THE JULY 18, 2017 FEDERAL FINANCE PROPOSALS

Info-Session - Viscount Gort Hotel

Wednesday, September 6, 2017

Larry Frostiak, FCPA, FCA, CFP, TEP

President of Frostiak & Leslie CPA Inc.

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Minister of Finance looking for money (and feedback)

DAVID CHRISTIANSON
DOLLARS AND SENSE

WELL, federal Finance Minister Bill Morneau has made a proposal to increase taxes for a certain part of the population — specifically those who have corporations with other family members being paid from those corporations.

The minister has referred to this practice as "income sprinkling" and says he considers it "unfair." Let's examine these proposals, on which the minister has asked for comments prior to Oct. 2.

In July, the Department of Finance issued a "consultation paper" called Tax Planning Using Private Corporations. This requests feedback on three proposed tax increases aimed directly at small businesses and private corporations and poses a series of questions for respondents to answer.

These three areas are "income sprinkling" (sharing income among family members), holding passive investments inside a private corporation and converting income to capital gains.

The third measure is one where a strong argument can be made that loopholes are being exploited. The others I find concerning.

The government clearly has its mind made up on moving forward. I admit I was a little put off by their use of value-laden terms such as "wealthy," "high income" and "unfair tax advantage," which I know do not apply to many of the people who would be affected — and possibly very few of them.

Small businesses, most of them incorporated, are the engine creating most of the jobs in Canada. The shareholders of these corporations are the people who make it happen.

The latest Key Small Business Statistics released by Statistics Canada in 2016 revealed that small businesses employ 70.5 per cent of the labour force in Canada, were responsible for 87.7 per cent of net employment growth and contributed an average of 30 per cent to the GDP of their respective province.

These are the folks who take the risks, go into debt, work insane hours, have no job security, no pension or benefits (unless they create them and pay for them themselves), but always have to make payroll for their employees.

And yes, some of these business owners achieve success, occasionally creating great wealth.

Many then give back to their communities and you can see their names on hospitals, schools and the lists of people who support things such as disease research and treatment, arts & cultural organizations and charitable foundations.

Is it really a good idea to give these people another incentive to pay their taxes in another country?

The government is proposing to eliminate the ability of business owners to share income with other members of their families, on the basis that some of these other family members may be in lower tax brackets. That would result in a possible decrease in total family taxes.

When an entrepreneur or professional works 12 to 14 hours a day — often seven days a week — the family all pays a price. As well, they usually help with the business in a variety of ways. Shouldn't they be paid and allowed to pay taxes, albeit at a lower rate?

There is already a "kiddie tax" that prevents splitting business income with minor children. The new proposal would extend this to spouses and grown offspring, making them subject to the government's new "reasonableness test." (Yes, they actually are proposing to design a "reasonableness test.")

The government also wants to eliminate the ability of a family to share the lifetime capital gains exemption, if they are lucky enough to sell the business at a profit in the future. Both proposals would undo years of planning by people who have organized their affairs properly, to take advantage of laws in place for decades.

If you have an opinion on these changes, or alternative solutions, make your voice heard by emailing the ministry at fin.consultation.fin@canada.ca or participating in the consultation found online at fin.gc.ca.

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Dollars and Sense is meant as an introduction to this topic and should not in any way be construed as a replacement for personalized professional advice.

David Christianson, BA, CFP, R.F.P., TEP, CIM is recipient of the Fellow of FPSCTM Distinction, a portfolio manager and senior adviser with Christianson Wealth Advisors, a senior vice-president with National Bank Financial Wealth Management, and author of the book Managing the Bull, A No-Nonsense Guide to Personal Finance.

Tax revamp would punish small-business owners for success

TIM CESTNICK
TAX MATTERS
tim@cestnick.ca

I'd like to share the story of a good friend of mine. It's a Canadian success story. What is happening to his family, and others like them, should concern all of us.

