
CONTREN MANAGEMENT CONSULTANTS INC. SUMMER 2006 NEWSLETTER

SUMMER OFFICE HOURS

A reminder that our office will be closed on Fridays from June 9, 2006 until September 8, 2006. The office will also be closed August 4, 2006 to August 14, 2006 inclusive. We will be reviewing our messages frequently whenever the office is closed.



STATUTORY (PUBLIC) HOLIDAYS

A reminder that Canada Day, July 1 and Labour Day, September 4 are Public Holidays in Ontario. The Civic Holiday, August 7, is not a paid Public Holiday.



NEW GST RATES

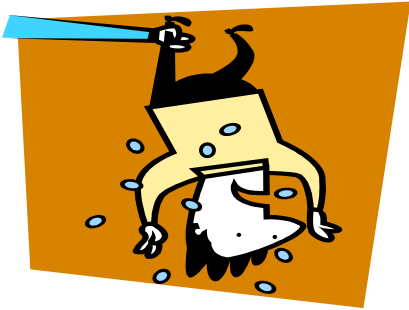
Effective July 1, 2006 all Ontario businesses need to reduce the GST rate charged to 6%.

There have been a number of concerns about the transitional period for this rate. Basically any product or service purchased (not necessarily paid for) or acquired *before* June 30, 2006 will have GST of 7% charged. Any product or service purchased (not necessarily paid for) or acquired *on or after* July 1, 2006 will have GST of 6% charged. This means that all consumer based businesses need to change their sales systems to the 6% rate before beginning operations on July 1, 2006.

For business to business transactions the change in the GST rate is irrelevant, the GST the business pays out is a refundable input tax credit so the actual transaction date should not be a concern.

Commercial leases for real property will have the GST charged drop to 6% for all lease payments on or after July 1, 2006. Please remember to reduce your July rent payment to account for the new rate.

Refunds for product purchased *prior* to July 1, 2006 will have the 7% GST rate applied. Any bad debts will have the GST credited at the original rate charged.



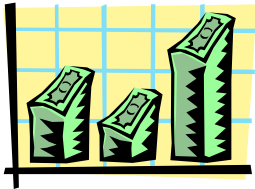
For Quick Method filers the rates change as of July 1, 2006. The rate up to and including the June 30, 2006 reporting period is 5% of gross revenue. The rate for reporting periods commencing July 1, 2006 is 4.3%.

MINIMUM WAGES

A reminder that the minimum wage rates for Ontario changed this past February and there is one more scheduled increase, details as follows;

	February 1, 2006	February 1, 2007
General Minimum Wage	\$7.75 per hour	\$8.00 per hour
Student Minimum Wage	\$7.25 per hour	\$7.50 per hour
Liquor Servers Min Wage	\$6.75 per hour	\$6.95 per hour

Note that the existing legislation does not provide for any further increases to minimum wages after the February 2007 increase.



PERSONAL TAX RETURNS

A reminder to clients that all taxpayers are eligible for a medical expense tax credit, subject to a taxable income adjustment. One taxpayer can claim all of their spouse's and dependents medical expenses on their return. Medical expenses are all inclusive and include, but not limited to, dental and orthodontic work (braces), glasses and eye surgery, massage therapy, prescription drugs, private medical plan premiums and elective surgery.

Please remember to include your medical receipts with your personal tax package. Our office will determine the best application of these costs for the specific taxation period.

UNIVERSAL CHILD CARE BENEFIT

Announced in the last Federal Budget was the \$1,200 per year child care initiative. This program will provide \$100 per month to assist with the child care costs for each child under the age of 6. This program announced that the first payments will be processed July 20, 2006.

The details on application and receipt of payment isn't that clear but basically if you are eligible for the Child Tax Benefit (CTB) you qualify for the Universal Child Care Benefit (UCCB). Qualifying for the CTB does not necessarily mean that you receive a CTB payment because your family income may be in excess of the CTB threshold. Based on the information we have everyone who files a personal tax return in Canada and has included their current dependants' details on the tax filing are eligible for this program.

If you have a child or children under the age of 6 and **do not** receive the UCCB in July please contact our office and we will assist you with the application process.

VEHICLE DEDUCTIONS

At the beginning of the 2006 calendar year the Federal Department Of Finance announced updated vehicle kilometer rates, as follows;

For the first 5,000 km per year \$.50/km allowable expense

For every km thereafter per year \$.44/km allowable expense

Please update your expense reports accordingly. Please note that the maximum capital cost allowed for depreciation remains at \$30,000 (plus taxes) and that the maximum lease expense remains at \$800/month (plus taxes).

