CHARTERED PROFESSIONAL ACCOUNTANTS CANADA

CFE CANDIDATE NUMBER: | | | | | | | |

Common Final Examination
September 11, 2019 – Day 1
(Booklet #1 – HEVW Version 2)

Total examination time: 4 hours.

Further details on the examination can be found on the next page.

GENERAL INSTRUCTIONS BEFORE THE EXAMINATION

1. Fill in your 7-digit candidate number on the booklets. The exam booklets (or paper response, as instructed) must be submitted before leaving the writing centre. They must NOT BE REMOVED from the writing centre. If these items are not received, the response may not be accepted.
2. Follow the *SecureClient* instructions provided. Instructions must not be removed from the writing centre.
3. Acknowledge the Policy Statement and Agreement Regarding Exam Confidentiality in *SecureClient* (as shown below).

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_____ _____

CANDIDATE NAME (Please print) SIGNATURE

Examination Details

The examination consists of:

Booklet #1 – Linked Case (240 minutes) (this booklet)
Booklet #2 – Capstone 1 case and rough notes

The case should be answered in *SecureClient*, which has a word processor and spreadsheet for inputting your response. The main body of your response should be in the word processor file. Only supporting calculations should appear in the spreadsheet file, in **Sheet 1**. You are responsible for clearly explaining all your calculations.

Answers or part answers will not be evaluated if they are recorded on anything other than *SecureClient* or the CPA Canada writing paper provided. Rough-note paper is available in the second booklet, which also includes a copy of the Capstone 1 case. Rough notes, and any other notations made in the exam booklet(s) will not be evaluated.

The CPA Canada Handbooks and the *Income Tax Act* are available within *SecureClient* throughout the entire examination. *SecureClient* provides the standards in effect and tax laws substantively enacted as at December 31, 2018.

A tax shield formula and other relevant tax information are available at the end of this booklet.

Common Final Examination, September 2019

Chartered Professional Accountants of Canada
277 Wellington Street West
Toronto, Ontario M5V 3H2

Case **(Suggested time: 240 minutes)**

In February 2018, Bennett & Robertson LLP (BR) completed a consulting engagement for Heartbreak Estates Vineyard & Winery Ltd. (HEVW). At that time, Andrew and Jenny were considering how to best proceed with developing their business.

It is now March 2021, and Jean Bennett, the partner in charge of the initial engagement for the Heartwoods, received a phone call, asking for BR's help again.

The developments with respect to issues addressed in the initial engagement are summarized below:

Area	Action
Vineyard	• In November 2018, terminated the farmer's lease. • Planted vines on 10 acres of previously-leased land in 2019 and 10 acres in 2020, with the remainder to be planted in 2021. • Cultivating heirloom and exotic vegetables as a cash crop until all the vines are planted.
Niagara College	• In July 2018, signed agreement with Niagara College (NC). • NC financed and managed construction of the facility. • Building was completed in March 2019, the first viticulture cohort started in September 2019 and winemaking is scheduled to start in September 2021.
Winery	• Decided to build a winery but have deferred starting construction. • Continue to use County Winery (CW) as a virtual winery and Andrew is still the resident winemaker.
Distribution	• All sales are through CW, the wine club and local restaurants.
Accounting system	• Implemented an accounting system and performance measures as per BR recommendations. • Jenny left her bartending job and has been working full-time at HEVW, performing administrative and accounting functions. She took some marketing and accounting courses at NC.
Other	• No additional financing was obtained. • A Board of Directors was formed with John, Andrew, and Jenny Heartwood, a banker, an Agriculture and Agri-Food Canada researcher, and an NC representative.

After her meeting with the Heartwoods, Jean provides you with a transcript of the meeting (Appendix I) and other information she has gathered. She asks you to draft a report to the client addressing the strategic issues, and any other issues of significance you identify.

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INDEX OF APPENDICES

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APPENDIX I
TRANSCRIPT OF CLIENT MEETING

Andrew: It is nice to see you again, Jean. When we started our business, we had no idea that there would be so much involved and so many decisions to make. Our goals haven't changed. We are still committed to growing the finest grapes, producing premium wine, attracting people to our region and providing a comfortable living for our family.