The story
Warren owns a successful business in Burlington, Ont., and employs 125 people. He has poured his blood, sweat and tears into the business since starting it 25 years ago.

He has sacrificed much. He didn't spend enough time with his children when they were younger, because the business demanded his attention. Further, he put all his assets at risk over the years by making personal guarantees to borrow the funds necessary to grow the business.

The early days were tough. He reminded me of a time when he had to take cash advances on his credit cards just to pay his staff. He took no salary for the first two years the business was in operation.

Warren's wife, Jeanie, made sacrifices, too. She gave up her full-time job to focus on their children and household, allowing Warren to focus on the business. Warren is the first to acknowledge that Jeanie has been as critical to the success of the business as he has been. She's been a rock of stability at home.

More than this, the equity in their home, which she helped to build while she was working, enabled Warren to borrow enough money to create a business that provides its employees with growing incomes, and has made many of them very well off financially.

Today, Warren and Jeanie are reaping the rewards of the risks and sacrifices they've made. With the success of the business, Warren now has a good income. Jeanie shares in this success by receiving dividends from the company, as do the children, who have also made sacrifices over the years.

None of the employees begrudge this family's financial success. On the contrary, they are grateful to be beneficiaries of the hard work and risks that started the business, which now provides them with good incomes.

The problem
Warren is irate. "Tim, there is no way I would make the same sacrifices all over again if I were starting the business today. I simply wouldn't bother."

I asked him why he felt this way. "The government today has changed the tax system so much, and is planning to change it again to stack the odds against the small-business owner. If I did this all over again, I'd move to the United States first."

When the Liberals won the previous federal election, they quickly increased personal tax rates on the financially successful – often business owners – to give more to others. Although Warren wasn't happy about the tax-rate increases made effective in 2016, he tolerated them because he believes he should pay a higher percentage of tax than people with lower incomes. He buys into the idea of a progressive tax system.

This Liberal government, however, seems so focused on the idea of redistribution of wealth that it completely fails to recognize that when a business owner becomes successful, and increases their income and net worth in the process, those employed by the business become better off as well. Successful businesses produce more, and more highly paid, employees.

When a business owner risks everything they own, is it so terrible that they should, say, triple their income and net worth, especially if it means the employees of the business double theirs, over time? Apparently, this is a problem for the Liberals.

Proposed tax changes introduced on July 18 are designed to reduce the ability of business owners such as Warren to split income with family members, unless those family members have contributed meaningful labour and capital. I guess Jeanie's sacrifices don't count here. I think Finance Minister Bill Morneau needs to explain that to her personally.

The proposals also will restrict Warren's ability to save money for retirement inside his corporation. The Liberals want Warren and Jeanie to be treated exactly like any employee who hasn't started an active business and owns a corporation. Perhaps Mr. Morneau should explain to Warren why the risks and sacrifices he made to create 125 jobs shouldn't provide him with any benefits greater than what his employees receive.

If the Liberals are trying to build a stronger middle class, as they claim, they will be doing exactly the opposite by penalizing small-business owners for their success.

Tim Cestnick, FCPA, FCA, CPA(IL), CFP, TEP, is an author and founder of WaterStreet Family Offices.

How much will Morneau's proposed tax changes cost small business? We do the math

BRENDA BOUW

Accountants are busy crunching the numbers for small-business clients who may be affected by Ottawa's proposals to close loopholes these companies use to lower their tax bills.

The Liberal government is looking to remove what it sees as a financial advantage people with corporations have compared with salaried employees. Business owners argue the suggested moves are unfair and could have wide-sweeping consequences on their ability to expand their businesses, not to mention their own retirement goals.

The Globe and Mail asked financial experts to provide before-and-after scenarios of three of Ottawa's proposed changes, including using corporations for so-called "income sprinkling" among family members; reducing the lifetime capital-gains allowance for a family; and so-called "passive" investment income, where a business owner invests money they don't need right away in their corporation, at a lower tax rate, instead of taking it out as personal income, at a higher tax rate, and investing it.

