

# The Bottom Line

A "quick-read" for estate planning professionals from the JCF Professional Advisory Committee  
January 9, 2004

## UPDATE: TAX SHELTERS

In the December 2003 issue of the **Bottom Line**, the JCF warned readers concerning tax shelters involving charitable donations whereby taxpayers "purchased" inventory at a certain price, which was then gifted to a charity with the inventory then valued at a much higher level.

In December, Finance released draft amendments to effectively eliminate these shelters (see Finance release 2003-061). On December 12, 2003 Finance Quebec announced harmonization with the federal proposals. Although the federal rules are applicable to December 6, 2003 onwards, the Quebec harmonization applies to taxation years 2000 and onwards.

It has been reported that CCRA has reassessed 5,000 taxpayers who purchased these types of shelters and plans on examining 5,000 more. We do not yet know if this is actually correct.

To view the National Jewish Gift Planning Handbook at:  
[www.jcfmtl.org/handbook/index.htm](http://www.jcfmtl.org/handbook/index.htm)

For more information of value to financial professionals visit our web site:  
[www.jcfmtl.org/pac.htm](http://www.jcfmtl.org/pac.htm)

## Questions? Comments?

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