

Questions or comments? Email us at office@logankatz.com or call 613-228-8282 ext 0

This 'n That at Logan Katz ...

Third Annual Ottawa Small Business Forum

LK will be one of the partners joining the City of Ottawa in hosting the third annual *Ottawa Small Business Forum* at the Ottawa Congress Centre on February 16, 2007.

Please join us for a unique learning and networking opportunity that will focus on supporting the success and growth of Ottawa's small and medium sized businesses. The *Ottawa Small Business Forum* will provide you with the valuable tools, resources and information you need to Expand your Knowledge, and Expand Your Business! For more information, visit:

<http://ottawabusinessforum.ca/>

January Breakfast Seminar

Our 2006-2007 Breakfast Seminar Series continued in January with *Captain Bob Garrow* charming a room-full with his *Timeless Leadership Principles*. We were thrilled with the participants providing glowing reviews of the presentation. Our 2006-2007 program continues in February – see below.

The planning for our 2007-2008 *Breakfast Seminar Series* is just around the corner. Please do not hesitate to send themes and/or speakers our way. The objective of our *Breakfast Seminar Series* is to provide our clients and friends with complimentary information you can hopefully use in tackling your day-to-day business hurdles.

Tax Planner Guides

Our 2006-2007 Personal Tax Guides are available – please give us a call now for your complimentary copy.

Upcoming Breakfast Seminars

February 22, 2007

Charles Rotenberg,
Drache LLP
"Succession Planning"

March 22, 2007

Steve Lewis, CIBC Wood
Gundy Securities Inc.
"Income Trusts"

2007 Tax Changes

Vroom! Vroom! - 2007 Automobile Deduction Limits

The automobile deduction limits and prescribed rates for 2007 remain unchanged from 2006, and are as follows:

- the ceiling on the capital cost of passenger vehicles for capital cost allowance (CCA) purposes is \$30,000 (plus federal and provincial sales taxes).
- the limit deductible leasing costs is \$800/mth (plus applicable federal and provincial sales taxes).
- the maximum allowable interest deduction for amounts borrowed to purchase an automobile is \$300/mth.
- the limit on the deduction of tax-exempt allowances paid by employers to employees using their personal vehicle for business purposes is 50 cents per km on the first 5,000 km, and 44 cents on additional km.

Play Ball! Face Off! Huddle! Time Out! -

New Children's Fitness Tax Credit

Effective January 1, 2007, families will be able to claim a tax credit to cover eligible fees up to \$500 for enrollment in physical activity programs for each child under 16.

Eligible fees would be those paid for an *ongoing program*, suitable for children, in which substantially all (considered as 90% or more) of the activities undertaken include a *significant amount* of physical activity that contributes to cardio-respiratory endurance plus one or more of: muscular strength, muscular endurance, flexibility, and balance.

Ongoing program is defined as a minimum of 1 session per wk for 8 wks or a minimum duration of 1 wk (equating to 5 consecutive calendar days) for a camp.

Significant amount is defined as a minimum of 30 minutes of sustained moderate to vigorous physical activity for children under 10 (60 minutes for children 10 and over).

The tax credit would cover the following costs:

- seasonal or membership fees paid at mixed-use facilities and community centres (for organizations that sponsor more than just physical activities, only the portion of the membership fee that is activities-based would be eligible).
- where family memberships are paid, a portion of the fee related to the child/children would be eligible. Drop-in fees are not eligible.
- fees charged for extra-curricular teams or programs that take place at a school that are managed by either a third-party or the school itself.

- fees for camps that emphasize a physical activity theme (as defined).

You will need to ensure that you receive a receipt from the organizations providing the eligible programs. The organization will determine the part of the fee that qualifies.

Please be advised that there are special provisions related to children with disabilities.

There Are Limits to What You Can Give - Federal Political Donations

As of January 1, 2007 the following limitations have been placed on federal political donations:

Individuals are allowed to contribute

- up to \$1,100 per year to each registered party
 - up to \$1,100 per year to the registered associations, nomination contestants and candidates of each registered party
 - up to \$1,100 to the contestants in each registered party leadership contest
 - up to \$1,100 per election to each independent candidate
- Cash donations of more than \$20 are no longer allowed.

Corporations, trade unions, associations and groups can no longer make political contributions.

A Bit of a Raise - Increase in Minimum Wage

As an Ontario employer, be advised that the minimum wage is going up effective February 1, 2007.

Wage Category	Current Wage Rate	Feb. 1, 2007 Wage Rate
General minimum wage	\$7.75/hour	\$8.00/hour
Students under 18	\$7.25/hour	\$7.50/hour
Liquor server	\$6.75/hour	\$6.95/hour
Homeworkers	110% of minimum wage	110% of minimum wage

To find out more about the new minimum wage guidelines, please visit the Ministry of Labour web site (www.labour.gov.on.ca)

The standard minimum wage in Québec remains at \$7.75/hr until May 1, 2007, at which time it will also increase to \$8.00/hr.

LOGAN KATZ LLP BREAKFAST SEMINAR SERIES—SNEAK PREVIEW!

Succession Planning—Charles Rotenberg, Drache LLP

Did you know that 40% of small business owner-managers are expected to retire in the next 10 years and that statistics show that more than 70% of family-owned businesses do not survive the transition from founder to second generation. Succession planning is about finding the right strategy to hand over your business to someone else, whether it is to family or an outside party. This type of planning should be a priority for every family business.

Succession planning relates to several issues including business, tax and estate planning. To find out more about planning for the future, be sure to sign up for our upcoming breakfast seminar on February 22 when Chuck Rotenberg of Drache LLP will speak on Succession Planning.

Watch for your invitation coming soon and reserve your seat quickly – our breakfast seminars are consistently filled up!

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