

Movin' on? Do it right

As an owner-operator, you can't just park the truck and walk away



One advantage of being an owner-operator is that when you see a better job you can pretty easily take your truck and move on.

But it's more complicated if you decide to switch careers entirely. Or you have to stop working due to age, health, finances, or regulations – the latest being ELDs – that are too much for you to bear.

No matter what the circumstances, you can't just walk away. There are steps you need to take in order to close your trucking business.

Close your CRA accounts

You need to tell Canada Revenue Agency to close your Business Number and all related accounts for payroll, GST/HST, and corporate income tax. You can do this by completing Form RC145, *Request to close business number accounts*. Send it to your local CRA office or call the CRA Business Window at 800-959-5525.

Wrap up payroll

If your company has employees (including yourself) there are many obligations to wrap up.

You have to remit all CPP contributions, EI premiums, and income tax withheld within seven days of the day your business ends. Within 30 days of the day your business ends, you'll need to complete and file T4 slips and distribute copies to your former employees.

Also, you may want to confirm with your provincial labor standards agency that you have met their requirements for wrapping up your duties as an employer.

File outstanding GST/HST returns

You'll need to file GST/HST returns and pay any amounts owing up to and including the day your business ends.

Be careful about the handling of capital property (including land, buildings, vehicles, and computers) on these final returns. CRA deems you to have sold it and expects you to pay the GST/HST on your final return because you're changing the use from commercial to non-commercial. So, if you're keeping the service vehicle your company owned, you'll owe GST/HST just as if you personally bought the vehicle from the company.

There is a way to manage at least part of this mess: CRA Form GST44, *Election concerning the acquisition of a business or part of a business*. You can use this form when you are selling your business assets to another person. To qualify, the buyer must purchase all or substantially all (at least 90% or more) ownership, possession, or use of the seller's property necessary to carry on the

business. In a one-truck operation, selling the truck represents 100% of the property so this election is applicable.

File this election form with the GST/HST return for the reporting period in which the sale was made and also keep a copy for your records.

Corporate income tax

Send an application for dissolution to the provincial or federal government body that your corporation is chartered in. You should also file a final tax return and send CRA a copy of the articles of dissolution. Otherwise, CRA won't know the company no longer exists and will expect tax filings each year.

Remember that your corporation can live forever whether it's actively in business or not.

Of course, if your corporation has some money in its bank accounts you may not want to do this last step right away. If over the years you have managed to save money in the corporation, or if selling your equipment has put money in there, it may be best to wait.

Remember that your corporation can live forever whether it's actively in business or not. Rather than pulling money out of the business now and having to add that income to your personal tax return, you can withdraw it over time and then dissolve the company when the money

is gone. You may end up paying a lot less tax this way.

Every business comes to an end. When that day arrives, a carefully planned closure will help you move on quickly and without worry. **TN**

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