

Budget 2008 Green Provision Big for Riding



Ed Komarnicki, M.P., Minister of Natural Resources, Gary Lunn, and Minister of the Environment, John Baird, in the House the week of Budget 2008 that allocated \$240 million to Estevan. Ministers Lunn and Baird visited Souris- Moose Mountain last year to see first hand the potential that exists in the riding for carbon capture and storage and clean coal technology.

The federal government's investment of \$240 million has the potential to leverage a \$1.4 billion capital investment in carbon capture and storage and clean coal technology. This will provide a solid base for enhanced oil recovery, more jobs and significant economic spin-off.

The budget additionally provides:

- \$66 million to help establish a price for carbon and to support the development of carbon trading in Canada;
- A capital cost allowance rate for compression and pumping equipment on CO2 pipelines of 15% and an increase of the rate from 4% to 8% on CO2 pipelines transporting CO2.

The province plans to rebuild and then re-power a coal fired generation unit at Boundary Dam so as to produce 100 megawatts (MW) of clean power while reducing greenhouse gas emissions by about one million tonnes per year.

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Strong Leadership. A Better Canada.

Ed Komarnicki

Member of Parliament
Souris-Moose Mountain

Are You Paying Too Much Tax?

Learn how to get the most out of
recent tax cuts on your 2007 return.



**\$240 Million in 2008 Federal Budget for Carbon
Capture and Storage and Clean Coal Technology**

**Province plans to use funds at Estevan's
Boundary Dam**

You pay too much tax.

With Conservatives, you are paying less tax.

We have:

- Cut the GST to 5%.
- Lowered income tax, retroactive to January 1, 2007.
- Delivered targeted tax cuts to students, families and seniors.

But believe it or not, many Canadians still don't claim all they are entitled to. Are you paying more than you need to?

Make sure you get back all you're entitled to by reading this booklet. It is full of tax measures that our Conservative Government has introduced to benefit hard-working Canadians.

Budget 2008 highlights:

- \$5,000 annual contributions to Tax Free Savings Account;
- Permanent extension of federal Gas Tax funding to municipalities;
- \$350 plus million for a new and extensive Canada Student Grant Program;
- \$400 million to recruit 2,500 new police officers;
- Improving access to \$3.3 billion in potential cash advances to livestock producers;
- \$50 million initiative for sow cull program;
- Increase in the Guaranteed Income Supplement exemption from \$500 to \$3500 to support seniors;
- \$250 million for the development of greener, more fuel efficient vehicles;
- \$440 million for research and innovation



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from Infrastructure Funding

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Town of Oxbow – Arena Upgrade

MRIF funding: \$48,910; Project cost: \$97,820

The project includes adding new roof trusses to the curling rink to eliminate ice-buildup; increasing the size and entrance of washrooms to meet accessibility requirements for physically disabled persons; and construction of a new women's dressing room.

Village of Alida – Outdoor Swimming Pool

MRIF funding: \$116,530; Project cost: \$233,062

The existing pool will be demolished and a new outdoor pool built on the same site. A shallow entry in the new 1394' leisure / lap pool will allow more people (toddlers to seniors), including physically disabled persons access to the pool.

Village of Manor – Community Rink Construction

MRIF funding: \$156,508; Project cost: \$313,019

The Village is building a new tarp structure rink to replace its recently demolished skating rink and curling facility. During summer months, the facility will be utilized for social functions.

Town of Moosomin – Communiplex Skating Rink Upgrade

MRIF funding: \$49,876; Project cost: \$99,750

The skating rink improvements include replacement of the boiler system, spray insulation of lobby roof, indoor door replacement as well as painting and general repair of the interior and exterior.

Town of Rocanville – Heating System Replacement at Aquatic Centre

MRIF funding: \$47,500; Project cost: \$95,000

The pool's entire heating system will be replaced including boiler, water heater, heat exchanger and pipes/controls.

Total MRIF funding: \$811,134

Total project costs: \$1,801,024



Ed Komarnicki, M.P., joined by the Honourable Dan D'Autremont, Minister of Saskatchewan Government Services, with Richard Lamontagne, President of the Oxbow rink board, and the Oxbow Junior Huskies at the Oxbow Arena following an MRIF announcement on January 21, 2008. (Photo Courtesy of the Oxbow Herald)

Local Communities Benefit

With infrastructure playing a vital role in maintaining the vitality of our Saskatchewan communities, I was pleased to make a series of announcements in January relating to new project funding for eight infrastructure projects in the riding of Souris-Moose Mountain. The funding for these projects flowed through the Canada-Saskatchewan Municipal Infrastructure Fund (MRIF), a joint federal/provincial fund, with the investments helping to revitalize some of our local recreational facilities.