Jenny: We have moved forward in several areas but there always seem to be new and exciting opportunities in our region. The basics of the industry are the same, with distribution channels, licensing and regulations still important considerations. As expected, customers are increasingly interested in the story behind the wine. The LCBO's publicly available information provides useful data on the trends in the industry. It says millennials and baby boomers are the top wine consumers, at 36% and 33% respectively. LCBO is also very active in social media venues these days—I read that there are over one million visits to its website per year, 15,000 twitter followers and over 150,000 Facebook followers. It is important that we keep up with developments in the industry.

Vineyard discussion

John: I was pleased with the decision to give priority to establishing the vineyard. Planting the grapes in phases was a good idea because it required less cash up front and means that replacement of the vines, which last 20 years, will be staggered. The grants received and operating cash flow provided adequate financing for the vineyard. The free student labour from NC has come in handy, and Andrew and Jenny have been working long hours without much financial reward.

Andrew: We decided to plant four varieties of grapes, Pinot Noir and Cabernet Franc in the red category and Pinot Gris and Chardonnay in the white category. Assuming all goes well in terms of weather and other factors, yields are estimated to increase from the current 2,200 cases to 2,900 cases of wine in 2022, 5,100 in 2023, 7,800 in 2024, 9,300 in 2025 and full production of 10,000 cases in 2026.

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APPENDIX I (continued)
TRANSCRIPT OF CLIENT MEETING

Jenny: Rather than leave the fields idle as we phase in our vines, we partnered with Hearty Kitchens and planted vegetables. We sell the produce to local restaurants, since there are so many new ones, to local consumers and at farmers' markets. This has been surprisingly lucrative, providing close to $65,000 in cash flow last year! We are contemplating continuing this initiative and planting fewer grapes.

John: Really? Why? This is a wine business, not a vegetable business.

Niagara College discussion

Andrew: We entered into an agreement with NC (Appendix II). I felt I had to take advantage of this once-in-a-lifetime opportunity; if not, I was certain someone else would. I was excited about the benefits to us.

However, the final agreement was substantially different from the original proposal. We felt pressured to agree to NC's terms, even though some were undesirable. I wonder whether we acted too quickly.

Student numbers are higher than anticipated and are projected to keep increasing, which is presenting challenges. It means more work in terms of my teaching duties, more students in the vineyard and more NC staff making site visits. Some of the students and instructors are not as careful as they should be and have damaged the plants. Though inconvenient, I feel the need to be present when they are onsite. And, they sometimes arrive unannounced.

Having students work in our vineyard has had mixed results—a small number of the students are terrific, most are average and some create more work than they accomplish. If I was hiring, I could be more selective, but the agreement stipulates that I use them all.

Some of the changes to the final agreement were better for us. For example, instead of us building the facilities as initially proposed, we contributed the land and the college provided the buildings and equipment, including classroom space, the greenhouse, laboratory and waste-water treatment plant. We did not have to arrange any financing or assume any risk associated with the buildings.

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APPENDIX I (continued)
TRANSCRIPT OF CLIENT MEETING

Andrew: The students' union recently challenged the status of unpaid work terms, stating that students are employees and should be paid. NC has agreed and is in the process of making changes to the arrangements with students. As free labour was part of our contract, NC has requested that we renegotiate the terms of our agreement.

Jenny: I was planning to use the NC space to offer wine appreciation courses and special sessions to our wine club members and other customers, and to offer sessions on grape-growing to hobby farmers in our area. However, I am still waiting for approval from NC, who are insisting this is a violation of our non-competition clause. I am also concerned that, if classes are added to accommodate the increase in students, we will have less opportunity to offer our own courses and other activities.

Andrew: I have arranged a meeting with NC and would like your suggestions about changes we should try to negotiate.

John: There have been some benefits from our association, such as the helpful ideas that have emerged from the research projects. However, having the NC representative on our board makes for lengthy discussions, which interferes with the operation of our business. We might be better off without these complications. While renegotiating is an option, we'd like to consider the implications of cancelling the agreement.

Jean: We'll look at your different options.

Winery discussion

Jenny: Andrew studied to be a winemaker and does not want to just grow grapes. We decided to build a winery, and had preliminary designs drawn up. I am researching suppliers of environmentally-friendly equipment. As we needed to focus on other critical aspects of our business, we have not yet started construction. Now we are reconsidering the need to build. Jeremy Stiles, CW's owner, has decided to sell his winery and semi-retire. He plans to continue growing and harvesting grapes. A large, commercial winery has made an offer but Jeremy would prefer that ownership remain local and has also made us an offer. He has provided a framework for an agreement (Appendix III). The terms look very favourable. We must decide soon.

