



## Bean Counters' Quarterly

March 2022



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### GREETINGS! WELCOME TO THE MARCH 2022 ISSUE!

This March issue is a bit of a mix: a somewhat somber reflection of world events and yet a joyous celebration of life in general and a celebration of spring starting.

We've got moments of reflection and struggle in this issue, but also fun and levity! These are tough times. These have been tough times, collectively, for quite a while. Some might argue, when were the times not tough, and there's truth in that, but we try to remain generally positive. Still, most everyone on the planet would agree we've all had tough times, but so many of us haven't had it as tough as it is for others. So embedded in almost every thing we write is...gratitude!! We must take opportunity to relish the joy in life and keep hope for humanity.

**Hope is powerful: to help the people in Ukraine to keep up the fight; to encourage people everywhere to give or to help or to pray; to help show a way through hard times and even horrific times.**

On the levity side of things, Steve answers a question about asking a Tax Season Fairy for 3 wishes (yes, you read that right...a Tax Season Fairy...Steve is very cooperative), so you'll want to read his reply in **the Dialogue** section.

We've included an excerpt of an article discussing the **CRA Principal Residence Exemption (PRE) crackdown** that has been growing over the past 2-3 years, with taxpayer education and some enforcement. The article discusses the possibility of removing the PRE on sale of property within 12 months of purchase, in the upcoming spring Federal Budget.

You'll want to read updates in the **About Us** section. The team is busy, of course, but certainly we are all very much aware of the horrible and tragic events going on in Ukraine. It makes us so mindful about appreciating our freedom, our families being safe, our ability to go about our daily lives, and even to look forward to summer or time off. Watching the Ukraine situation unfold daily is extremely difficult and heart-wrenching, but also a big reminder to be grateful, hug our family, live fully, and to, hopefully, figure out how to help others in some way (any 'others', as the needs are many, across the globe, not just Ukraine, so it's important to figure out 'where/how is my help going to make a difference').

On that note, in **our Spotlight** section we wanted to highlight at least a couple of organizations that are **supporting Ukraine**. One is a large, well known organization helping children around the world, and often in war zone situations - **UNICEF Canada**. The other, perhaps lesser known, but really a force for good right now - the **CANADA-UKRAINE FOUNDATION**. I hope you'll read about both of these excellent organizations below, but also consider what aligns with your values or ideology, where can you make a difference that is also meaningful to you. We also mention that there are organizations that are big, small, corporate, grassroots, and/or creative. Whatever seems a good fit for you.

Our book recommendation might be very timely. It is widely accepted that we now live in a very different world, post pandemic, and many of those changes we've seen will not be going away. This is the new normal. For many people, accepting changes and adopting new ways of thinking about it, is very difficult. The #1 New York Times bestselling book called **THINK AGAIN: The Power of Knowing What You Don't Know** by [Adam Grant](#) [helps us examine the critical art of rethinking.](#)

**"It's an invitation to let go of views that are no longer serving us well and prize mental flexibility over foolish consistency. If knowledge is power, knowing what we don't know is wisdom."** Adam Grant is an organizational psychologist, author, and is a top-rated professor at Wharton's Business School for over 15 years.

We hope you enjoy this edition, and take time to enjoy the spring season, in all its glory (namely warmer weather and the start of nature's rebirth!).

*Steve, Sherry, Ana, Andre, Derek, and SherryK.*



## Dialogue Department

Here's our question/topic for this issue:  
***"If there was a Tax Season Fairy who granted Accountants three wishes...what would you wish for?"***  
[side note: Where do we go to be able to WISH for a Tax Season Fairy? LOL]

Our reply for this quarter is from:  
**Steve Kirkham:**

**STEVE:** "Well, without stating the obvious.....my wishes would be:

-CRA actually having **all** tax slips in peoples' hands by March 10 at the latest

-no glitches with either our office computers or CRA's online system

-all of our clients bring us (all of) their documents by April 8 (that would be a true dream come true...LOL)"

Here's What I Have To Say - (send reply to) [\*\*steve@kirkhamca.ca\*\*](mailto:steve@kirkhamca.ca)



## CRA Principal Residence Exemption Crackdown

### ***Excerpt from Financial Post:*** **What you need to know as the CRA cracks down on principal residence exemptions**

Jamie Golombek: For a property to qualify as your principal residence, four criteria must be satisfied

Publishing date: Mar 17, 2022

If you sold your principal residence in 2021, you need to report that sale on your 2021 tax return, generally due on May 2, 2022, even if it fully qualifies for the principal residence exemption (PRE).

For a property to qualify as your principal residence for a particular tax year, four criteria under the Income Tax Act must be satisfied: the property must be a housing unit; you must own the property (either alone or jointly with someone else); you or your spouse (or common-law partner) or kids must "ordinarily inhabit" the property; and you must "designate" the property as a principal residence.

Note that a seasonal residence, such as a cottage, cabin, lake house or even ski chalet, can be considered to be "ordinarily inhabited in the year" even if you only use it during vacation periods "provided that the main reason for owning the property is not to gain or produce income."