These investments help build, modernize and make our communities vibrant places to work and raise families. A list of the project descriptions and contribution amounts is as follows:

City of Weyburn– Leisure Centre Pool Basin Reconstruction **MRIF: \$250,000; Project cost: \$678,750**

The City will use its MRIF funding to replace the Centennial Outdoor Pool's basin. The Centennial Pool's basin, which was constructed in 1967, is nearing the end of its lifespan and is losing water through cracks that have developed. The new basin will provide Weyburn residents with a new, more efficient pool to use in the summer months.

Town of Midale – Recreation Facility Upgrade **MRIF funding: \$42,056; Project cost: \$84,113**

The Town is upgrading its recreation facility by installing new windows and a new metal roof. It is also building a lift to the facility's upper level to allow access for all residents, including those with physical challenges.

Town of Bengough – Community Centre Addition **MRIF funding: \$99,754; Project cost: \$199,510**

Bengough is expanding its community centre to host large capacity events. The expanded facility will be the largest of its kind in the area, potentially serving nearby Coronach, Big Beaver, Ogema, Pangman, Kayville, Ceylon and Viceroy.



MRIF Announcement at the Weyburn Leisure Centre January 22, 2008. (L-R) Madonna Unterreiner, Mayor of Bengough; Doreen Eagles, MLA; Joe Vilcu, Reeve of the R.M of Cymri; Ed Komarnicki, M.P.; Deborah Button, Mayor of Weyburn; and Dustin Duncan, MLA.



MRIF Announcement in Moosomin, SK on January 21, 2008. Also in attendance were Don Toth, MLA and Speaker for the Legislative Assembly, Stan Langley, Deputy Mayor of Rocanville, and Larry Miskiman, Mayor of Moosomin.

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General Information

For more information on the tax programs listed in this guide please visit:
www.cra.gc.ca or call 1-800-267-6999

To download any of the forms and publications required to take advantage of the programs listed in this guide please visit:
www.cra.gc.ca/formspubs/menu-e.html

For help accessing My Account, or using NETFILE, TELEFILE.
1-800-714-7257

Goods & Services Tax (GST) Credit

The GST credit is a tax-free quarterly payment that helps individuals and families with low and modest incomes offset all or part of the GST that they pay.

To receive the GST credit, **you have to apply for it**, even if you received it last year. On page 1 of your return, check the "Yes" box in the GST/HST credit application area and enter your marital status in the Identification area. If you did not apply for it in the previous year, complete and send Form T1-ADJ, T1 Adjustment Request, or write a letter to your tax centre stating you would like to apply for the GST credit. Include your SIN and, if applicable, your spouse or common-law partner's SIN and net income.

If you have a spouse or common-law partner, be sure to complete the information in the identification area on page 1 of your return. Include his or her net income, **even if it is zero**. Enter his or her SIN if it is not on your personal label or if you are not attaching a label. Without this information, your application may be delayed. Only one of you can apply for the credit. **No matter which one of you applies, the credit will be the same. You must file your tax return every year to remain eligible.**

Need help? Please call 1-800-959-1953

Claiming Medical Expenses

You can claim eligible medical expenses paid for by you or your spouse or common-law partner for medical expenses incurred by:

- Yourself;
- Your spouse or common-law partner; or
- Your or your spouse or common-law partner's children born in 1990 or later and who depended on you for support.

You can claim medical expenses paid in any 12-month period ending in 2007 and not claimed in 2006. Generally, you can claim all amounts paid, even if they were not paid in Canada. If you are filing a return for a person who passed away in the tax year, these amounts can be claimed for any **24-month** period prior to the date of death, if they were not claimed for any other year.

Need help? Please call 1-800-959-8281, or go to www.cra.gc.ca



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Update from Around the Riding...



Over the past couple of years I have had the great pleasure of participating in the Charles Dickens Village Festival in Carlyle. It is a tremendous event that takes place in December and a unique way to celebrate the joys of the season. This year I won a polar fleece blanket when my name was drawn at King's Department Store. The blankets are absolutely the best.



On December 1, 2007, I had the privilege of attending a special event in Glen Ewen commemorating the 50th Anniversary of Arne Hansen Ltd., a family gravel business in Glen Ewen founded and operated by Arne and Rose Hansen. From rather humble beginnings, Arne's operation grew to a business that has had a significant impact on the communities of Glen Ewen, Oxbow, Carnduff and surrounding areas. What a great success story and an inspiration to all entrepreneurs.



