



### Travel Expenses: The Plane Truth

When you are traveling, it's a real pain to get lost, but it's an even bigger pain for your travel expenses to be lost in a CRA audit. Travel expenses have been claimed in cases where they aren't actually related to the business and the CRA is taking notice. To avoid making mistakes like claiming the money you lost gambling in Vegas or that trip to Disneyland with the kids, let's look at some useful tips.

**Don't go overboard.** If more than 10% of your expenses are travel, odds are good that the CRA will take a closer look at what you're claiming. That percentage goes even lower for large businesses. As a rule, you should generally try not to be too aggressive in claiming expenses that the CRA might consider personal rather than business related.

**What about family?** Unless you have a good reason for bringing your spouse with you on business travels, you shouldn't try to claim their expenses for the company. Some of those good reasons can include the fact that your spouse will be running your booth at a trade show or situations where it would be considered poor manners to not bring your spouse to a client meeting where they are bringing their own spouse. Unfortunately, for Timmy and Suzy, you shouldn't try to claim expenses for bringing your children with you.

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## Register for Employer Health Tax

Employers with B.C. remuneration above the exemption amount in a calendar year must register for the employer health tax. The exemption amount is \$1,500,000 per calendar year for registered charitable or non-profit employers. For all other employers the exemption amount is \$500,000 per calendar year.

If you are associated with other employers, you must share the \$500,000 exemption amount. If you begin or cease to have a permanent establishment in B.C. during the calendar year, the exemption amount is prorated. Registered charitable or non-profit employers don't have to share the exemption amount if they are associated with other employers.

### How to Register?

Employers who are taxable will first need to register for an employer health tax account using eTaxBC. The registration process will take approximately 10 to 20 minutes.

### To register, all applicants will require the follow information:

Your federal business number (BN)

A mailing address and business location address (if different)

The date your permanent establishment started in B.C. (if later than December 31, 2017)

Your incorporation number and date, if your business is incorporated

Some applicants will require additional documentation:

- Registered Charity
- Registered Charity Number
- Incorporated outside of B.C.
- A copy of your incorporation documents
- Partnership
- A copy of your partnership agreement

Once your registration is processed, you will receive an employer health tax account number in the mail. An employer health tax account number is 11-characters long and will be in the following format: EHT-1234-5678.

Note: If your online application contains errors, the application will be processed manually. This will delay the time it takes for you to receive your registration number.

Once you have your employer health tax account number, enrol for access to eTaxBC to manage your account, file returns and make payments online. If you already have an eTaxBC account, log on and add access to your employer health tax account.

### When am I required to register by?

If you must pay an instalment for employer health tax in the 2019 calendar year, you must register by May 15, 2019.

All other employers that are required to register must register by December 31, 2019.

Reference: <https://www2.gov.bc.ca/gov/content/taxes/employer-health-tax/employer-health-tax-overview/eht-register>

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**Mixing business and pleasure.** So long as your primary purpose for a trip is business and you can back it up with proof such as a list of clients you're meeting, you're able to claim it as a business expense. You can also deduct 50% of those nice dinners you had with clients and the entertainment you went to with them. That 50% limit also applies to meals and entertainment costs while you're travelling on the plane, train, or bus so long as those costs are not included in the ticket price.

**Convention limits.** Before you can even consider deducting the cost of going to a convention you need to ask two questions:

1. Is this related to my business?
2. Does this apply to the area where I conduct my business?

You're allowed to deduct the cost of up to two conventions per year, though that can go up if your business operates in multiple segments. If your business operates in both logging and construction, you can deduct two logging conventions and two construction conventions. If meals and entertainment are provided as part of the convention's fees but not shown separately on the bill, you subtract \$50 for each day the convention provides meals and entertainment. The 50% limit on deductions applies to the total amount you subtract from the convention fees.

With this advice in mind, you'll have smooth sailing as you keep track of and claim your travel expenses.

References: <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/sole-proprietorships-partnerships/business-expenses/convention-expenses.html>

<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/sole-proprietorships-partnerships/business-expenses.html#trvl>

<https://business.financialpost.com/entrepreneur/0213-biz-cc-camilla>

## What's New at DMC...

Please join us in welcoming Kylie Erb to our team!



## **Screens: Keeping an Eye on Your Health**

Chances are you've either heard or said these familiar words, "Don't sit so close to the screen, you'll ruin your eyes!" Unfortunately, there's some truth to those words and optometrists are seeing it more and more often. Computer Vision Syndrome affects adults as well, especially as we spend more time looking at screens in our personal time and work hours. So rather than realize the negative health impacts in hindsight, let's look at some ways to avoid the danger of constant eye strain.

**Beware of Glare.** Try to reduce glare being reflected from other light sources by dimming the lights in the room or using an anti-glare screen cover. You can also position your screen so it sits perpendicular to your windows or other sources of bright light.

**Keep it Clean.** Smudges and dust on your screen can force your eyes to work harder than normal to focus on the screen. Plus, it never hurts to keep things tidy.

**20/20...20?** The 20-20-20 rule is a recommendation to try taking 20 second breaks every 20 minutes. Focus on something at least 20 feet away to give your eyes a short break.

**Blink or you'll miss it.** Normally we blink around 12 times per minute, but while we're focusing on the screen, we only blink 5 times every minute. To avoid drying out your eyes, try to train yourself to blink more often while you're at the screen and use eye drops to relieve your dry eyes.

**Through the Looking Glass.** If you're wearing glasses, there are some extra ways to help prevent eye strain. Having your lenses made with an anti-reflective coating will alleviate some of the glare caught by your glasses. You can also ask for lenses that are designed to reduce the effort of focusing on a computer, including a wider field of view for large screens or multiple monitors.

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