BARENAKED MONEY PODCAST: EPISODE 6

See Saw on the Canadian Budget

Speaker 1:

You're about to get lucky with the Barenaked Money podcast. The show that brings you the naked truth about personal finance, with your hosts, Josh Sheluk and Colin White, Portfolio Managers with WLWP Wealth Planners, iA Private Wealth.

Colin White:

Welcome to Josh and Colin's SeeSaw on the Budget. This is what I see, is that what you saw? So, Josh, I'll throw it to you first. You tell me what you see and I'll tell you what I saw.

Josh Sheluk:

Yeah. We're going to do things a little bit differently today. So normally we sit down and hash out a little bit of a rough outline for what we're going to talk about. Today we just said, "Well, let's talk about the budget. You come up with five things that were interesting to you. I'll come up with five things that were interesting to me, and we'll sit down and we'll talk about it." We'll discuss, no preparation whatsoever. So we're throwing ourselves in here cold.

Colin White:

And you're going to go first, so impress... And I know for a fact, you've got more than five things on your list. So don't lie to our listeners.

Josh Sheluk:

Yeah, well, it's tough. I know we both pored over 739 pages of this federal budget. Every word, we looked at it in detail. Every footnote, every note in the margin, and we both had tons to talk about. So, we both have more than five things on our list, but we'll try to keep it concise for everybody. So, first and foremost, I think this is maybe the most significant sort of long-term part of the budget. And that's some of the reform and the push that they're doing on childcare. And so, just at a very high level, what they've said is that over the next five years, they want to push for a $10/day cost for your children in daycare. And, so that's over the next five years. By the end of 2022, so let's say a year and a half from now, they want to see a 50% reduction in average fees for childcare over that period of time.

Josh Sheluk:

I think this is awesome. I think this is extremely important. I think childcare, speaking to people that I know that have young kids that they're dealing with this, I think it can be exorbitantly

expensive. And I think economically speaking, I'm going to put my economist hat on, we want people to be working. And the fact that childcare is so expensive is a disincentive for some people to work. It's better off for them to stay home and just take care of the children than it is to go out and get a job. And that has some real implications for the economy as a whole. So from the idea of, this should get more people out there making more money, spending more money, more tax revenue, et cetera, et cetera, bolstering the economy, I think it's a lovely thing. What do you think, Colin?

Colin White:

Oh, it's a fabulous idea. Like cinnamon farts and bubble gum trees. But the problem is, you're pushing on a rope. You got the government trying to overstep its mandate because this is largely something that's done at the provincial level. And a lot of what was in the budget, from what I read, involves the provinces also ponying up. So the federal government's going to kick in, but then the provinces have to agree and kick in. Provinces don't necessarily have the money, because they're trying to pay for that whole healthcare stuff. And to have a five-year plan, when you have an election coming up next year, come on. Just stop that. You get to have a one-year plan. That's all you get. And then if you win the election, you can have another year. Don't pick the five-year plan when you got to win your mandate. I fully agree.

Colin White:

And I think that childcare should be less expensive. We need to support the families in the workforce. That's absolutely... You can't be a human being and think that's a wrong thing, but the way that they're trying to do it makes no sense. I hope that this moves the rock. I hope that they're able to actually make some progress on this because you're right. This is a very valuable thing. It should be important. We should pay attention to it, but we got to be competent while we're paying attention to it. We can't just announce things with big dollar figures and the years that we don't have control over. That's not helping.

Josh Sheluk:

Yeah. Well, and that is very true. I think what's made me a little bit more encouraged on the subject is that they're taking from the model that Quebec has put in place. And the Quebec model, by everything that I saw data-wise, has been fairly successful. And one of the good data points is that the number of women in the workforce, the percentage of women in the workforce in Quebec is much higher than the rest of Canada. So obviously they're doing something right there and stealing from that model or borrowing from that model makes some sense, but, maybe you're right. Maybe it should be the provinces that are looking after all these. And having it regulated at a federal level is just going to work out to be a mess, as so many other things.