These scenarios are examples and investors and business owners are encouraged to consult a tax professional for more information about how Ottawa's proposed changes could affect them.

Income splitting
The government is looking to restrict the ability of business owners to reduce their taxes by sprinkling income among adult children in lower tax brackets through salary or wages, or through dividends, which are taxed at a lower rate. Ross McShane, vice-president of financial planning at Doherty & Associates in Ottawa, looked at the impact of a business owner not being able to pay a dividend to a child for their education and, instead, having to take the draw as their own income (in a higher tax bracket).

He uses the example of an Ontario doctor who draws a salary from her corporation of $55,300 (allowing her to maximize CPP contributions) and a dividend of $50,000, for a total income of $105,300. The tax paid here is $22,055.

Assuming she pays a $40,000 dividend to her 20-year-old son, who is attending university, the dividend is essentially tax-free.

If the doctor can't sprinkle that income to her son and has to report the $40,000 dividend as her income, the tax on it is about $14,000 (or 35 per cent). As a result, the family nets $26,000, instead of $40,000 available for education costs.

If you have more than one child going to college or university, the difference can really add up, he says. "If their priority is still to cover the expenses for the children, they'll be working with a lot less in their pocket after tax," Mr. McShane says.

Lifetime capital gains
Many business owners with families have taken advantage of the lifetime capital gains exemption (LCGE) when they sell the business. The amount that can be sheltered rises with inflation and is $835,716 in 2017. Tax planners have set up structures where family members become shareholders in the company, even if they haven't directly contributed to the business. The government is proposing to crack down on this, to allow just one family member to receive the credit.

Jamie Golombek, managing director of tax and estate planning at CIBC Wealth Strategies Group, looked at the before and after scenarios for a family of four – each with equal shares in the company – that sells a business with a total capital gain of $4-million. His example assumes the top marginal tax rate in Ontario.

In the current system, each shareholder could be eligible for the LCGE of $835,716, which is a total of about $3.3-million that isn't taxed. The gain is $657,000 and the total tax paid would be $176,000, or at a capital gain rate of 26.8 per cent.

Under the proposed new system, only one shareholder in the family would receive the LCGE. The gain would be $3.2-million and the tax paid on that would be about $847,000. That means the government would receive an extra $671,000 in taxes on the sale of the company.

"In the old case, you get four times the exemption, in the new case you get one exemption," Mr. Golombek says. "Put another way, the lost opportunity would cost three times the amount."

Passive income
To look at the implications of changes to passive income, Aaron Schechter, a Toronto-based tax partner at Crowe Soberman, used the example of an incorporated business in Ontario that generates $220,000 a year. The business owner takes an annual salary of $144,277 and sets aside $100,000 for personal living expenses for themselves and their family.

After 30 years, with a 7-percent rate of return, and assuming the business earns the same, takes the same salary and pays the same CPP, the owner will have a little more than $2.2-million in investment income once they take the money out of the corporation.

Under the proposed new system, which adds another level of tax on the investment income earned in the corporation (or an extra 30.7 per cent), the business owner would have $1.7-million in investment income once they take the money out of the corporation.

Special to The Globe and Mail

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THE GLOBE AND MAIL

TIM CESTNICK

The Liberals will only weaken the middle class if they proceed with proposed tax changes

Tim Cestnick
Special to The Globe and Mail
Published Thursday, Aug. 17, 2017 4:37PM EDT
Last updated Friday, Aug. 18, 2017 8:39AM EDT

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Tax changes will encourage doctors to leave

If implemented, these proposals will make Canada an undesirable place to practice, a reality the people of Ontario know too well.

"Ontario's doctors cannot run medical businesses and care for patients when we have to continually look over our shoulder to see when the next round of government action is coming," writes Shawn Whatley. (DREAMSTIME)

By **SHAWN WHATLEY**
Wed., Aug. 2, 2017

Every day, Ontario's 29,000 practicing physicians go to work and provide dedicated patient care. We're solutions-oriented individuals who want to see the best-possible outcomes for our patients, without distraction. While we remain without a contract, we recently achieved binding arbitration, and look forward to reaching a fair agreement with the provincial government.