A rental property, however, is generally not considered a principal residence, and you could be on the hook for capital gains tax if you sold one in 2021. Similarly, you may be precluded from claiming the PRE if you bought or built a home with the purpose of selling it for a profit.



## SPOTLIGHT

**KIRKHAM Chartered Accountants:** *We are using this edition to promote two charitable organizations who are doing great work helping in Ukraine.* However, choosing only two was a hard task, as there are so many great organizations helping in a variety of ways. We encourage you to find organizations

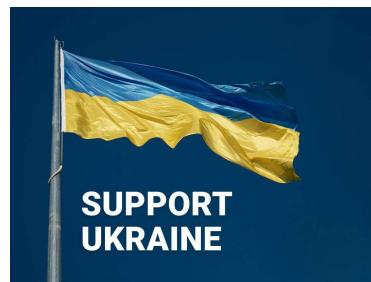
In recent years, the Canada Revenue Agency has been cracking down on perceived abuse of the exemption, most recently with a letter campaign, in which it sent letters to individuals “who may have applied the principal residence exemption (PRE) in error.”

### Changes afoot?

In the upcoming federal budget, we could see the formal introduction of the Liberals’ anti-flipping tax meant to “reduce speculative demand in the marketplace and help to cool excessive price growth,” as well as make it easier for the CRA to reassess perceived abusers of the PRE.

Promised as part of the party’s pre-election platform, the plan calls for removing the PRE from individuals who sell their principal residence within 12 months of purchase (or transfer of title), and treating the gains from the sale as taxable capital gains beginning in the 2022 tax year.

Read More: [Financial Post](#)



## Canada-Ukraine Foundation

**UCC-CUF Ukraine Humanitarian Appeal sends second aid provision, a further \$1.07 million, to support Ukrainian population impacted by Russian attacks**

March 10, 2022.

TORONTO/OTTAWA – The Ukraine Humanitarian Appeal announced a new total of \$17,000,000 CAD of donations made this week.

that are doing the work that is meaningful to you and give your support to them. The options range from very well known organizations (UNHCR), to a variety of companies helping with donations and matching their employees to get involved, to grass roots movements with individuals getting creative making 'bookings' with Ukraine AirBnB hosts so they can get money into their hands. Try to ensure you're supporting a reputable source of help, which doesn't mean that rules out small organizations, but perhaps do a little homework.

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### **UNICEF Canada**

#### **SEND HELP TO UKRAINE NOW**

Your gift to UNICEF's **Ukraine Emergency Fund** will be matched to help reach even more children and families in Ukraine with urgent humanitarian aid.

The war in Ukraine is a threat to the lives and well-being of the country's 7.5 million children.

Homes, schools and water treatment facilities are being damaged, and hundreds of thousands of families are being displaced.

Children need immediate protection. Please donate now and an anonymous donor will match your donation up to \$250,000. Your donation today will support UNICEF's ongoing response to the war in Ukraine by providing communities with:

- **Safe water and sanitation supplies**
- **Urgent medical aid and healthcare services**
- **Child protection including psychosocial care**
- **Education supplies**

UNICEF has been responding to the conflict in Ukraine since 2014 supporting children and families. We have expertise in

The Ukraine Humanitarian Appeal, established by the Ukrainian Canadian Congress (UCC) and the Canada-Ukraine Foundation (CUF), is immensely grateful to all Canadians for their generous support of humanitarian relief efforts in Ukraine. As Russia continues its vicious assault on Ukrainian civilians, indiscriminately shelling and bombing Ukrainian cities, the need for humanitarian aid grows every day.

"Canadians from coast to coast to coast are mobilizing in support of relief efforts for Ukraine. The kindness we have seen in the last weeks is both inspiring and overwhelming," stated Orest Sklierenko, President and CEO of CUF. "Canada is truly united in support of Ukraine and the Ukrainian people!"

**"The CUF/UCC Humanitarian Appeal has already delivered multiple tranches of aid, valued at over \$2 million.** Aid has been delivered wherever affected recipients are found, from heavily shelled areas in the north and east of the country, to areas in the west of Ukraine and in neighbouring countries where displaced families are in need of support."

#### **Canada-Ukraine Foundation**

responding to humanitarian emergencies in conflict zones, and have staff, field offices and partners across the country. We will continue to prioritize those in need.

**Unicef Canada**

### **Recommended Reading:**

**THINK AGAIN: The Power of Knowing What You Don't Know by Adam Grant**

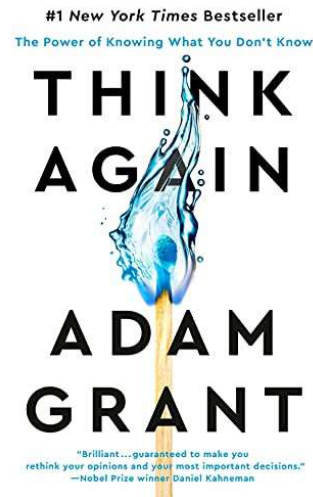
#### **ABOUT**

**#1 New York Times Bestseller**

**“THIS. This is the right book for right now. Yes, learning requires focus. But, unlearning and relearning requires much more—it requires choosing courage over comfort. In Think Again, Adam Grant weaves together research and storytelling to help us build the intellectual and emotional muscle we need to stay curious enough about the world to actually change it. I’ve never felt so hopeful about what I don’t know.”**  
**—Brené Brown, Ph.D., #1 New York Times bestselling author of Dare to Lead**