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APPENDIX I (continued)
TRANSCRIPT OF CLIENT MEETING

Andrew: Capacity at CW is 20,000 cases, which is significantly higher than the winery we would build. It is quite successful and if we purchase it, we would be producing for CW, Black Label Vineyards and potentially others, which would provide us with much needed cash flow. Alternatively, by building our own winery, we will have full control over the use of its productive capacity, as we won't be committed to producing for others. There will be no issue with producing our own wine.

John: Purchasing CW's winery will cost more than building our own winery as planned, but it will present additional opportunities. As well as bottling wine for other vineyards, the wines we bottle could be sold in the retail store at CW's winery and bring in additional profit.

Andrew: I know the facilities and staff at CW well. The equipment is dated and less efficient, but reliable. The staff are experienced, which is important with winemaking. It could be a challenge to get staff for our own new winery. The environmental impact that a business makes is becoming more important in our industry.

John: Andrew, I understand that you want to build an up-to-date, gravity-fed winery, but perhaps that is overly ambitious. Some of the technology is unproven. I think there are many advantages to buying instead of building.

Andrew: Jeremy has always been quite involved in the winery. Even though I am the resident winemaker, he still makes the final decisions. He has offered to help after the sale, at no charge. I am a bit concerned about whether Jeremy will be able to step back and let me take over. The draft agreement also requires us to produce wine for Jeremy and honour CW's contract with Black Label Vineyards.

I don't want to borrow any additional money against my interest in the family farm. If we buy CW's winery, we won't need a loan and won't be paying interest.

John: If you choose to build, the financing from Farm Plus Financial (Farm Plus) is still available. The terms provided by Farm Plus are unchanged except that the option to postpone principal payments has been removed. The estimated cost to build a winery with a 10,000-case capacity was $1.2 million in 2018.

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APPENDIX I (continued)
TRANSCRIPT OF CLIENT MEETING

Jenny: CW's licences, including all LCBO permits, can be transferred to HEVW, which would save a lot of work. CW is not an estate winery and sells VQA and non-VQA wines. The challenge will be to rebrand it as HEVW so it is not forever known as CW. And what about all the time and money we have invested in the new winery, getting plans drawn up and researching equipment? Do we just ignore that and start over with this new plan?

Jean, can you help us compare the two options? Please suggest changes to Jeremy's proposal that you think are warranted. The price is fixed but he might accept other changes.

Jean: We'll do a preliminary analysis of the financing aspects of buying CW's winery compared to building your own, and explain the other factors you need to consider in making your decision.

Wine bar discussion

Jenny: Our association with NC has led us to an exciting opportunity with Sara Sherbini, who recently graduated from NC's culinary program. To pursue her passion for culinary arts, Sara plans to open a wine bar. We discussed her ideas (Appendix IV) and her business plan (Appendix V). Her enthusiasm is contagious! Although we only met recently, Sara and I have much in common, and I want to do this to support her and our local community.

Having Sara establish her wine bar at HEVW will attract customers and, with her social media presence, will help increase our brand awareness. We will provide space, either as part of our new winery if we decide to build it, or in a new building on HEVW property if we purchase CW. Sara knows we have been growing vegetables and asked for a "restaurant garden." I am not sure exactly what she has in mind, but I don't think it will require a significant amount of space.

Andrew: This seems like a lot of work to me. I know you think you can handle it, Jenny, but I also thought that about the college. I am not sure we should embark on yet another new venture.

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APPENDIX I (continued)
TRANSCRIPT OF CLIENT MEETING

Jenny: Sara would handle the operational and marketing duties and I would just handle the administrative tasks. I expect we can save money by sharing HEVW's accounting and merchant payment systems.

Because they can access our wine directly, the wine bar will not have to carry much inventory, which should make cash flow easier for Sara. She tells me she already has project financing in place.

The wine bar will be a separate business and Sara needs to be the sole owner so she can access funding from the Youth Ventures Fund. She has suggested paying HEVW a percentage of profits.

John: I understand that you think partnerships and collaborations are the way of the future, but I am concerned that it might divert HEVW from its primary goals of growing premium grapes and producing award-winning wines. With these partnerships, who is really in charge?

