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**Dear Howard,**

Please see the articles below and click through where indicated to read the topics which appeal to you, in more depth.

As you read this newsletter or browse my [Website](#), take the time to assess your needs. Please call me for a chat by phone or Skype, if there is something I can help you with. I also work with a team of strategic associates, as you will see below, for issues which may be better served by them. I can refer you as needed.

### **HAVING SECOND THOUGHTS?**

#### **About the income you declared to CRA!**



The Voluntary Disclosure Program ("VDP") in the past allowed taxpayers, anonymously, to correct previously filed or unfiled information with respect to their income and/or HST. CRA subsequently would collect the taxes owing, but in most cases, waive the penalty which could be as high as 100% of the taxes avoided plus interest, which was also sometimes reduced. If CRA comes knocking and discovers that you have unreported income and/or HST there is no forgiveness and

CRA assesses you for the taxes owing and the penalty of 100% of taxes avoided plus interest to date of payment. As of March 1, 2018, VDP is still available but has been tightened up. You now have to identify yourself up front to CRA and pay the estimated taxes owing on filing a VDP Application. Later CRA will deal with the penalty and interest owing, hopefully on the same favourable basis as before. Marmer Penner Inc. has an excellent summary of the situation in their [2018 newsletter](#) which is accessible by clicking and opening the PDF.

### **ARE YOU AN AMERICAN CITIZEN?**

#### **Canadian Eh! I am taking all your money!**



When a Canadian citizen moves abroad with all of their belongings, CRA usually does not tag along. That is not the case for Americans. Unlike Canada, the U.S. taxes its citizens regardless of where they reside. A U.S. citizen, living in Canada or elsewhere in the world, must file U.S. tax and information returns annually. Depending on the amount and types of assets you own, the U.S. tax filing requirement can be onerous. Failing to timely and accurately file the required returns may expose you to harsh IRS penalties. In many cases, a minimum penalty for failing to file a particular form is \$10,000, per year.

The IRS has amnesty programs to minimize such penalties. There is now a reporting requirement on all Canadian Banks to report its clients with American Citizenship to IRS. I work with [Veronika Chang, J.D., LL.M. \(U.S. Tax\)](#) who specializes in this area.

### **BUYING A HOME?**

#### **How does the new "Stress Test" affect my qualification for a mortgage?**



As of January 1, 2018 in addition to having to put down 20% of the purchase price, the qualification rules for the mortgage have been strengthened. In the past the mortgage lender qualified you using a mortgage payment based on the actual interest rate, for example 3.5%. Under the new rules notwithstanding that the interest rate is still 3.5%, you have to qualify for a mortgage that is theoretically 2% higher or 5.5%. Effectively the house you can now qualify for is 15 to 20% less house than the house you would have qualified for prior to Jan. 1, 18. It has now been a little over two months since this new regulation has been in force and I have some suggestions to help you should you find that you no longer qualify for the mortgage you need to purchase the house of your dreams. Please contact [me](#) as I can help.

## CHANGING THE TERMS OF YOUR WILL?

This is not a do it yourself project.



You may not be aware of it but as well as needing capacity to execute a Will, you also need capacity to revoke and change the terms of your Will. The capacity test is the same in both instances. Redrafting your Will with a lawyer not only assures that your wishes will be clearly set out in your Will but that there will be little chance of attacking the Will after your death on the basis of capacity. You have your lawyer and the other witness who will testify that you had capacity at the time of revoking your Will and executing your new Will.

While I am on the subject of Wills, I have always made it my practice to keep your original will in my Offices. There have been numerous times over the years when I have been called by clients who have mislaid their copy of their Will, which I had prepared. I have scanned and pdf'd all my Wills as prepared in the past and now as a matter of policy, each new Will is scanned and the old scan replaced. The scans are stored on my in-house server and also stored in the Microsoft Cloud Environment for ultimate security against loss of your Will. No Will would mean an intestacy on your death or even very expensive litigation over your estate. Please contact [me](#) with any questions about your Will and Powers of Attorney..

### IN SUMMARY:

As in past years, I support [The Children's Wish Foundation](#) which provides children living with life-threatening illnesses the opportunity to realize their most heartfelt wish. I hope you will take the time to look at their website and read about the wonderful work they do and consider making a donation.

As I have your email address already in my database, you have automatically been subscribed to these emails. Should you wish, you may unsubscribe at any time by following the instructions at the bottom of this or future emails. If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

*Howard S. Dyment*

Law Offices of Howard S. Dyment

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