In February of this year I presented a letter to John Baird, Minister of the Environment and Minister Responsible for Parks Canada, offering my endorsement to have the Town of Fleming's elevator designated a National Historic Site. The elevator in Fleming is the oldest surviving grain elevator in Saskatchewan dating back to 1895. This elevator represents something of a prairie icon that characterizes a part of our Canadian heritage and Saskatchewan's farming industry. The painting in this picture is a depiction of the Fleming elevator by artist Heather Robbins.

Tax Information for Students

Education Tax Credit

You can claim this credit for **each whole or part month** in 2007 in which you were enrolled in a qualifying educational program. If you were under 16 at the end of the year, you can claim this credit **only** for courses you took at the post-secondary level.

Generally, you **cannot** claim the education credit if you:

- Received a grant or were reimbursed for the cost of your courses from your employer or another person with whom you deal at arm's length, other than by award money received;
- Received a benefit as part of a program (such as free meals and lodging from a nursing school); or
- Received an allowance for a program such as a training allowance.

The following credits apply for each month in which you were enrolled:

- If you were enrolled full-time, you can claim \$400 per month;
- If you attended only part-time and you can claim a credit on line 316 - Disability credit, you can claim \$400 per month;
- If you could attend only part-time because you had an impairment that restricted you in one of the activities listed at line 316, but your condition was not **severe** and **prolonged**, you can claim \$400 per month. In this case, have an authorized person either complete Part 3 of Form T2202 or give you a signed letter certifying your impairment;
- If you were enrolled part-time, you can claim \$120 per month.

Note: You can claim the education credit if you received a salary or wages while you were taking courses related to your job. This change applies to 2004 and subsequent years.

Textbook Tax Credit

You can claim the textbook credit if you are eligible to claim the education credit.

If you are eligible to claim the education credit:

- Claim \$65 for each month you qualify for the full-time education credit or
- Claim \$20 for each month you qualify for the part-time education credit.

Need help? Please call 1-800-959-8281



Child Disability Benefit (CDB)

The Child Disability Benefit (CDB) is a tax-free benefit of up to \$2,351 per year (\$195.91 per month) for each child under age 18 with a severe and prolonged impairment in mental or physical functions in accordance with the Income Tax Act. A prolonged impairment is one that has lasted or can reasonably be expected to last for a continuous period of at least 12 months.

Applying for the Child Disability Tax Credit

The CDB is based on your income and is available to all those who qualify for the Canada Child Tax Benefit (CCTB). To receive the CDB, you must complete Part A of Form T2201, Disability Tax Credit Certificate, and have Part B completed and signed by a qualified practitioner. Send the completed form to your tax centre. These applications are processed throughout the year, so you don't have to wait until it is time to file your tax return to send in your form.

Need help? Please call 1-800-959-8281

Child Care Expenses

Child care expenses are amounts you or another person paid to have someone look after an eligible child so that you or the other person could: earn income from employment; carry on a business either alone or as an active partner; or attend school.

The child must have lived with you or the other person when the expense was incurred for the expense to qualify. Usually, you can only deduct payments for services provided in Canada by a Canadian resident. The parent with the **lower net income** must claim the child care expense.

Child care expenses can only be claimed for an eligible child, which is defined as your or your spouse or common-law partner's child; **or** a child who was dependent on you or your spouse or common-law partner, and whose net income in 2007 was \$9,600 or less.

The child must have been **under 16** years of age at some time in the year. However, the age limit does not apply if the child was dependent on you or your spouse or common-law partner and was mentally or physically infirm.

**To deduct child care expenses, please see:
Form T778, Child Care Expenses Deduction for 2007**

Need help? Please call 1-800-959-8281

Children's Fitness Tax Credit

Starting in 2007, a non-refundable tax credit will be available on eligible amounts of up to \$500 paid by parents to register a child under 16 years of age (on January 1, 2007) in an eligible program of physical activity. As with most other non-refundable tax credits, the credit is calculated by multiplying the eligible amount by the lowest marginal tax rate (15% in 2007).

In order to qualify for the tax credit, a program must be:

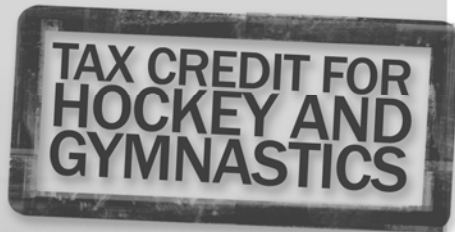
- Ongoing (either a minimum of eight weeks duration with a minimum of one session per week or, in the case of children's camps, five consecutive days);
- Supervised;
- Suitable for children; and
- Substantially all of the activities must include a significant amount of physical activity that contributes to cardio-respiratory endurance, plus one or more of muscular strength, muscular endurance, flexibility, or balance.