Colin White:

We will see.

Josh Sheluk:

Yeah. So what's first on your list?

Colin White:

Well, the first thing on my list is something that's not on the list. There were no changes to capital gains inclusion rates, and there were no changes to the taxation of your principal residence. So sometimes the biggest thing in the budget is what's not in the budget. So that was the number one takeaway I took. Now listen, if you will all write this down. Stop trying to figure out what comes next, because you are going to worry about... In the entire history of the human species, worrying about anything has never made it better. Anticipating things long before they happen are going to cause... And this is just another example, and think about it. They're a year out from an election. They're not going to do something that's really hugely unpopular, and they're certainly not going to do it suddenly. And I've got other points about that, but I'm not going to steal my own thunder. So Josh, what say you?

Josh Sheluk:

Well, we came into this knowing that there'd be some overlap in what we had on our list. And it took only two items to get to it. And it's funny. We both had something on our list that wasn't on the list. So, we just spent way too much time together, I think is what it comes down to. But, this is something we talk about a lot, you and I, especially over the last month or so. And it's just, you can't or you shouldn't maybe spend too much time planning for something that hasn't happened yet. And as we could both agree, tax planning is extremely valuable and makes a ton of sense, but trying to speculate on what one government or the next institutes, in terms of tax code, tax law, that's going to be an impossibility, and you're going to end up banging your head against the table more often than not.

Josh Sheluk:

So, I think if we look at the situation a little bit longer term, I'm actually not surprised that they didn't introduce something this time, because an election is probably coming up in the next year or so. And jacking up people's taxes before an election, probably not a recipe to get reelected. So the speculation, again. Here we are, again, speculating. The speculation is that now, if they get reelected, then they'll really push for some changes to the tax code. Now, the two things that were talked about most prevalently, I would say, would be increases to the capital gains inclusion rate. And I think there is some legitimate concern that that could be increased.

Josh Sheluk:

I'm not saying you go and rearrange your whole life based on that idea. But I think that's a distinct possibility because if they do push that through, whatever government pushes it through, there's less of an impact to the masses, I would say, than with some of the other tax code changes

that they've floated as an idea. But I think the bigger one that I have a very hard time thinking that will ever go through is principal residence capital gains tax. Right now, your principal residence is excluded from capital gains. For them to institute something like that, you're just giving a major punch to the gut to so many Canadians out there, especially ones that have a large part of their wealth tied up in real estate.

Colin White:

Well, the challenge is it's really easy to get a whole bunch of people to listen to you. It's like the government is coming after your house. "They're coming after my house." Yes. They're coming after your house. It's really compelling stuff when people talk like that. And when people talk like that, people repeat what is said. And then, "What do you mean they're going to tax my house. When's that happening?" Well, it could happen this budget. It's going to happen this budget. It just spreads like wildfire. Every time a budget's coming up, there's at least a little bit of that playing out in the background. So, they go, "Oops. It didn't happen this time. I'm sure it'll happen next time." All right, Josh. Go to the next thing on your list and we'll see if I have it on my list.

Josh Sheluk:

Yeah. So this is one, I think, that has pretty wide-ranging implications as well, increases to old age security for those over 75. And so, there are two things that I've really heard here. The first is that anybody that's over the age of 75 by June 2022 is going to get a one-time $500 payment. Nice. The other thing is that anybody over the age of 75 going forward and collecting OAS is going to get a 10% bump to their OAS. So starting year one, I guess the 2022 OAS year, that would be about $760 per year in extra income to those folks.

Josh Sheluk:

Now, this is one that I really have a hard time understanding. Aside from the fact that I think they're trying to buy themselves a few votes, the liberals have floated the idea of, "Well, hey, this is going to help pay for some of those care costs as you get older." Have they looked at what long-term care costs? Do they have any clue? Because I have. We've helped a lot of clients through this. We've had helped a lot of children of clients through this. $760 per year? Maybe that gets you an extra week of long-term care. Other than that, you're SOL. So, this to me, it just hurts my soul because I know that, as a taxpayer, I'm going to be paying for this for the rest of my life.

