

December 2012

HAPPY HOLIDAYS



TAX & BUSINESS Alert

LEVI & SINCLAIR, SENCRL
LLP

1303 Greene Avenue, Suite 400
Westmount, Quebec H3Z 2A7
Tel: (514) 931-7600 Fax: (514) 931-3600
alert@levifca.com

A member firm of Integra International with offices worldwide

All of us
at
**LEVI &
SINCLAIR**
would
like to
wish all
of you
Holiday
Greetings and
a
very
Happy
and
Healthy
New
Year.

Another QST Rate Increase to Take Effect January 1, 2012

In the Budget Speech of March 30, 2010, the Minister of Finance of Québec announced another Québec sales tax (QST) rate increase, in addition to the increase to take effect January 1, 2011, which was announced in the Budget Speech of March 19, 2009.

The increase in the QST rate to 9.5% applies to taxable supplies in respect of which QST becomes payable on or after January 1, 2012.

Taxable supplies of movable property or services are subject to QST at the rate of 9.5% where all the consideration for the supply becomes due after December 31, 2011, and is not paid before January 1, 2012. The QST rate of 9.5% also applies to any portion of the consideration for such a supply that becomes due after December 31, 2011, and is not paid before January 1, 2012.

Taxable supplies of an immovable by way of sale are subject to QST at the rate of 9.5% where the supply is made under an agreement in writing entered into after December 31, 2011, and the agreement provides for the transfer of ownership and possession of the immovable to the recipient after that date.

Taxable supplies in respect of the construction, renovation, alteration or repair of an immovable or a ship or other marine vessel are subject to QST at the rate of 9.5% where the supply is made under an agreement in writing entered into after December 31, 2011.

The aforementioned rules regarding taxable supplies of movable property or services also apply to taxable sup-

plies of an immovable that are made other than by way of sale.

There are special rules regarding continuous supplies, budget payment arrangements with reconciliation and exchanges of movable property.

TAXABLE BENEFIT RELATED TO AUTOMOBILE OPERATING COSTS

For the 2011 taxation year, in the case of a benefit related to automobile operating costs, the amount of tax to be included in the calculation of the registrant's net tax is equal to 5.4% of the value of the benefit. Beginning with the 2012 taxation year, the rate will be increased to 6%.

(Continued on page 2)

ROUNDED-OFF MATHEMATICAL FACTORS

QST is calculated on the consideration, which includes goods and services tax (GST) at the rate of 5%. The effective QST rate is currently 8.925% and the effective combined GST-QST rate is currently 13.925%. The rounded-off mathematical factors are 8.92% and 13.92%, respectively, in 2011.

A registrant can use the rounded-off mathematical factors if the cash register ordinarily used by the registrant is not sophisticated enough to calculate QST using the actual rate of 8.5% in 2011 or the three-decimal mathematical factors – 8.925% and 13.925% in 2011.

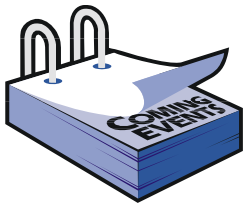
Once the increase in the QST rate to 9.5% takes effect on January 1, 2012, the three-decimal mathematical factors will be 9.975% and 14.975%, and the rounded-off mathematical factors that can be used will be 9.97% and 14.97%.

For more information on the rate change and how it will impact your business, contact our offices.

VISIT US

Take a moment to visit our Web Site which offers a full profile of our firm and back issues of our newsletters.

www.levifca.com



ALERT DATES

December 15, 2011	Final installment due for individuals required to make income tax installments.
February 28, 2012	Deadline for filing 2011 remuneration slips to employees (T4/R1) and independent sales representatives (T4A/R1), slips for payments of dividends and interest (T5/R3); including related summaries to the respective governments.
March 1, 2012	Deadline for 2011 contributions to an RRSP.
March 15, 2012	First personal income tax installments for 2012 are due.
March 31, 2012	Deadline for filing trust income tax returns for trusts with a December 31, 2011 year end. Filing date for T-5013 of partnerships.

