

Henry J Bruyns & Associates

Accounting & Tax Professionals

33 Main St. S., Hagersville, On N0A 1H0

Telephone 905-768-0807 Fax (905) 768-1378 Email office@bruynsaccounting.com

Tax Deductions Summary for Farm Enterprises

Livestock: livestock you purchased

Feed: feed, supplements, straw and bedding

Seeds & Plants: seed & plants (do not include seeds and plants for personal vegetable or flower gardens)

Fertilizer & Lime: expenses you incurred for fertilizer and lime

Pesticides: herbicides, insecticides and fungicides

Containers Twine & Packing Materials: to package contain, or ship your farm product

Crop Insurance: the amount of deductible premiums for crop insurance

Custom Work: custom, contract work and machinery rental

Equipment Fuel: fuel and lubricant

Equipment Repairs: repairs, licence fee and insurance premium expenses

Building and Fence Repairs: all repairs to fences and all building used for farming except the farm house. Do not include the value of your labour

Electricity: only the part of your electricity that relates to farm use

Heating & Fuel: natural gas, coal, oil to heat farm buildings, also include the fuel used for crop drying

Office Expenses: postage, special delivery, letterhead, paper supplies, envelopes, pencils, pens, long distance telephone charges (unless you have a business phone) car telephone charges, Office equipment, furniture and fixtures can be claimed as depreciation expense.

Other Farm: leasing property for farming income, advertising, memberships, subscriptions and trucking

Veterinarian: medicine, breeding and vet fees (artificial insemination, stud service, semen, embryo transplant, disease testing, neutering or spaying)

Rent: land, building and pasture used for farming

Tax and Insurance: business, liability, health & other

Bank Charges & Interest: loan interest, Visa interest for purchasing products, money orders or certified cheques, traveler's cheques and monthly service charges

Promotion & Entertainment: trade show booths, business cards, signs, advertisements and promotional items

Marketing & Transport: expenses for delivery, shipping any distribution costs, commissions and marketing expenses, advertising costs

Legal and Accounting Fees: accounting and legal fees

Small Tools: if the tool cost less than \$200.00

Clearing, Levelling and Draining Land: clearing of brush, trees, etc., first ploughing of land for farm use, building an unpaved road, installing land drainage

Property Taxes: taxes on land, municipal and realty taxes you incurred for property used for farming

Salaries, Wages and Benefits: gross wages you paid your help, do not include the cost of board or dependants

Depreciation: any equipment, machines, tools, buildings, vehicles, furniture or fixtures may be depreciated and used as amortization or depreciation expense. This also may include non-tangible items such as goodwill, quota purchased etc. Also you may take existing asset you own that you plan to use for the business and roll them into the business at fair market value and claim depreciation expenses on them

Vehicle Expenses: keep track of kilometers for farm use, such as picking up parts delivering grain etc. Also keep track of cost to run and maintain the vehicle (gas, repairs, insurance, loan interest, licence)

Home Office Expense: if one room in your home used for the office you may be allow a claim for a percentage of the heat, hydro, mortgage interest, rent, property taxes, repairs & maintenance, water & sewer, hot water tank rental, etc.

We provide bookkeeping, accounting, business & financial advisory services to small and medium enterprises which also includes personal and corporate tax preparations.

Tax Deductions Summary for Small & Medium Enterprises

Home Office Expenses Example

Heat	1,200
Hydro	1,400
Insurance	500
Interest on Mortgage	5,000
Property Tax/ Rent	1,800
Repairs & Maintenance	500
Water/ Sewer	100
Other Expense	-
Water Heater Rental	300
	<u>10,800</u>

Vehicle Expense Example

Gas & Oil	6,000
Repairs & Maintenance	1,200
Insurance	1,000
License & Registration	74
Lease on Vehicle	-
Interest on Vehicle Loan	301
Car Washes	200
Parking	50
Other- Tolls, CCA Membership	50
Depreciation on Vehicle	<u>2,500</u>
	<u>11,375</u>

Personal Portion	85%	9,180
Business Portion	15%	<u>1,620</u>
		<u>10,800</u>

Personal Portion	20%	2,275
Business Portion	80%	<u>9,100</u>
		<u>11,375.00</u>

The percentage that is the business portion of the total automobile expense may be claimed. It is recommended that you keep a log book of auto travel to back your claim. Please make sure all invoices and receipts clearly describe what it is, and the HST/GST amounts are broken out or Canada Revenue may not accept invoice or receipts amounts.