

# Tax and Estate Planning

## Get a tax post mortem

By **Jamie Golombek**

*If you filed your own tax return, consider having it reviewed by a pro, along with your notice of assessment*

The preliminary numbers are in. Last week, the Canada Revenue Agency released statistics regarding the 2008 tax return filing season, stating that the average refund for 2008 was about \$1,400.

Minister of National Revenue Jean-Pierre Blackburn cited the children's fitness tax credit, the public transit amount and pension income splitting, as three of the recent tax changes that may have contributed to this year's refunds.

As of the April 30th filing deadline, 19.9 million tax returns had been received, of which 12.8 million were filed electronically, up nearly 8% over 2007. Not surprisingly, many Canadians waited until the last minute to file, as the CRA reported receiving over a half-million returns electronically per day during the last three days of the filing season.

Although more recent statistics are not yet available, the number of Canadians filing their own returns hasn't changed much in the past number of years.

A 2003 survey found that nearly one-third of Canadians file their own tax returns each year as opposed to using an accountant. When asked why, the main response was, "my return is easy."

That may be true, especially in light of how far the tax software preparation programs have come in recent years. But keep in mind that if you are one of those do-it-yourself filers, it may be worthwhile taking your return, along with your Notice of Assessment, to a tax professional for a quick review.

While he or she may not find any errors with your handiwork, you might learn about possible tax-saving opportunities you have missed.

For example, in reviewing one tax return for 2008, I noticed that there was - believe it or not! - a substantial capital gain in 2008, buried among much larger capital losses. While the losses were indeed sufficient to wipe out any taxes owing on the capital gain, the individual had also made a significant charitable cash donation in 2008.

As you may know, a few years ago the government completely eliminated the capital gains tax on donations of publicly traded securities if donated in-kind to a registered charity.

If the individual had donated the appreciated stock to the charity in lieu of the cash gift, he would have been able to preserve some of those capital losses, carrying them back to 2005, 2006 or 2007, when he had reported gains. He would have received a refund for taxes paid in those years.

Rest assured he won't make that mistake again.

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