Colin White:

And this was on my list by the way, because that's an important distinction to draw. Canada pension plan, there's actually a reserve. There are trillions of dollars invested to pay that. That's concrete. The Canada pension plan, I think, is the smartest thing that's been done by any government, anytime, anywhere. And we have it. And that's fantastic. Old Age Security comes out of rent revenue, current revenue, and that's nice as long as more people are working than who

aren't. But demographically, that's going to start to change. A couple of governments ago, they started talking about Old Age Security and saying, "Hey, maybe we need to push it off and have it start at 70 in order to make it sustainable." Well, the liberals got in, so now we're rolling that back. Well, it's fine to roll it back, but you've made the future change bigger when it does happen.

Colin White:

And this, I think, is just creating a bigger bubble that as demographics change, because again, demographics are predictable, people. Everybody gets one year older every year. It's going to cause more and more pressure. So, while I'm a thousand percent behind the idea that we need to make long-term care more affordable, and the government's got a role to play in that, I don't see this as the way to do it. And I'm afraid that this is going to set expectations in people. People are going to begin to count on this money. And if it ever gets disrupted at any point in the future, it's going to cause some real harm. So, I think this one has got the potential, because I don't think it's sustainable. It's got the real potential to cause some harm. And that's what bothers me about this one.

Josh Sheluk:

Yeah. I think you're a little bit too guarded with this one. This one's asinine. We already have something called guaranteed income supplement for low-income seniors, right? And, again, we're all for supporting people that are struggling to put food on the table every month, especially if you're over the age of 75. That's what GIS does. You don't need to give people more money at the age of 75 through OAS, because people already have that support in place. And if you want to bolster that support, then go directly to the source. That's GIS. Again, they're buying votes. They're sort of taking the shotgun shell and blowing it across as wide a swath of people as they can. People have a couple of extra bucks in their pocket and think about that when the check box comes around for the next election and the liberals are there. "They gave me $500, $700 bucks a year. Well, I'm going to put my check box next to them. I kind of like having an extra little bit of cash." So, I'm completely out on this one.

Colin White:

Well, good. At least you come down on one side of the issue.

Josh Sheluk:

What's next on your list?

Colin White:

Luxury tax, baby. So again, this is instructive for what it wasn't as well as what it was. So they went after boats, planes and expensive cars, very popular with the general electorate. And you

know what, not a bad target. It's similar to some of the Scandinavian countries and their luxury taxes and that kind of regime and that's all well and good. The interesting part here, for me, was that it doesn't start till January of next year. So here is, what I have to believe would be an incredibly popular tax that very few people would get to complain about, certainly not enough people would complain about it to change an election, and they still put it off eight months. They still waited and they gave everyone, "Now, if you've got that boat on order, just make sure you pay for it before January of next year."

Colin White:

So that, again, tells me the appetite for the government to make changes to taxation in a sudden manner that would not allow somebody to react. So, it's not just what they did, it's how they did it. And again, this is going to cause all kinds of gamesmanship for sure, but it is targeted with the people who can probably afford to pay it. And, I think that it's a reasonable way for the government to raise money. So, I don't have an objection per se to the tax. I just find it interesting in how it was rolled out. That I found instructive.

Josh Sheluk:

Yeah. I'm kind of ambivalent on this one. So what they did was, for vehicles and aircraft over $100,000 and for boats over $250,000, they're going to ding you with a tax on 10% of the purchase price or 20% of the value above those numbers, or whatever is the lesser of those two calculations. So, it seems like, again, you kind of said it fairly reasonable. It is a lot of money for some of these folks that are playing in this income bracket. So, it's not a small sum of money by any means. And my first thought was, well, people are going to find ways to gain the system, and they probably will. They have said that it's going to affect purchases and leases. So my first thought was, well, if you get a lease, then you don't need to worry about this. It seems like they are smart enough to think of that part anyway. The other thing is the GST or HST is on top of the luxury tax adjusted price. So you've got tax on tax here.