Andrew: Jean, what do you think of this wine bar opportunity?

With so many decisions to make, I am not sure where we start. Each decision seems to depend on or impact another. Can you help us sort this out by suggesting where to start, and by setting priorities?

Jean: Of course.

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APPENDIX II
CONTRACT TERMS BETWEEN NIAGARA COLLEGE AND HEARTBREAK ESTATES VINEYARD & WINERY LTD.

Term
- 25 years

Academic
- All aspects of the academic program will be the sole responsibility of NC.
- Andrew Heartwood will teach one course per semester in each program (viticulture and winemaking) and will be paid on a per-section basis at the instructors' set rate, being $10,500 in 2018. If student numbers increase so that more than one section of a course is required, Andrew will teach all sections, and be paid $10,500 per section.
- Students will complete their work term in HEVW's vineyard and winery without compensation.
- HEVW will provide students with access to its vineyard and winery operations, and allow onsite visits by faculty and staff to ensure academic standards are met.

Capital
- Facilities construction will be managed and financed by NC.
- Ownership of the buildings will transfer to HEVW at the end of the contract.
- HEVW will provide five acres of land for the building site and experimental vineyards.

Operations
- HEVW will not compete with NC in offering vineyard and winery classes.
- Use of the facilities for non-academic purposes will be managed jointly by Andrew Heartwood and a representative of NC. HEVW will be charged an hourly fee for this use.
- NC will promote HEVW on its website and in advertising related to the applicable programs.
- HEVW will identify itself in all promotional material and on labels as a "Niagara College Teaching Winery."
- NC will provide access to its commercialization services, such as advertising and marketing plan, international marketing and e-commerce, on a cost-recovery basis.
- HEVW will allow access to its vineyard and winery for collaborative research with other faculties at NC and allow installation of VineAlert monitors by the Canadian Food and Wine Institute's research division, and consent to the regular collection, transmission and publication of data from the monitors via the internet to NC and to HEVW's computer system or portable devices.
- HEVW will make an ongoing commitment to invest in innovation and technology and comply with sustainability objectives of NC, which include LEED buildings and no use of herbicides, and will complete sustainability reports, such as water usage, as requested by NC.
- HEVW will provide NC's research and industry liaison with a seat on HEVW's board.
- NC will provide HEVW with regular communications on provincial and federal government innovation and research grants and will provide support for HEVW's grant applications, on a cost-recovery basis.

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APPENDIX III
FRAMEWORK FOR AN AGREEMENT WITH COUNTY WINERY

1. Production:
   a) HEVW will produce wine for CW at the current production level of 10,000 cases per year, for an $80,000 annual fee plus variable bottling costs, for five years (2021 to 2025 inclusive).
   b) HEVW will honour CW's contract with Black Label Vineyards to produce 3,500 cases per year (2021 to the end of 2025, when the contract expires).

Capacity (in cases)	20,000
Production commitments through 2025:	
County Wine	10,000
Black Label Vineyards	3,500

2. Sales:
   a) CW wine will continue to be sold in the onsite retail store.
   b) CW will pay a 10% commission to HEVW.

3. Employees:
   a) Current employees will be retained, with no changes to their terms of employment.

4. Payments:
   a) Total payment will be $2.7 million, in monthly instalments of $15,000 for 15 years.

5. Assets:
   a) Ownership of assets, the winery building, parking lot and all equipment will transfer when the final payment is made.
   b) The winery portion of CW's land will be leased by HEVW for $1 per year.

6. Other:
   a) The winery will be called "Heartbreak Vineyard & Winery at County Estates."
   b) Until final payment is received, Jeremy Stiles will have a seat on HEVW's board.

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APPENDIX IV
JENNY'S NOTES FROM DISCUSSIONS WITH SARA SHERBINI

Sara envisions a truly unique wine bar with great food and wine, a relaxed atmosphere and outstanding service. She also sees pop-up bars playing a key role in the business. Pop-ups are temporary locations of a business used to create excitement and generate awareness of something new and different, and Sara says they are quite popular with NC students. The pop-up locations would provide additional revenue and would introduce new customers to the wine bar and HEVW. We can widen our customer base by reaching consumers who might not usually drink Canadian wine. By having pop-ups in many different locations, we can introduce the wine bar and new wines to so many potential new customers!

