

ROBERT INGRAM

CHARTERED
ACCOUNTANT

877-0782

GARY A. DYKSTRA
ACCOUNTING & TAX PROFESSIONAL

232 Guelph St.
Suite 1 (Lower Level)
Georgetown, Ontario

(416) 873-8921

LC AFFILIATED WITH
LEADLEY, GUNNING
& CULP INTERNATIONAL

*The difference between
Accounting Firms
is the way
They Treat Their Clients.*

**Daniel
Varanelli**

Certified General Accountant

* Personal And Business
Tax Returns

* Financial Statement
Preparation

* Accounting and
Bookkeeping Services

COMPUTERIZED, FAST & ACCURATE

Now located at
76 YOUNG STREET, ACTON
(519) 853-4311

**TAX RETURNS
PREPARED**
Computerized, Fast, Accurate

Individuals, Farms and Business
Tax Planning & Consultation
Accounting & Bookkeeping
Financial Statement Preparation

JOHN A. GIBSON
CHARTERED ACCOUNTANT

6 CROMBIE PLACE
GEORGETOWN ONT.

877-0807

????????????????????

Do YOU Have
Questions
about your 1991
INCOME TAX RETURN?
Goebelle * MacAdam
* Alexander

WE HAVE THE ANSWERS
CALL US FOR CANADIAN &
U.S. TAX RETURNS

Chartered Accountants
in your community

37 Main St. S.
GEORGETOWN

877-5155

TAX FACTS

ONLY 7 MORE WEEKS TO FILE YOUR CLAIM

Deducting Accounting Fees

Revenue Canada recently revised its interpretation bulletin which describes when accounting fees are deductible for tax purposes. This article will discuss when you may deduct accounting fees from your business and property income.

General Rules Regarding Deductions

In general, the deductibility of an expense relates to the character of the activity out of which the expense arises. For example, the expenses which relate to the activities you undertake to earn income from a business or property are deductible, where as expenditures of a capital nature are not. Expenditures of a capital nature are generally regarded as those which provide benefits useable in the income earning process over the long term.

Accounting fees which arise out of normal activities involved in earning income from a business or property will be deductible. For example, accounting fees related to preparing contracts in relation to the sale of inventory, preparing financial records, making annual corporate filings, and performing routine or regular audits of financial statements will be deductible from the income of the business for tax purposes. Where you incur accounting fees as part of the cost of issuing bonds, debentures or mortgages in your business, they will generally be deductible over a five year period.

Income Tax Returns

Where you pay your accountant for help in preparing and filing your tax returns, his or her fees are generally deductible from the business or property income to which the tax returns relate. Commission sales people may generally also deduct the cost of tax return preparation.

Where Revenue Canada or a provincial authority gives you an unfavourable assessment with respect to tax, interest or penalties, you may choose to challenge that assessment. If so, fees charged by your accountant in assisting you in preparing, instituting or prosecuting an objection or an appeal are deductible from your income in the year in which they are paid. The fees will also be deductible where the assistance relates to a decision of the Canada Employment and Immigration Commission, a board of referees under the Unemployment Insurance Act,

1971 or an assessment made under the Canada Pension Plan. The Department of National Revenue considers that the fees you pay for assistance in making representations will be deductible whether or not you file a formal Notice of Objection or fees and are later reimbursed for them by an award of costs, you are required to include them in which the award is received.

Advance Income Tax Rulings

Where your accountant assists you in preparing an advance ruling request letter to Revenue Canada or attends interviews with you with Ruling officers of the Department, his or her fees will generally be deductible provided the matter in question relates to producing income from a business property.

Capital Expenditures

Accounting fees you pay on the acquisition of capital property are generally included in the cost of the property. If you deduct capital cost allowance with respect to a depreciable property that you acquired, the fees will be included in the capital cost on which you base your CCA calculation. When you dispose of a property and incur accounting fees as part of the cost of disposition, the fees will be added to the adjusted cost base and thus effect the calculation of any capital gain, capital loss, terminal loss or business investment loss arising from the disposition.

Criminal Prosecutions for Tax Evasion

Should you have to pay accounting fees in connection with a prosecution for tax evasion, these fees will generally not be deductible from income tax purposes because they are not regarded as being expenses incurred to earn income. However, in some cases they may be deductible where they relate to the defence of practices which arise in the normal course of your income-earning activities. According to Revenue Canada, such activities might include the preparation of financial records, provided you have been candid in fully disclosing the information out of which the charge for tax evasion arises.

The implementation of any tax saving strategy is based on your personal financial situation. Professional advice should be obtained before implementing any of the suggestions contained herein.

CULP & COTÉ

ACCOUNTING and
TAX PROFESSIONALS

155 MAIN ST. SOUTH,
ROCKWOOD

519-856-9163

or

1-800-265-0839

- initial consultation
NO CHARGE
- fees quoted in
advance

Affiliated with Leadley
Gunning & Culp International

STARRET & STARRET

Chartered Accountants

129 Main St. S.
Georgetown, Ontario

Accounting & Audit Service
Bookkeeping Service
Personal Financial Planning
Tax Consulting

We serve both personal and
business accounts of all sizes.

873-1601

846-2561
Toronto Line

GEORGE F. WAGNER

Chartered Accountant

2 Guelph St., Georgetown

873-8100

At home, evening and
weekend appointments
also available

ASSOCIATE TAX CONSULTANTS

OFFICE HOURS:

Mon. - Thurs. 9 am - 5:30 pm
Fri. 9 am - 7 pm
Sat. 9 am - 3 pm

We are fully computer-
ized and can prepare
your tax return while
you wait & have it deliv-
ered to the taxation data
centre by courier the
next day.

101 Guelph St., Georgetown
877-2217



TAX
SERVICES

Member Company of Investors Group

- Tax Preparation
Business-Farm-Personal
- Money back
Express refunds in days!

Visit one of our area locations today.
21 Nelson St. W. - Brampton
also in Zellers - Georgetown

Call

Georgetown
873-9619

Brampton
454-8455

quality * integrity * responsiveness

H&R BLOCK

THE INCOME TAX SPECIALISTS

SERVING ACTON,
ERIN, GEORGETOWN

CASHBACK
ALSO AVAILABLE

COMPUTERIZED FOR FAST, ACCURATE TAX RETURNS

7 JAMES ST.
DOWNTOWN GEORGETOWN
JUST OFF MAIN ST.

(416) 873-7855

OPEN MONDAY to SATURDAY