Josh Sheluk:

So that's one little fun tidbit, but I mean, like you said, it's going to be a relatively small number of people. I'm a little bit weary of taxing the rich to such a significant extent, if we want to call it that, because they already pay a pretty significant share of the overall tax in the country. So at some point, they're going to get a little bit fed up and we don't want to drive those wealthy people, who are paying most of our taxes on a year to year basis, to the Cayman Islands or somewhere down there where the weather's nicer and the tax situation is a lot more accommodated.

Colin White:

Well, stay tuned to your $99,000 car that comes with a compulsory $30,000 maintenance package.

Josh Sheluk:

There you go.

Colin White:

Just thinking outside the box. So Josh, what's next on your list?

Josh Sheluk:

Well, I'm going to go to the federal minimum wage. And there's been some talk of them increasing the federal minimum wage. It was in the budget to $15 an hour. And so apparently this is going to affect something like 26,000 people. Now that seems like a relatively small number to me, but-

Colin White:

Tiny. A tiny number.

Josh Sheluk:

Tiny. Yeah, when you compare it to the overall population. It's another thing where I'm, in principle, in favor of increases to minimum wage. And I think that, done in a measured and calculated way and intelligent way over time, it can actually help. There continue to be progress in sort of that segment of the market and segment of the population. But one thing I want to point out, again, I'm going to put my Economics hat on and go back to my first year Economics course and tell you that, when price goes up, that means the demand for something is going to go down.

Josh Sheluk:

So if you have the price of labor and maybe you're a restaurant owner, something like that, where you have a lot of sort of lower wage or lower income earners, if the price is going up for that labor, you're automatically going to demand less of that. So if some of these increases that are too aggressive, and I'm not saying this is too aggressive. At some point you may see a bump in your unemployment because of it. And that is one thing that I would be concerned about it. Something that just warrants a little bit of monitoring, because I think what they've done in the US is they're pushing for the same number, but from a much lower base. So it's going to be a much more drastic change for some of those businesses in the US than it will be for businesses up here in Canada.

Colin White:

Well, this is one of those times... Yeah. There a valid conversation economically and from a

social equity perspective on having this conversation. Justin Trudeau was on TV today, talking about the paid sick leave and how that's strictly on the provinces, because only 3% of the workplaces are federally mandated. 97% of the workplaces are under provincial jurisdiction. So when the Fed stand up and say, "We're going to bring in a minimum wage for all Canadians." Yeah. All 26,000 of them, because only 3% of the workplaces are affected. This is just a line that they're going to use in the next election, talking about how they brought up minimum wage, and they didn't. You can't have it both ways. You can't come up with a budget that talks about this like it's a big thing.

Colin White:

And then when the paid sick leave issue comes up, say, "Oh, that's not us. That's the provinces." That's legit. It is a provincial jurisdiction. And this is the problem. The governments need to stick to their backyard. What are they responsible for? And just because something is popular, just because people want something, if it's outside of what you do, doesn't mean you should pretend to give it to them. To me, this is whitewashing an important issue. This is an important issue, but it can't be addressed federally.

Josh Sheluk:

So, I just need to be clear, Colin. Are you saying that politicians are sometimes contradictory?

Colin White:

They're sometimes opportunistic on which stand they take at a given moment.

Josh Sheluk:

Yeah. Rhetorical question. We didn't need to go there.

Colin White:

That's fine. That's fine.

Josh Sheluk:

What's next?

Colin White:

Green bonds. Did you see the green bonds?

Josh Sheluk:

Yeah, I saw that. So that's an exciting one.