At the pop-ups, we can offer discount coupons for the wine bar and HEVW's retail store, and perhaps free samples. We can have pop-ups at festivals and special events. We could also have customer appreciation nights for our wine club members, and to try to attract new members. As we earn a high margin on pop-up sales, added promotion will be beneficial.

Sara plans to try out new menu items at the pop-ups to gauge customer reaction, and thinks we could also do this with new wines. She sees the potential for significant profits. I get the sense that Sara understands controlling costs. She suggests we use student interns from NC's culinary program, as we do in the vineyard and will do in the winery. She has been going to vintage sales to look for unique furnishing and fixtures.

Sara is keen to promote the wine bar and HEVW on Instagram and through other social media venues. The wine bar will sell our wine and other wines that Sara and I approve for sale, including wines that HEVW potentially produces for other vineyards. The option to sell their wines could be an incentive for other vineyards to use our services.

Sara thinks that joint promotions with NC and its culinary program might also be possible. She also proposes that HEVW open an online wine store, selling gift certificates to the wine bar, our wines, wine glasses, wine racks and assorted accessories bearing our logo.

Sara is eager to get started and suggests we start with pop-ups, including one onsite at our vineyard, until the building is ready.

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APPENDIX V
EXCERPTS FROM WINE BAR BUSINESS PLAN PROPOSAL

Vision

To operate a business that is respectful of the environment, puts people first and contributes to the community.

Mission

- *To serve delicious food, incorporating fresh local ingredients paired with wine produced onsite and from neighbouring vineyards.*
- *To provide outstanding customer experiences.*
- *To treat staff with respect, giving them autonomy and control of decisions.*
- *To be fiscally responsible, generating the maximum revenue, keeping costs as low as possible and generating above-average profit.*

Description

- We will operate a wine bar with a tapas menu featuring organic, sustainable, local produce.
- We will be located at a restaurant onsite at HEVW, and set up various pop-up locations across southeastern Ontario, focusing on locations where young people gather, such as university and college campuses.
- Staff will be well trained and have expert knowledge of the food.
- The atmosphere will complement the food.
- We will support artists from Prince Edward County and all of southern Ontario by hosting performances by musicians and displaying the work of visual artists.
- We will support the community and will participate in charitable events.
- We will offer wine appreciation sessions and tasting specials.
- We will offer special events for wine club members.
- We will be open from noon to 10:00 pm daily.

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APPENDIX V (continued)
EXCERPTS FROM WINE BAR BUSINESS PLAN PROPOSAL

Projected Financial Information
Net Income Year 1

	HEVW Site	Pop-ups	Total
Revenue			
Food	$ 540,000	$ 48,000	$ 588,000
Wine	540,000	72,000	612,000
Total	1,080,000	120,000	1,200,000
Gross margin	486,000	57,600	543,600
Salaries and benefits	194,400	11,520	205,920
Other operating costs	97,200	0	97,200
Net income	$ 194,400	$ 46,080	$ 240,480

Notes:

1. Food margins average 30%.
2. Wine margins average 60%.
3. Restaurant salaries are normally 35% of food revenues but Sara plans to pay more than the industry average to reflect how much she values good staff.
4. Pop-up salaries are lower, as Sara will be the chef and will use casual staff, with no benefits.
5. Projection assumes no salaries for Sara or Jenny.
6. Projection assumes no occupancy costs, as space is provided by HEVW.
7. Projection assumes an average of two pop-ups per month and revenues of $5,000 per pop-up.

Startup costs, not included in the income projection, are as follows:

Working capital	$ 10,000
Kitchen equipment	150,000
Furnishings and fixtures	30,000
Glassware and cutlery	10,000
Uniforms and linens	5,000
Other	5,000
	$ 210,000

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APPENDIX V (continued)
EXCERPTS FROM WINE BAR BUSINESS PLAN PROPOSAL

Financing sources are as follows:

Government youth ventures loan	$	150,000
Family and friend loans		60,000
	$	210,000

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End of Exam

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CPA COMMON FINAL EXAMINATION REFERENCE SCHEDULE

1. PRESENT VALUE OF TAX SHIELD FOR AMORTIZABLE ASSETS

Present value of total tax shield from CCA for a new asset acquired before November 21, 2018

$$= \frac{CTd}{(d+k)}\left(\frac{2+k}{2(1+k)}\right) = \frac{CdT}{(d+k)}\left(\frac{1+0.5k}{1+k}\right)$$