But I worry that a recent announcement by the federal government will jeopardize this progress, and chase away some of our country's best and brightest physicians.

On July 18, federal Finance Minister Bill Morneau launched a 75-day public consultation on tax planning using private corporations. Approximately 20,500 doctors in Ontario are incorporated, supported by the Business Corporations Act. And we're not alone; we stand with many farmers; restaurant, retail and convenience-store owners,

https://www.thestar.com/opinion/commentary/2017/08/02/tax-changes-will-encourage-doct... 8/3/2017

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TAX MATTERS

Proposed tax changes would shake the small-business world

Tim Cestnick
Special to The Globe and Mail
Published Thursday, Jul. 20, 2017 4:52PM EDT
Last updated Thursday, Jul. 20, 2017 5:14PM EDT

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Ever since the 2017 federal budget in March, when the government announced that tax changes affecting private corporations would be coming, I've been feeling queasy. Well, the proposed tax changes were announced by Bill Morneau, the Finance Minister, on Tuesday. And ugly they are. Here's a primer on the potential changes.

The overview

Mr. Morneau announced in the budget back in March that the Liberals have not been pleased with some Canadians who are using corporations in their tax planning, and that changes would be made. The claim is that certain folks are using corporations to pay less than their fair share of taxes. While the proposed changes are meant to affect the wealthy, there will be no shortage of small-business owners, the backbone of the Canadian economy, who will be significantly worse off as a result.

The proposals

There are three tax-planning tactics the government is looking to shut down:

Income sprinkling

Some business owners sprinkle income to family members by way of salary or wages, or dividends, to reduce the family's overall tax burden. There are already rules in place to prevent unreasonable salary or

THE GLOBE AND MAIL

MICHAEL DOLSON

Proposed income-splitting rules could land outsized hit on small businesses

MICHAEL DOLSON
Special to The Globe and Mail
Published Thursday, Jul. 20, 2017 4:38PM EDT
Last updated Thursday, Jul. 20, 2017 4:38PM EDT

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Michael Dolson is a tax lawyer at Felesky Flynn LLP in Edmonton.

On Wednesday, federal Finance Minister Bill Morneau proposed changes that would, among other things, curtail income-splitting and introduce a new regime for the taxation of passive investment. Not surprisingly, pushback to the potential changes was immediate.

In The Globe and Mail, KPMG, the Canadian Chamber of Commerce and the Canadian Federation of Independent Businesses warned of the potential unanticipated or undesirable impact of the changes. While I generally accept Mr. Morneau's stated policy rationale for some of the proposed amendments, the concerns surrounding income-splitting and the taxation of passive investment are justified.

While the Department of Finance has stated that the proposed income-splitting rules are intended to apply to wealthy, high-income earners, they also have the potential to affect every incorporated family business where more than one family member is engaged in the business. It is astounding that Finance's proposed rules are approximately 20 pages long and require many new or amended defined terms – replete with circular references – together with four pages of modifications to those defined terms. The rules bristle with traps for the unwary and the drafting style is hostile to the reader. Businesses that cannot afford top-tier tax advisers will have a very difficult time complying.

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Moodys Gartner musings

Income splitting: Is it time to re-visit a 1966 Canadian tax reform idea?

Published on 9 August, 2017 by Kim G C Moody FCA, TEP and Kenneth Keung CA, CPA (CO, USA), CFP, LLB, MTAX, TEP

On July 18, 2017, a blockbuster package of proposed tax law changes (the "proposals") aimed at private corporations and their shareholders, was released by the Department of Finance. The proposed changes target common tax management practices available to private business owners, such as income splitting amongst family members, investing in passive assets with corporate funds, and repatriation of corporate earnings as capital gains rather than dividends.