**The bestselling author of Give and Take and Originals examines the critical art of rethinking: learning to question your opinions and open other people's minds, which can position you for excellence at work and wisdom in life**

Intelligence is usually seen as the ability to think and learn, but in a rapidly changing world, there's another set of cognitive skills that might matter more: the ability to rethink and unlearn. In our daily lives, too many of us favor the comfort of conviction over the discomfort of doubt. We listen to opinions that make us feel good, instead of ideas that





make us think hard. We see disagreement as a threat to our egos, rather than an opportunity to learn. We surround ourselves with people who agree with our conclusions, when we should be gravitating toward those who challenge our thought process. The result is that our beliefs get brittle long before our bones. We think too much like preachers defending our sacred beliefs, prosecutors proving the other side wrong, and politicians campaigning for approval--and too little like scientists searching for truth. Intelligence is no cure, and it can even be a curse: being good at thinking can make us worse at rethinking. The brighter we are, the blinder to our own limitations we can become.

Organizational psychologist Adam Grant is an expert on opening other people's minds--and our own. As Wharton's top-rated professor and the bestselling author of *Originals* and *Give and Take*, he makes it one of his guiding principles to argue like he's right but listen like he's wrong. With bold ideas and rigorous evidence, he investigates how we can embrace the joy of being wrong, bring nuance to charged conversations, and build schools, workplaces, and communities of lifelong learners. You'll learn how an international debate champion wins arguments, a Black musician persuades white supremacists to abandon hate, a vaccine whisperer convinces concerned parents to immunize their children, and Adam has coaxed Yankees fans to root for the Red Sox. *Think Again* reveals that we don't have to believe everything we think or internalize everything we feel. It's an invitation to let go of views that are no longer serving us well and prize mental flexibility over foolish consistency. If knowledge is power, knowing what we don't know is wisdom.

## **THINK AGAIN**

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### **ABOUT US**

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**Sherry** says yes, it's tax time again. She is counting down the days to May 2nd. She's happy that the severe effects of Covid are starting to decline and that brings her hope for the future. It also means that she's spending more time at the curling rink throwing rocks with her friends. She says it's been so nice to have something fun to do when it's cold outside. And, because curling wasn't enough, her curling buddies also created a book club which gives them an excuse to get together outside of the rink. These ladies have made these last couple of years bearable. They stick together and keep each other strong. She feels so lucky to have them.

**Ana** says she's so glad that warmer weather is beginning so that she and her husband can start walking outside again. They are (he is) is a fair weather walker. They're making plans with friends to rent a cottage this summer for a week, it will be good to get away for a while. Other than that she says there's nothing really exciting happening in her world. Just work, home, repeat.

**Andre** says that just like everyone else he started his new year still working from home and having a mask on when going out. That has been the 3<sup>rd</sup> year. One good thing from the closures in January was that his son came back home from school to take online courses since Feb, and during March break, his daughter also came back home, so it was a very happy and rare reunion with all the family members for a week! On the work front, he's had some change/challenge as there is a new framework to complete Compilation statements, which had been used in the old format for many years. He has quite a few new things this year.



**Derek** says that during the pandemic he started listening to podcasts. They're a great way to escape and laugh or dig into something interesting and learn something new. He recommends if you're looking for a good laugh you should check out *SmartLess* with Jason Bateman, Sean Hayes and Will Arnett. The most interesting podcast he's listened to is the *Huberman Lab*. In one of his episodes, Andrew Huberman talks about The Cathedral Effect and how ceiling height impacts creativity. The higher the ceiling, the more abstract your thinking. Derek's home office has 14' ceilings so he thinks perhaps

that's why he's so good at creative accounting. 😊 We think he's on to something...

[SmartLess on Apple Podcasts](#)

[Huberman Lab | Podcast on Spotify](#)

**Steve** says it was another quick 3 months, but he managed to try and make the most of the cold, getting a bit more into ice fishing with 5 or 6 trips out on the "hardwater" this year. Unfortunately the fish yield was not high (even if they are all catch and release), but still many good times were had, and already looking forward to next winter! Sherry is helping out at the office beyond her normal amount since we lost our receptionist just before tax season. She is also trying to maintain her fitness as she looks forward to a May 15 departure on her next Camino adventure in Europe (if anyone is interested, she is always willing to talk about her past two adventures and share her experiences). Erin is still out west in Vancouver, working out of a dive shop. She has had some dives over the winter but is looking forward to some better weather and increased number of trips to take in the underwater world. Justin continues to use the office for his WFH, and has just landed a new job that he is very excited about with Credit Valley Conservation Authority as a grant coordinator. Gavin continues in residence at MacMaster, just getting ready to wrap up his first year, looking for a summer job and a place to stay next year. The whole family is looking forward to enjoying the summer sun once it decides to arrive.

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