Present value of total tax shield from CCA for a new asset acquired after November 20, 2018

$$= \frac{CdT}{(d+k)}\left(\frac{1+1.5k}{1+k}\right)$$

Notation for above formula:
C = net initial investment
T = corporate tax rate
k = discount rate or time value of money
d = maximum rate of capital cost allowance

2. SELECTED PRESCRIBED AUTOMOBILE AMOUNTS

	2018	**2019**
Maximum depreciable cost — Class 10.1	$30,000 + sales tax	$30,000 + sales tax
Maximum monthly deductible lease cost	$800 + sales tax	$800 + sales tax
Maximum monthly deductible interest cost	$300	$300
Operating cost benefit — employee	26¢ per km of personal use	28¢ per km of personal use
Non-taxable automobile allowance rates		
— first 5,000 kilometres	55¢ per km	58¢ per km
— balance	49¢ per km	52¢ per km

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3. INDIVIDUAL FEDERAL INCOME TAX RATES

For 2018

If taxable income is between			Tax on base amount	Tax on excess
$0	and	$46,605	$0	15%
$46,606	and	$93,208	$6,991	20.5%
$93,209	and	$144,489	$16,544	26%
$144,490	and	$205,842	$29,877	29%
$205,843	and	any amount	$47,670	33%

For 2019

If taxable income is between			Tax on base amount	Tax on excess
$0	and	$47,630	$0	15%
$47,631	and	$95,259	$7,145	20.5%
$95,260	and	$147,667	$16,908	26%
$147,668	and	$210,371	$30,534	29%
$210,372	and	any amount	$48,718	33%

4. SELECTED INDEXED AMOUNTS FOR PURPOSES OF COMPUTING INCOME TAX

Personal tax credits are a maximum of 15% of the following amounts:

	2018	**2019**
Basic personal amount	$11,809	$12,069
Spouse, common-law partner, or eligible dependant amount	11,809	12,069
Age amount if 65 or over in the year	7,333	7,494
Net income threshold for age amount	36,976	37,790
Canada employment amount	1,195	1,222
Disability amount	8,235	8,416
Canada caregiver amount for children under age 18	2,182	2,230
Canada caregiver amount for other infirm dependants age 18 or older (maximum amount)	6,986	7,140
Net income threshold for Canada caregiver amount	16,405	16,766
Adoption expense credit limit	15,905	16,255

Other indexed amounts are as follows:

	2018	**2019**
Medical expense tax credit — 3% of net income ceiling	$2,302	$2,352
Annual TFSA dollar limit	5,500	6,000
RRSP dollar limit	26,230	26,500
Lifetime capital gains exemption on qualified small business corporation shares	848,252	866,912

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5. PRESCRIBED INTEREST RATES (base rates)

Year	Jan. 1 – Mar. 31	Apr. 1 – June 30	July 1 – Sep. 30	Oct. 1 – Dec. 31
2019	2	2	2	
2018	1	2	2	2
2017	1	1	1	1

This is the rate used for taxable benefits for employees and shareholders, low-interest loans, and other related-party transactions. The rate is 4 percentage points higher for late or deficient income tax payments and unremitted withholdings. The rate is 2 percentage points higher for tax refunds to taxpayers, with the exception of corporations, for which the base rate is used.

6. MAXIMUM CAPITAL COST ALLOWANCE RATES FOR SELECTED CLASSES

Class 1……	4%	for all buildings except those below
Class 1……	6%	for buildings acquired for first use after March 18, 2007 and ≥ 90% of the square footage is used for non-residential activities
Class 1……	10%	for buildings acquired for first use after March 18, 2007 and ≥ 90% of the square footage is used for manufacturing and processing activities
Class 8……	20%	
Class 10……..	30%	
Class 10.1……...	30%	
Class 12……..	100%	
Class 13……..	Original lease period plus one renewal period (minimum 5 years and maximum 40 years)	
Class 14……..	Length of life of property	
Class 14.1……...	5%	For property acquired after December 31, 2016
Class 17……..	8%	
Class 29……..	50%	Straight-line
Class 43……..	30%	
Class 44……..	25%	
Class 45……..	45%	
Class 50……..	55%	
Class 53……..	50%	

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