TAX & BUSINESS ALERT has been prepared by LEVI & SINCLAIR, LLP for the general information of our clients, staff and other interested parties. The enclosed comments are of a general nature and are not intended to cover all aspects of the subject matter. Prior to implementing any planning based upon information in this publication, the specific facts pertaining to any particular situation should be carefully considered. We will be pleased to assist in this regard and to provide further details pertaining to the matters discussed herein.

If you know of someone who should be added to our mailing list or if you require additional copies, please contact us at (514) 931-7600

ABOUT LEVI & SINCLAIR

LEVI & SINCLAIR is a firm of chartered accountants that traces its origin in Montreal to 1970. We pride ourselves on being more than just an accounting firm. We offer an effective blend of personalized service, experience and technological leadership, coupled with a steadfast commitment to consistently deliver excellence. The members of our firm possess unique talents, expertise and experience, giving our clients access to a knowledge base of considerable breadth and depth.

OUR SERVICES

Our firm takes pride in adding value to every client that we serve through our extensive expertise and proactive approach to your financial needs. We match our dedication to adding value with experience and expertise: we have experience in servicing virtually every type of industry and professional practice.

FORENSIC AUDITING AND LITIGATION SUPPORT SERVICES

Our firm has developed an expertise in both litigation support and international service. Our highly trained staff are licensed world-wide to perform investigative and forensic audits and have achieved international recognition for their innovations particularly in the field of computer forensics. Our forensic department has been called upon by law enforcement agencies as well as the public and private sectors for assistance in the most complex and difficult of situations in Canada, the United States and the Caribbean.

TAXATION

Our office has a strong basis in federal and provincial tax issues. Our accountants work hard to minimize your taxes, yet make sure that you fulfill your tax requirements ethically while working to add value. We can fill a variety of tax needs, both domestic and international as well as corporate and personal.

FINANCIAL

LEVI & SINCLAIR can meet all of your basic financial needs with our exemplary Accounting Services Group that can truly add value whether it's your business or your personal finances that we are reviewing. We work with business entities as well as non-profits and foundations. Our accounting services include; auditing and compilation review of financial statements, budgets and forecasts, and government reporting. We won't simply process your financial statements, our mission is to add value. We will go the extra mile to help you forecast or locate opportunities that you may be missing.

BUSINESS CONSULTING

LEVI & SINCLAIR's Business Consulting unit has proven itself as a valuable resource to businesses of all kinds. We can help you plan your future, whether you see it coming or not. We can help you bring seminal business events to life; like mergers and acquisitions, business valuation, leases and contracts, or business development plans, all of which take a huge amount of planning and attention to detail. If there are no big events on your horizon, we can still be of service by helping you to anticipate the unexpected through our forecasting, real estate projections, risk management assessments, or our feasibility studies. We look at your business and all of its many facets, to find both issues and opportunities and bring that valuable insight to you.

LITIGATION SUPPORT AND DISPUTE RESOLUTION SERVICE AREAS

- **Civil and criminal Fraud Investigation**
- **Management and employee fraud and theft**
- **Identification of secret commissions and kickbacks**
- **Intellectual Property Litigation Support**
- **Training on fraud awareness and prevention**
- **Due Diligence Audits**
- **Business valuation**
- **Fairness opinions**
- **Insurance claim assistance**
- **Retail sales audits**
- **Contract dispute resolution**
- **Professional negligence litigation support**
- **Fraud prevention program design, implementation and evaluation**
- **Bank due diligence audits**
- **Employee background audits**
- **Financial discrepancy analysis**
- **Divorce litigation support**
- **Insurance claim quantification**
- **Breach of contract quantification**
- **Electronic Discovery and Data Recovery**
- **Computer forensics**

CONTACT INFORMATION

LEVI & SINCLAIR SENCRL
LLP

1303 Greene Avenue, Suite 400

Westmount, Quebec H3Z 2A7

Tel: (514) 931-7600 Fax: (514) 931-3600

Philip C. Levi, CFE, FCA, CPA/CFF, CA•IFA

plevi@levifca.com

SERVING CLIENTS WORLDWIDE THROUGH MEMBERSHIP IN

INTEGRA  INTERNATIONAL®

Your Global Advantage