

**BERKSHIRE SECURITIES INC.**  
**BERKSHIRE INSURANCE SERVICES INC.**

FINANCIAL STRATEGIES FROM  
**KURT ROSENTRETER & BRANDON WHITBY**  
CHARTERED ACCOUNTANTS • INVESTMENT ADVISORS • INSURANCE AGENTS • ALL IN ONE

[KROSENTRETER@BERKSHIRE.CA](mailto:KROSENTRETER@BERKSHIRE.CA)

416 628 5770 ext 230

[BWHITBY@BERKSHIRE.CA](mailto:BWHITBY@BERKSHIRE.CA)

**Tax Season Primer**

With the RRSP deadline out of the way it is now time to start getting ready for the personal income tax filing deadline on April 30, 2008. For self-employed individuals the tax filing deadline is June 15, 2008, but any tax owing is still due by April 30

**What Tax Paperwork Can you Expect from Berkshire Securities Inc.?**

**RRSP Tax Receipts**

If you made an RRSP contribution into a Berkshire nominee account in 2007 and 2008, a tax receipt will be mailed to you. This receipt should be included with your 2007 personal tax return. If you contributed to a client name RRSP, the fund company whose funds you purchased will send you a tax receipt.



**Planning point:** if you were a last minute contributor, consider starting an automatic monthly savings plan into your RRSP now for 2008. Saving a little each month can be easier on the cash flow and provides effective tax sheltering all year long.

**T3 and T5 Tax Slips**

March 31st is the deadline for financial institutions to file tax slips with the government (T3's, T5's, etc.) for income, distributions and gains generated on investment products (e.g. GICs, mutual funds, stocks, etc.). This means you may not get an income tax slip for investment income until early April, so you may not want to file your tax return early! Most institutions are pretty good about getting the slips in your hands in early March, but consider waiting until April to see if you have them all.

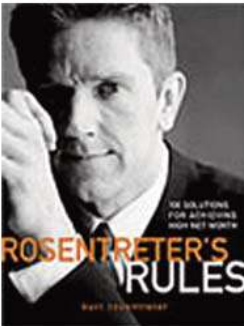


Make sure you pay close attention to the data on each slip: income trusts for example, often have "return of capital" which requires special treatment in your taxes. Dividends often qualify for special tax credits. Capital gains are only partially taxable. Think twice about manually preparing your tax return these days – you may miss some tax benefits that are often automatically picked up when a computerized tax return is prepared.

Note that for mutual funds, not every product will produce a tax slip every year. It often depends on the type of mutual fund you own.



**Kurt's National Best Selling Books**





## 2007 Sale Transactions with Capital Gains or Losses

If you sold a product in your non-registered investment accounts in 2007, the disposition must be reported on Schedule three of your personal tax return. Please review all of your 2007 monthly investment statements looking for “sell” transactions. Report the market value of the sell, including commissions if applicable, as proceeds of disposition.

The cost base to report depends on the type of product: for mutual funds your cost consists of purchase price plus any reinvested distributions received over time. For stocks the cost base is the purchase price plus any reinvested dividends used to purchase new shares. For bonds the cost base will be the purchase price.

For any non-registered investment account you have it is important to keep your old statements and transaction receipts in order to track the cost bases over time. For mutual funds all of the relevant information is maintained at the mutual fund company and a quick call to them gets your cost base. Give us a call in the office if you need a hand.

### There are a few products that are “special situations” you should know about for tax purposes:

- Money market funds and savings account transactions do not need to be reported as their price and cost never fluctuate.
- Bond maturities and sales of bonds are reportable transactions. GIC maturities and Treasury bill maturities are not unless the Treasury bills are sold prior to maturity.
- Income trusts require you to track reinvested distributions and also track all payments of capital within distributions in order to calculate a proper cost base at time of sale. It is best if you check out the product’s web site as most of them now provide good tax information to help you
- If you own stocks or bonds and have changed investment dealers since you bought the securities, you will need to keep the cost information from the original purchasing dealer.

## Fees

If your investment accounts are held within Berkshire’s investment counsel fee platform where you pay regular external advisory fees, you may have the benefit of being able to deduct some or all of these fees from income on your personal tax return. The fees are calculated based on the value of each investment account and a statement will be mailed to you in March showing these fees for 2007. You can also add up the fees from your monthly statements. Fees related to advice on RRSPs and other registered accounts are not tax deductible. Fees related to advice on taxable investment accounts are tax deductible. You do not need to include a receipt with your tax return for fees – just include the dollar amount you are deducting on Schedule four of your tax return.

If your investment counsel fees are being paid by one person for the whole family, or the fees apply to many different types of accounts (RRSP, RESP, trust, corporation, etc), remember to allocate the fees to the correct people or structures for the correct tax deduction.

RRSP trustee fees of \$137.50 are not tax deductible.

Interest expense on loans used to invest in non-registered investments is tax deductible.

Brokerage commissions on trades are not tax deductible. They are added to the cost base and reduce the capital gains at the time of sale. This is less tax advantageous than the investment counsel fees described above.

This material is not to be construed as an offer or solicitation. The securities mentioned may not necessarily be considered suitable investments for all clients. Contact your Investment Advisor to discuss your individual investment needs. This publication contains opinions of the writer and may not reflect opinions of Berkshire Securities Inc. and/or Berkshire Insurance Services Inc. The information contained herein was obtained from sources believed to be reliable, but no representation or warranty, express or implied, is made by the writer or Berkshire Securities Inc. and/or Berkshire Insurance Services Inc. or any other person as to its accuracy or completeness. This publication is not an offer to sell or a solicitation of an offer to buy securities. The securities discussed in this publication may not be eligible for sale in some jurisdictions. If you are not a Canadian resident, this report should not have been delivered to you. This publication is not meant to provide legal, accounting or tax advice. As each situation is different you should consult your professional advisors for advice based on your specific circumstances.

Contact us to answer your questions, schedule a meeting, get a second opinion, refer a friend, order a book, receive a brochure on services and fees, create a financial plan and more.

**Kurt Rosentreter: [krosentreter@berkshire.ca](mailto:krosentreter@berkshire.ca) or Brandon Whitby: [bwhitby@berkshire.ca](mailto:bwhitby@berkshire.ca)**

**Telephone: 416 628 5770, ext. 230**