Eramosa-Blue Springs watershed focus of Tuesday meeting

The Grand River Conservation Authority invites the public to an Open House and public meeting, April 11, at Brisbane Public School (Trafalgar Rd. and Hwy 24) to dicuss the Eramosa-Blue Springs area.

The Eramosa River - Blue Springs Creek watershed provides excellent opportunities for environmental and heritage education, passive recreation and tourism. Development pressure, however, is causing stress to area resources and features, particularly on important groundwater resources which are used for municipal water supply in Guelph, Eramosa, Erin, Puslinch, parts of Halton Hills and Milton.

At the public meeting, Draft Fill Lines for controlling placement or dumping of fill in headwater areas and land adjacent to the Eramosa River and the Blue Springs Creek will be presented. These may have been mapped on your property if it is close to a creek or wetland. Maps will be on hand for viewing.

An Eramosa River-Blue Springs Creek Watershed Study will be starting in 1995. This study will investigate the nature and extent of existing and potential environmental problems within the watershed. Public input concerning what should be studied and how a plan should be developed is important.

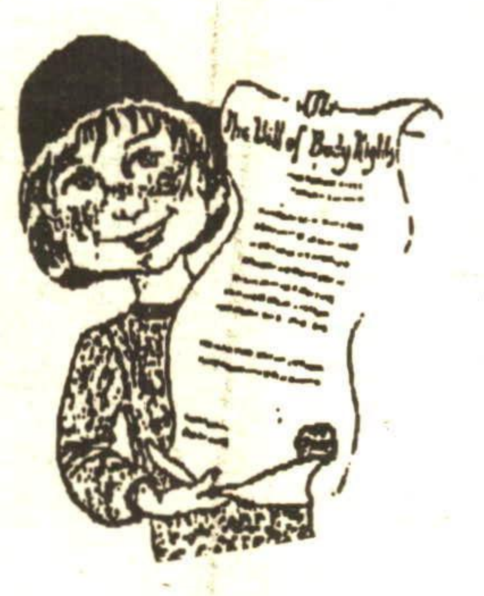
There are three volunteer seats available for public representatives on the Steering Committee for the watershed study. Meetings will be held about once a month during the day. If you are interested in participating on the Steering Committee, send your resume to Barbara Veale, Grand River Conservation Authority, 400 Clyde Road, Cambridge, Ontario N1R 5W6, before Tuesday, April 18.

For information: Barry Lee, Halton's rep on the GRCA, (519) 824-0679 or Joe Farwell, Wayne MacMillan or Barbara Veale, GRCA, (519) 621-2761.

Recycle!

ANNOUNCEMENT!

There will be a Community Performance of



The Play
"Touching"
April 11th, 1995
7:00 p.m.
Halton Region Auditorium
1151 Bronte Rd.
Oakville, Ontario
(Highway #25 and the Q.E.W.)

"Touching" was performed this past year. This is the last public performance during this spring tour. This tour is made possible through the generosity of the Halton Child Abuse Council, The Kiwanis Club, and the Ministry of Community and Social Services.

"Touching" is a marvellous play about the experiences that a 10 year old child (Alex) has while playing in a neighbourhood park. Alex receives some bad and confusing touches in the first half of the play and feels helpless to do anything about them. The play empowers children to make wise choices about their personal safety.

Transportation is available from Milton and Halton Hills.
For further information, call Rena Smith at 878-1288.

Sheltering the family cottage

Tax News

This is one in a series of articles dealing with tax matters. The articles are written by H&R Block Canada, Inc., Canada's largest tax service.

The 1994 capital gains election provides one last chance to partially shelter your family cottage or vacation home from capital gains tax. Although the capital gains deduction for real estate was abolished in 1992, you may still shelter some of the accrued capital gain if you purchased the property before March of 1992. You do not have to actually sell the property in order to take advantage of the election, but you need to start planning now, as there are a number of factors to take into account.

What information do I need?

As for any capital property, you need to establish the fair market value of the property on February 22, 1994. This is more difficult for real estate than for shares or mutual fund units, since each property is unique. You can obtain an evaluation from a professional appraiser, or you can collect information on sales of similar properties in the same area on or about February 22, 1994. If you use the informal approach, be sure to collect information from a variety of source, such as real estate pamphlets, newspapers, land registry offices, etc. If possible, obtain actual selling prices, since few homes actually sell at the advertised price Whatever method you use, be sure to keep copies of your information sources so you have them on hand when you sell the property later on.

You also need to look up how much you paid for the property, plus the cost of any capital improvements you made since then. This forms the "adjusted cost base" for capital gains purposes. For real estate, you also need to know the month and year in which you acquired the property.

How does the election work?

Let's assume you bought a cottage in March of 1984 for $80,000. If that cottage was worth $150,000 on February 22, 1994, your accrued gain is $70,000. Since the capital gains deduction for real estate was eliminated in February of 19092, a portion of that gain is not eligible to be sheltered by the capital gains deduction. To calculate the "ineligible" portion, you need to multiply the accrued gain by the ratio of the number of months you owned the property from March 1992 to February 1994 (24), to the total number of months you owned the property from the time you acquired it until February of 1994. In our example, the ineligible portion works out to $14,000 ($70,000 x 24/120). This mean you can shelter up to $56,000 by making the election.

What happens to the $14,000 that is ineligible? Do you have to pay tax on that part right away? Fortunately, the answer is "no". You may subtract the $14,000 from the accrued gain so it isn't brought into income until you actually sell the property. In our example, your elected proceeds would be $150,000, for an accrued gain of $70,000. From this subtract the ineligible portion, so that only the eligible amount of $56,000 is added to income. You then use $56,000 of your exemption to shelter it from tax.

As a result of the election, your new adjusted cost base would ordinarily be $150,000. However, this must be reduced by the ineligible portion, to $136,000. When you later sell the property, your capital gain is calculated from a base of $136,000, which means it is brought into income at that time.

You may designate any amount between cost and fair market value as elected proceeds, but not a value higher than fair market value. If you do, the adjusted cost base when you sell the property will be reduced accordingly: If the error is more than 10%, you will be penalized by having the adjusted cost base reduced to less than fair market value, thus removing some or all of the sheltering effect of the election.

Should I make the election?

You can make the election if you have enough capital gains exemption left to shelter the resulting gain. If your accrued gain is more than your remaining capital gains exemption, however, you may need to designate an amount less than fair market value as your elected proceeds. Remember, though, that the capital gain you trigger is reduced by the ineligible portion, which means the calculation can become quite complicated. Your tax adviser can help you determine the exact amount of elected proceeds you need in order to trigger just enough capital gains to use the remainder of your exemption, after the ineligible portion of the gain is subtracted.

Alternatively, you may designate your cottage as a principle residence for some or all of the years you owned it, thus making any accrued gain during those years completely tax-exempt. For years before 1982, you and another family member may each designate different homes, if you own more than one. From 1982 on, only one principal residence is allowed per family unit. If you owned more than one home, you should seek advice on which one to designate as a principal residence, and for which years.

Your decision may be affected by how much your capital gains deduction is reduced because of investment losses and capital losses you claimed in prior years. If this applies to you, seek advice to determine the immediate cost of making the election, and compare it to the long-term tax savings that are likely to result. Using this information, you can decide which approach to use.