In many ways, the broad-sweeping proposals and the accompanying "consultation document", heavily laced with offensive rhetoric, reads like a class warfare manifesto against private businesses. Many in the business and professional community have started rallying against such damaging rhetoric and the countless unintended consequences arising from the proposals (including effective tax rates of 73% on certain passive income, and 93% on the death of certain non-active shareholders of private corporations). We heartily agree with such criticisms. These proposals, if implemented, will – without a doubt – have a negative effect on Canada's economy.

Notwithstanding, the purpose of this article is to explore the other side of the argument of one of the proposals: Income splitting. What is income splitting? An example is the paying of dividends to family shareholders (active or non-active), which often results in a reduced overall family tax burden as compared to the situation where dividends

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How will these proposals affect you?

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Agenda

- Proposed Income-Splitting Rules
- Restrictions on Capital Gains Exemption
- Taxation of Passive Investment Income in a Private Corporation

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Proposed Income-Splitting Rules

- Broadly-based
- Will affect many, many, private corporations and family tax planning
- Reality…Family is the basic economic unit of society
- Reality…spouses and common-law partners have property rights to family business assets

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Proposed Income-Splitting Rules (A History)

- 1966 Carter Commission report recommended the family as the taxing unit
- Our Government went against the Carter Commission recommendations and chose the individual as the taxing unit
- Result – years of planning to "Split-income" with Finance Push-Back, through
  - Income attribution rules
  - Kiddie Tax
- Complexity!

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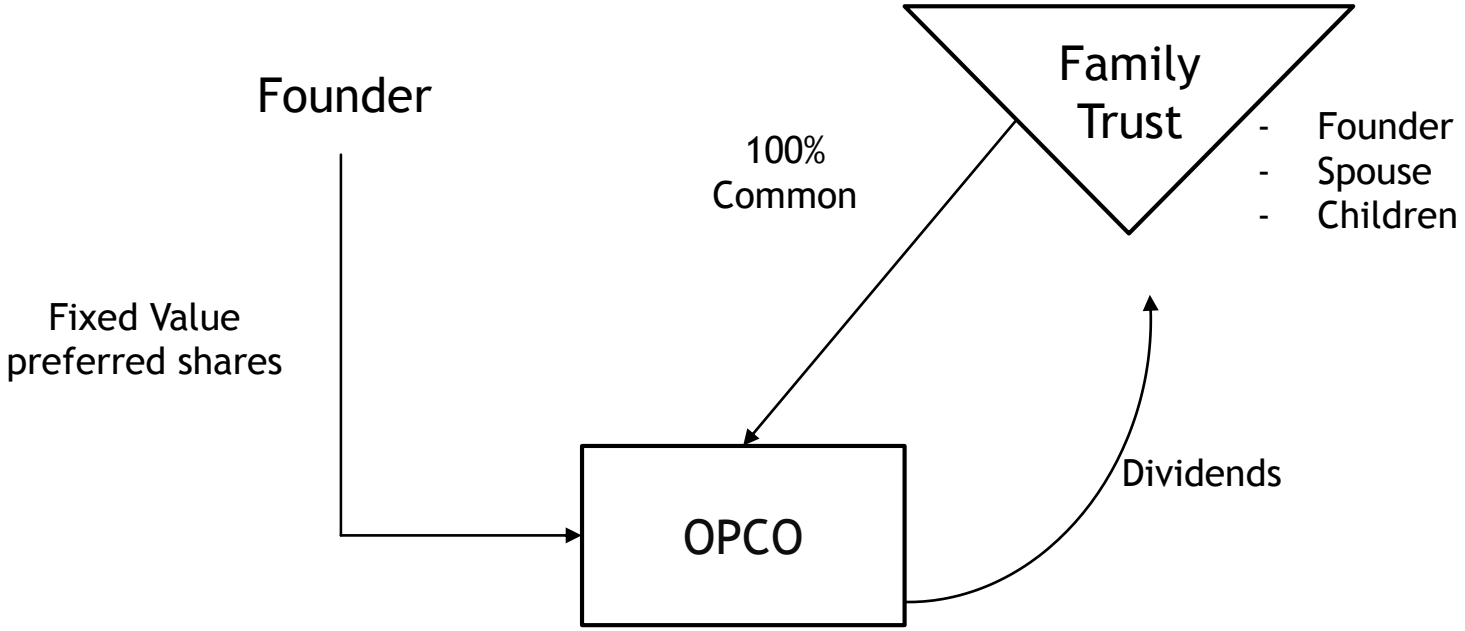
Example 1

