e. family trusts).

### April 30, 2014

April 30, 2014 is the last day to pay your 2013 personal income tax liability to avoid interest charges. In order to avoid penalties, personal income tax returns must be filed on or before April 30, 2014, with the exception of self-employed individuals (and their spouse or partner) who have until June 15, 2014.

When these deadlines fall on a weekend or a statutory holiday, the deadline defaults to the next business day.

## What's New at McIntyre & Associates

Marcos Caballero, a co-op student from the University of Ottawa joined our team in January and will be working with us until April 2014.

Larry Hasson has been presenting to physicians and physiotherapists on incorporation and various tax saving opportunities. Please [contact Larry](#) if you would like to attend his next presentation.

## CRA's Prescribed Interest Rates

The prescribed interest rates for the first quarter of 2014 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 January 1, 2014 to March 31, 2014.

## 2013 Personal Tax Organizer

We have mailed out our 2013 personal income tax return organizer.

If you would like us to prepare your 2013 personal income tax return and you have not yet received your organizer, please do not hesitate to [contact Elaine Griffin](#).

## 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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