

Tax
Talk

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You filed your taxes. Now what?

So you filed your income tax return. If you're like most Canadians, you spent last month hoping against hope that the next letter you get from Canada Revenue Agency (CRA) isn't a note that says you underpaid. For an owner/operator or small fleet, taxes are a major business expense but they shouldn't be a surprise.

With planning and professional help, you can take the stress out of filing returns and take control of the business side of your trucking business. Here's where to start:

Review your NOA

A notice of assessment confirms that your tax return was accepted as filed or outlines any adjustments made by CRA.

For your personal return, it will list your taxable income and any carry-forward amounts you can apply for 2014, as well as the amount you can contribute to an RRSP or tax-free savings account this year. Check CRA's assessment against your tax return. If there's a discrepancy, or you disagree with CRA's findings, contact the tax centre that processed your return (better yet, call your accountant). You have one year from the filing deadline of the return in question to make an appeal.

Make corrections

There are three ways to amend or correct

your return once you've received your NOA: use the "change my return" option found in My Account at www.cra.gc.ca/myaccount; send a completed Form T1-ADJ, T1 Adjustment Request, to your tax centre; or send a signed letter to your tax centre asking for an adjustment to your return.

You'll need supporting documents. For example, if you want to change the amount you claimed for charitable donations, you have to submit all your charitable donation receipts to back up your claim.

Get organized

Every year I'm asked what records to keep, where to keep them, and for how long. I'm always happy to answer.

When you're running a business, you're required by law to keep adequate records. They have to provide enough detail to determine your tax obligations and entitlements, and be supported by original documents. Knowing what records to keep and having a place to file them means you're not going to miss out on deductions you're entitled to because of a missing slip of paper or logbook. A good accountant will help you create a filing system that's designed just for you and your needs.

Quarterly reviews

Organizing receipts and statements is the first step toward really managing your

business. Your accountant can help you further by providing statements each quarter, giving you a three-month snapshot of your finances. I can't tell you how many times a client has found a major repair receipt under a truck seat months later, after a review of the last three months' financial statements showed that a big expense item was missing.

With financial statements provided quarterly, you can take advantage of de-

Filing your income tax return and paying what you owe on time helps you avoid interest and penalty charges.

ductions and other tax-saving strategies before it's too late.

Be on time

If you or your spouse or common-law partner is self-employed, you have until midnight on June 16, 2014, to file your return. Even if you can't pay all of your balance owing right away, you should still

file your return on time.

If you're late and have a balance owing, you'll be charged a late-filing penalty of 5% of your 2013 balance owing, plus 1% of your balance owing for each full month that your return is late, to a maximum of 12 months. The penalties are compounded if you fail to file over multiple years. Filing your income tax return and paying what you owe on time helps you avoid interest and penalty charges, and ensures that your benefit and credit payments (for example, the Canada child tax benefit and the GST/HST tax credit) won't be interrupted. A stoppage of child tax credit payments has caused many owner/operators to finally file their returns because momma wasn't getting her money.

Ask for help

A good accountant will pay for himself. While you're out earning a living, it's his job to help you reduce your tax bill, budget for expenses, decide whether to incorporate, and plan for retirement. No accountant worth his salt is going to miss a deadline because he can't figure out the paperwork or he got involved doing something else and forgot.

If you think you're too far gone to be helped, that your "system" is beyond repair, then think again. I guarantee you that I've seen (and fixed) far worse than anything you can throw at me. In fact, I invite you try. Consider it the first step in the planning process. ●

Scott Taylor is vice-president of TFS Group, providing accounting, bookkeeping, tax return preparation, and other business services for owner/operators. Learn more at www.tfsgroup.com or call 800-461-5970.