Typical Private Company Structure



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Effective January 2018…proposals would expand tax on split income (TOSI)or "Kiddie Tax Rules as follows:

- Can apply to any Canadian resident individual (regardless of age), with a "connection" to the private company
- New "reasonableness" test linked to labour and capital contribution, including previous returns
- More types of income caught under TOSI

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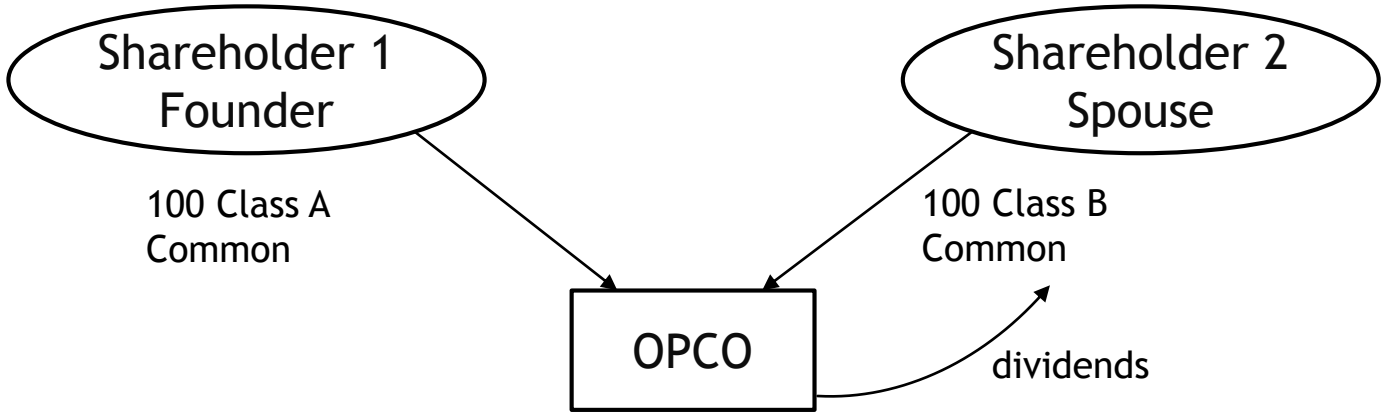
Example 2

Typical Private Company Structure



- What constitutes a “reasonable” dividend to spouse?

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What might that cost?

Assume 40,000 div to spouse (Manitoba) – NO OTHER INCOME

Existing Tax Rules	$	3,000
Proposed (TOSI)		18,000
Increase	$	15,000

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Effective January 1, 2018, TOSI would include:

- Income on private company debt
- Capital gains on private company shares
- 2nd generation income on property subject to TOSI
- Certain shareholder benefits

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Who is affected?

- "Specified" individual (regardless of age) or a person related to a "connected" individual
- Connected individual includes a person who has influence in the company over:
  - Strategic plans
  - Equity
  - Earnings
  - Investment
- Concept also includes income from a partnership or trust
- Related individuals will now include uncle, aunt, nephew, niece

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Impact Going Forward?

- Income-splitting curtailed for individuals with no labour or capital in the business
- Reasonableness test will create subjectivity and uncertainty
- What does capital contributed include? FMV of individual's existing shareholdings. Do you freeze and pay dividends on freeze amount?