Colin White:

Again, this is... Here's my problem. I'm all in favor of saving the planet and the green, I'm in. I got kids. I hope to have grandkids. I think that that's the right thing to do. For the government to just spontaneously announce green bonds? Trusting them to figure out how to allocate this money in a meaningful way that's going to change the world? That's where they start to lose me. All of the plans they've come up with in this kind of regard in the past has just ended up in money getting wasted, money that could have gone to something good, in more of a real accountable situation. I can take everybody back to labor-sponsored venture capital funds. They had huge tax breaks for people to invest in the region. And I can tell you stories about companies who were pitching representatives from these funds who literally fell asleep in the presentation, woke up and wrote a $5 million check because they were mandated to get the money invested.

Colin White:

It didn't matter what they invested in. The mandate was to invest the money. So my fear is that they're going to take money that could actually go towards a real green initiative and really make a difference, and they're going to waste this initiative for a line in a budget. I don't trust the bureaucracy to determine where the right way is to allocate that capital. Then again, it was announced as a fairly small item in the budget. I didn't see a whole lot of detail on anything I read. And I admit, I didn't read all 729 pages. But all of the writings I read about it seemed to be kind of vague. We have a green bond. Ooh.

Josh Sheluk:

Yeah. Well, I think a lot of this stuff is a little bit vague. So, you're kind of using your imagination to some extent about what it looks like. There could be some real economic value in doing something like this, just strictly from the government's perspective, because if people know you're doing some type of social good with the money that you're lending them. And that's what a bond is, you're lending the government money. If people know that you're doing some type of social good or think that you're doing some social good, they might be willing to lend you that money at a lower interest rate. I don't know. I haven't seen that out there with these green bonds, but it may be some way for the government to kind of back door and say, "Hey, give us some money at a lower rate."

Josh Sheluk:

Which, sure, I mean, just from the government's perspective, that can make some sense. But, I mean, to your point, what's the best way to implement some of these climate initiatives? The government actually going out there and spending the money themselves on a project. We've been down that path a lot of times, and it hasn't worked out too well. On the other hand, maybe they can provide some tax credits or other incentives, which I think have been floated in the

budget as well, to help private enterprise innovate on that front. Because that's where I think we're going to get there, on the climate front, is you help or incentivize private enterprise to innovate. And if you can do that, then I think we're going to get to the outcomes that we want. Government spending a whole bunch of money on green initiatives, probably not going to get there.

Colin White:

Well, for me, Josh, it says, it's not as much about incentivizing something. It's just getting out of the way. Because incentives can get pretty particular, and there's a lot of case studies about companies that build themselves around incentive programs to hire the right people in the right location. And they kind of lose track of running a business. And pretty soon they wake up dead. Right? So, trying to incentivize specific activities is dangerous, because nothing happens in one dimension. If they could just get out of the way of companies that satisfy certain criteria as to what they're working on and let the company decide, like don't get specific on labor, get specific on how they're spending the money. But as long as the objective they're working towards is green, then get out of their way. So I prefer to look at it as get the government out of the way, rather than having them try to incentivize some particular narrow activity to address some perceived or actual problem in the system.

Josh Sheluk:

Yeah. It's interesting. It's a massive topic and we're definitely not going to solve the problem here today. And there's a lot of different sides to the argument. I was speaking with the portfolio manager earlier this week, one that we use to invest some of our money, and his comment was, "Well, it's fine that you put in this carbon tax system. But if I just sit on my hands as an enterprise now, yeah, I pay a little bit of extra money in the carbon tax, but I don't really have to do anything." He said, on the other hand, if you provide a carbon credit where if you're reducing the carbon that's out there, you actually provide a payment or some incentive or a credit to that business, that enterprise, then there's a kick in the pants that, "Hey, I'm going to go do something that's going to take some carbon out of the air, help the environment in a positive way, not just stay steady."

Josh Sheluk:

And something like that might be more effective as well. So, a million different ways to tackle the issue. And that's why it's such a big one and such a tough one to take care of.

Colin White:

I lost track, but I think I'm throwing it to you. Is the next one your turn?

