



taxtips

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for small business owners

- Do you work out of your home? If it is your principal place of business or you use it regularly and exclusively for meeting clients, you may be able to claim some of your home expenses. This would be a prorated portion of your utility payments, property taxes, mortgage interest, and maintenance costs.
- If you use your car for business, you can claim the portion of your expenses relating to business use. Remember that restrictions apply to luxury vehicles. For 2009, the ceiling on capital cost allowance (CCA) claims is \$30,000 plus GST/HST and PST. Leasing costs are restricted to \$800 per month plus GST/HST and PST.
- If you use your vehicle for both personal and business travel, make sure you keep a log book to record the kilometers spent on business. Your claim may be denied or substantially reduced on audit if you have not documented your business travel.
- The CCA rate for computers and computer equipment was increased to 55% effective March 19, 2007. Lucky you if you bought your new computer on or after that date. Remember, in the year of acquisition of an item, you are allowed only half of the annual claim.
- If you are self-employed and pay premiums to a private health service plan, you may be able to deduct them as a business expense. In order to do so, either your income from self-employment must account for 50% of your total income or your income from other sources must be \$10,000 or less.
- Are you wondering whether or not you should attend a convention? Remember that the Canada Revenue Agency will only allow you to claim the cost of two conventions in any one year. The conventions must relate to your business or professional activity and be held within the geographic limits of where the sponsor of the convention usually does business.

For more information please call:



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