You can only claim fees that are related to the cost of registering a child in an eligible program of physical activity. You can claim the tax credit for each child who was under 16 at any time during the year, provided that another person has not already claimed the same fees and that the total claimed does not exceed the maximum amount that would be allowed if only one of you were claiming the tax credit. The year in which the tax credit can be claimed is determined by the date when the fees are paid, not when the activity takes place.

Don't forget to ask for a receipt

You should request a receipt from organizations providing eligible programs of physical activity in which your child is enrolled. The organizations will determine the part of the fee that qualifies for the tax credit.

Need help? Please call 1-800-959-8281



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Employed Apprentice Mechanics

If you are an eligible apprentice mechanic, you may be able to deduct a part of the cost of eligible tools you bought in 2007 over and above the tradesperson's deduction for tools.

Are you an eligible apprentice mechanic? You are if you are:

Registered in a program established in accordance with the laws of a province or territory that leads to a designation under those laws as a mechanic licensed to repair self-propelled motorized vehicles (such as automobiles, aircraft, boats, or snowmobiles); and

- Employed as an apprentice mechanic.

An eligible tool is a tool (including associated equipment such as a toolbox) that:

- You bought to use in your job as an eligible apprentice mechanic and was not used for any purpose before you bought it; and that
- Your employer certified as being necessary for you to provide as a condition of, and for use in, your job as an eligible apprentice mechanic.

Need help? Please call 1-800-959-8281

Tuition Tax Credit

Eligible tuition fees

The purpose of the tuition tax credit and the education and textbook credit is to allow students to reduce their income taxes by taking into account eligible tuition fees and the education and textbook credits.

Generally, a course qualifies if it was taken at the post-secondary level or (for individuals aged 16 or over at the end of the year) it develops or improves skills in an occupation and the educational institution has been certified by Human Resources and Social Development Canada (HRSDC).

In addition, you must have taken the course in 2006 or 2007. Not all fees can be claimed. More than \$100 for the year must have been paid to each educational institution whose fees you claim.

Forms you should have received

For you to claim tuition fees paid to an educational institution in Canada, your institution has to give you either an official tax receipt or a completed Form T2202A, Tuition, Education, and Textbook Amounts Certificate.

For you to claim tuition fees paid to an educational institution outside Canada, your institution has to complete and give you either Form TL11A, Tuition, Education, and Textbook Amounts Certificate - University Outside Canada, Form TL11C, Tuition, Education, and Textbook Amounts Certificate - Commuter to the United States, or Form TL11D, Tuition Fees Certificate - Educational Institutions Outside Canada for a Deemed Resident of Canada, whichever applies.

Need help? Please call 1-800-959-8281

Tradesperson Deduction for Tools

If you were a tradesperson in 2007, you may qualify for a new tax deduction for the cost of eligible tools you bought after May 1, 2006.

The total cost of eligible new tools acquired by an employed tradesperson in a taxation year, in excess of \$1,000, are deductible up to a maximum of \$500 for that year.

For the cost of tools to qualify for the deduction you will need to complete two forms. To claim your credit, you will need to attach a completed Form T777, Statement of Employment Expenses, to your income tax return. Your employer will have to certify (using Form T2200, Declaration of Conditions of Employment) that you are required to acquire those tools as a condition of, and for use in, the employment.

Need help? Please call 1-800-267-6999

Apprenticeship Job Creation Tax Credit

This is a non-refundable tax credit equal to 10% of the eligible salaries and wages payable to eligible apprentices in respect of employment after May 1, 2006. The maximum credit an employer can claim is \$2,000 per year for each eligible apprentice.

Who is an “eligible apprentice”?

An eligible apprentice is someone who is working in a prescribed trade in the first two years of their apprenticeship contract.

The contract must be registered with a federal, provincial or territorial government under an apprenticeship program designed to certify or license individuals in the trade. A prescribed trade includes the 45 trades currently listed as Red Seal Trades. A full listing of eligible trades is available at www.red-seal.ca.

To Claim: If you are an employer, you will be able to claim the credit on your Income Tax Return, on line 412 - Investment tax credit, by filing Form T2038 (IND), Investment Tax Credit (Individuals). In addition, any unused credit may be carried back 3 years and carried forward 20 years.