Josh Sheluk:

Yeah. Well, I'm going to stay on that theme of sort of climate and energy efficiency and all those things and speak to something that may come up for some of our homeowners out there. There's a whole retrofit interest-free loan that's been floated. So, through CMHC, Canada Mortgage and Housing Corp, they're going to provide up to $40,000 in an interest-free loan for people to replace their oil furnace or get better wall insulation or basement insulation, install high efficiency water heaters, replace drafty windows or doors. So, this is something... I don't know. How much is it actually going to trickle into the mainstream? Probably not that much, but if you're looking to do something like this, again, it may provide that incentive that you need to do it.

Colin White:

It's going to provide zero incentive. If you can borrow money at 1.5%, providing money for free, it's not that big of a difference. Unless they're going to allow people to qualify for this loan program who wouldn't qualify for normal credit, this is not going to change anything. This is just another talking point for them. It's not that big a difference. 0 or 1.5% interest, that's just not motivation at all.

Josh Sheluk:

This is your finance brain doing the actual math, Colin, but keep in mind, most people are not going to go through that exercise. They're going to see, "Ah, interest-free? Well, that's awesome. That's way better than I can get elsewhere. Let me jump at this."

Colin White:

I'm cursed with the ability to do math, and frankly, I'm in people's lives to do math, and I'm going to do the math and that's worthless.

Josh Sheluk:

You actually said one thing there that scares me though. If we're not doing any credit check whatsoever, then we're just giving out interest-free loans to people that don't qualify. Yeah. That's government money that maybe we're throwing bad after good, or good after bad. One of the two.

Colin White:

Yeah. And again, I didn't read any details, but I wouldn't surprise me if that's where it went.

Josh Sheluk:

You're up.

Colin White:

Disability tax credit. This is something that's legit. This is something that's going to affect a lot of people. This is something that is complicated and it's something that has a big upside to understand. So, they have, for the purposes of this presentation, they've made it more reasonable to qualify for disability tax credit. Which is nice, from a tax perspective, but it also opens up RDSP. It's registered disability savings programs, which are huge, absolutely immense. So, if you have a member of your family, and it can be anywhere from children to parents to brothers to sisters, if you have anybody that's suffering from some form of a disability, where you've looked at the disability tax credit in the past and not qualified because it was, actually to be honest, very difficult to get to qualify for.

Colin White:

They've made it a little bit more meaningful and real to qualify for. And this opens up some real planning opportunities for people in these situations that should not be ignored, because the disability savings programs are very generous. Now, I think part of what's going to happen here is you're going to see that there's going to be many more people get involved in them. And they may take a look at the generosity of these plans and say, "Hey, we've got to be careful because, again, this is going to get expensive." But right here, right now today, this announcement, this part of the budget is an opportunity.

Colin White:

So there's anybody, and again, they've gotten fairly broad in their definitions [inaudible 00:29:13] ADHD and things like that, that people are fully functioning with. Who can lead a rather full life may still qualify under this program now. There's an opportunity here that somebody we would look at who's, "Oh, they're fine. They're basically fully functioning and they've got a full life." But again, because of their medical situation, they may actually qualify now, and it's worth looking at. This one counts. This one means something to those people, and it could mean huge.

Josh Sheluk:

Yeah. And not only does the disability tax credit get you some really significant tax credits, potentially save you some money on your tax return, but the RDSP, the disability plan that you're talking about, you can get two to three times the amount in government grants that you actually put into these accounts. So that's what you're talking about when you're saying that it is a real thing. This is a tremendous savings vehicle for those that qualify with a disability. And a lot of people out there use the RESP, the education plans, and [inaudible 00:30:15] "Yeah, I'm getting some good benefits there." Well, think you can be getting 10 times the benefits with an RDSP that you're getting with an RESP. So they can be very, very lucrative. There are a lot of moving parts with them. So reach out to a professional if you're trying to go down this path, because you probably need a little bit of help to get it off the ground and to make it function properly.

