

Tax planning for small business owners

The small business landscape is constantly changing. Many economic models that guided businesses for decades are no longer applicable. Technology has spawned a massive and ongoing global economic revolution. It used to take many years or even decades for a company's products to reach a global marketplace. Now it can happen almost overnight. In light of this, governments are continually updating tax legislation to keep pace.

Most small business owners wrestle with the challenges of keeping up with the demands of their marketplace. There are customers to please, creditors to appease, and employees to manage. They seldom have time to sort through the "tax maze" when their primary focus is on increasing business revenue. Do you want to ensure you're taking full advantage of your tax planning opportunities? Here are a few strategies you should talk to your tax specialist about:

Are you aware of these changes to the tax code?

- A two year freeze on Employment Insurance (EI) premiums resulting in a \$4.5 billion stimulus.
- A temporary capital cost allowance (CCA) rate change for the purchase of computers between 2009 and 2011.
- Raising the amount on small business income that is eligible for a reduced federal tax rate.
- The extension of the 50% straight line amortization (CCA rate) for the purchase of machinery and

equipment.

- Changes to tariffs on selected machinery and equipment is providing over \$440 million dollars in savings to Canadian industry.

- A \$240 million injection into various business support programs that may provide guaranteed financing or grant opportunities.

Did you know

- There are legitimate home maintenance and ownership deductions that many home-based businesses overlook?

- There is a Scientific Research and Educational Development Tax (SR&ED) credit available for small businesses?

- There are tax benefits and grants for digital media companies that may apply to your business?

A qualified tax professional stays informed and is able to advise on how these changes impact small businesses. Each year as you review your business plan, consider taking some time to speak with your tax advisor to ensure you are fully informed of the tax implications of your business plans and models.

These are just some of the types of tax strategies overlooked by many small business owners. A professional tax planner stays abreast of these changes and how they can apply to you.

Minimize Income Taxes - because it's the right thing to do. Call today!



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