Need help? Please call 1-800-959-5525



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Age Tax Credit for Seniors

Under the Tax Fairness Plan, the amount of income eligible for the non-refundable age tax credit increased by \$1000. The age credit is targeted to low and middle income Canadians aged 65 or older on December 31, 2007. Increasing the age credit amount also means that more middle income seniors will be eligible for a portion of the credit.

For 2007, the non-refundable Age Amount is \$5,177 for an individual with net income up to \$30,936. The amount is reduced by 15 cents for every additional dollar of net income above this limit and is fully phased out when net income reaches \$65,449.

In the 2008 tax year, these amounts will again increase to ensure that minor income increases do not make Canada's seniors ineligible when filing their tax returns next year.

To calculate your eligibility, please refer to Line 301 on the Federal Worksheet 5000-D1. The age credit can reduce taxes to zero. Although unused portions will not be refunded, they may be transferred to a spouse or common-law partner to reduce his or her taxes owing.

Need help? Please call 1-800-959-8281



Budget 2008 Update:

Our government believes we can do more to deliver support for our seniors. That is why in Budget 2008 we increased the Guaranteed Income Supplement exemption to \$3,500, from the current maximum of \$500. This helps remove the disincentives to work for some seniors providing a direct benefit for low-modest income seniors who choose to remain in the work place.

Pension Income Splitting for Seniors

How will pension income splitting work?

Both the individual receiving the eligible pension income and his or her spouse or common-law partner must agree to the allocation in their tax returns for the year in question. The pension income splitting allocation will be available for the 2007 and subsequent tax years and must be made one year at a time.

How much pension income can an individual split?

Up to 50 per cent of eligible pension income.

What income qualifies?

- Income in the form of a pension from a registered pension plan (RPP), regardless of the recipient's age (i.e. a pension from an employer-sponsored defined benefit plan or defined contribution plan); and
- Income from a registered retirement savings plan (RRSP) annuity, a registered retirement income fund (RRIF), a LIF (a locked-in RRIF), or a deferred profit sharing plan (DPSP) annuity, if the recipient is 65 years of age or older.
- While CPP income does not qualify as eligible pension income for the pension income credit, existing rules already permit CPP pensioners to split their CPP retirement benefit.
- Spouses or common-law partners who are both at least 60 years of age can share up to 50 per cent of their CPP retirement benefit, with the split between the partners determined by the number of years they lived together during the period they were required to contribute to the plan.

Does pension income splitting really matter?

Jonathan Chevreau offered the following example in the November 1, 2006 National Post involving two retired couples with equal household incomes of \$62,000. One couple has incomes of \$51,000 and \$11,000, while the other has incomes of \$31,000 each. Until now, the first couple paid \$2,400 more in income tax each year. Beginning in 2007, that penalty has disappeared and each couple now pays the lower amount.

Need help? Please call 1-800-959-8281



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Benefits for Farmers

Capital Cost Allowance (CCA)

Many farmers will acquire a depreciable property, such as a building, machinery, or equipment, to use in their farming business. You cannot deduct the cost of the property when you calculate your net farming income for the year.

However, because these properties may wear out or become outdated over time, you can deduct their cost over a period of several years. The deduction for this is called capital cost allowance (CCA). Similar types of depreciable properties are grouped into various classes of capital cost. The class will determine the amount of CCA you can claim. Recent tax changes have in some cases accelerated the CCA deductions making it more effective for business including farmers.

Capital Gains

When you sell or transfer qualified farm property, it may also include a gain or loss from a mortgage foreclosure or conditional sales repossession. The lifetime capital gains exemption was recently increased from \$500,000 to \$750,000, meaning you will pay significantly less tax through the sale of qualified farm property over your lifetime.

If you have a capital gain when you sell qualified farm property or qualified fishing property, you may be eligible for the \$250,000 per transaction capital gains deduction.

Need help? Please call 1-800-959-5525

Budget 2008 Update:

A strong agriculture and agri-food sector is critical to our economy. Budget 2008 references additional support that will benefit the livestock sector.

- Improving access to \$3.3 billion in potential cash advances to livestock producers under the Advance Payments Program by revising the security requirements for emergency advances and increasing the emergency advance available to producers from a maximum of \$25,000 to \$400,000. Producers can keep payments received under Agri-Stability and at the same time use cattle inventory as security for advances.
- Providing \$50 million to deliver a sow cull program to help reduce the supply of breeding stock in Canada and restructure the industry .

**SAVINGS FOR
FARMERS**