Colin White:

All right, Josh, what else is on your list?

Josh Sheluk:

Well, I just want to kind of end on one thing for my list. And it's, again, not something that's in the budget itself, but overall debt levels. And we've been talking about this a lot, especially over the last couple of years. The debt is going to continue to grow. And I'm not saying that it shouldn't, with this budget, but there's no real plan. There's no real path to start winding that down. And it seems like the new budget has basically forecast deficits for the foreseeable future. And that's a bit of a challenge when we've been spending money, hand over fist, like a drunken sailor on shore leave over the last year and a half.

Josh Sheluk:

And actually, going back before that, before we really had this pandemic in place. So we've talked about it time and time again. It doesn't need to be a catastrophe, the current debt levels, but it's certainly going to have some longer-term implications. And what those implications are, we don't know yet, but it probably means one of two things, or maybe both of these things, maybe some inflation down the road, or maybe some hindrance to growth, to GDP growth at some point down the road, probably some combination of two. Again, I'm not forecasting the apocalypse, but something to be aware of.

Colin White:

And just to be clear, I mean, what we're talking was the budget talks about the annual deficit, which is basically adding to the debt. And the budget going forward, as Josh pointed out, for the whole forecast is going to be adding into the budget. Now we've got monster deficits now, and they're going to get a little smaller in projection, but again, liberals are projecting for after the next election, which is a lot optimistic. So, that levels are going to be a thing to keep an eye on, for sure. Not apocalyptic, but something to keep an eye on.

Josh Sheluk:

Yeah. It's such a hard thing for society. I'm going to say society as a whole, because you're basically incentivized as a politician, as a government, to spend money to support people, because those people are going to reelect you if they have more money in their pocket. But at some point, the music has to stop. And when, where, who is going to stop that music, we just don't know yet.

Colin White:

Well, I want to end on a different note, a bit more apocalyptic. $300 million was headed to

enforcement. They're coming after you. So, not only that $300 million line, there was a couple of lines in there totaling over $500 million towards various forms of enforcement. They're getting smart. So they're doing risk-based enforcement. So, if your return triggers an algorithm, you're going to get a letter and they just put another half a billion dollars on the table to write better letters.

Colin White:

So, there's a big part of this budget is trying to crack down on tax cheats and they're using a pretty broad definition of that. So yeah, that's the thing. And with the increase in electronic surveillance and tracking your passport as you go across the border, the fact that we've gone to a cashless society now, that everybody's running everything through their credit cards, so there's a bank record of everything you're doing more so than ever before. Be careful, if you're playing in the gray areas or you're playing out of bounds. Yeah. This could be a thing. So, keep an eye over your shoulder or just do the right thing. And you've got nothing to worry about.

Josh Sheluk:

Yeah. And potentially get some professional help along the way if you have any questions, because [crosstalk 00:34:28] that's a nightmare, you don't want. Speaking from experience, watching some of our clients deal with it, once they get a look, sort of under the hood, so to speak, they're not going to go away for awhile. So.

Colin White:

Once you get on the CRA Christmas card list, you stay on their Christmas card list for a little bit. So, and you won't find it comfortable.

Josh Sheluk:

Yeah. And they don't lose your address.

Colin White:

No, not when they want to keep a hold of it, no. [inaudible 00:34:58] If you're expecting money from them, well, different story.

Josh Sheluk:

Yeah. So that's a great overview of some of the hot button topics in the federal budget for 2021. There's a lot more to it. There's a lot more going on there. 739 pages is not a short document by any means, but those are the ones that we think are really going to come home and impact our clients, impact you, our listeners, at some point over the next little while. Or, hey, maybe they go away next year, and it's never a thing. But a lot to keep in mind there, as we go forward.

Colin White:

Well, I've started to lose interest in talking about this, so I'm pretty sure everybody else has lost interest in listening to us, Josh, so, why don't we wrap it up, say thanks to everybody and reach out to get any questions.

Speaker 1:

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