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Restrictions on Capital Gains Exemption

Effective January 1, 2018, No LCGE for

- Minors (under age 18)
- Adults, for portion of capital gain accrued while a minor
- Property subject to expanded TOSI (includes adult shareholders if TOSI applies) IE: Look to labour contribution, capital contribution tests

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Restrictions on Capital Gains Exemption (cont'd)

Effective January 1, 2018, No LCGE for

- Gains allocated by Employee Profit sharing plans
- Capital gains on property accrued in a trust, regardless of beneficiary's age

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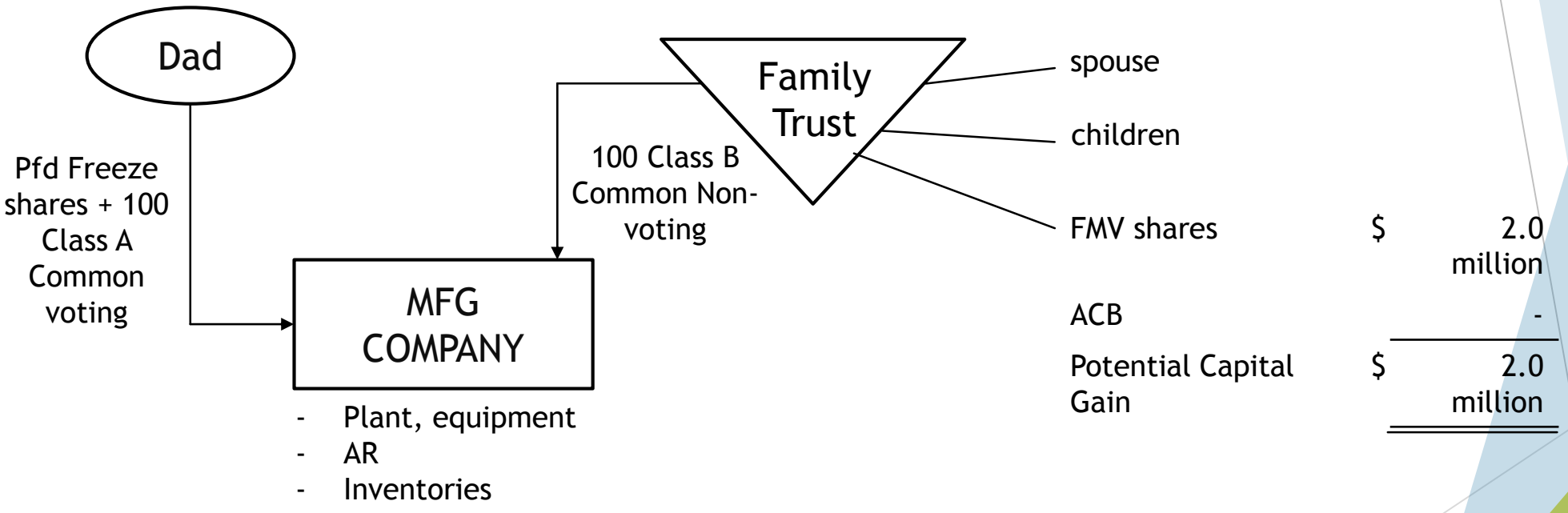
Restrictions on Capital Gains Exemption (cont'd)



Assume that all beneficiaries of trust would be caught under new TOSI rules

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Restrictions on Capital Gains Exemption (cont'd)

Issues

- Do MFG Company shares qualify? 90% test but special reduced 12 month holding period test for election
- Review Terms of Trust
- Taxable portion of capital gain must be paid or payable to beneficiary

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Restrictions on Capital Gains Exemption (cont'd)

Transitional Rules

- Elect and trigger a "deemed" capital gain in 2018
- Utilize LCGE and step up ACB
- Eligible property includes
  - Property caught by new TOSI rules
  - Property received from a trust before December 31, 2017
  - Gains accrued to a minor, who are 18 years or older in 2018

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Restrictions on Capital Gains Exemption (cont'd)

Strategies?

- Crystallize trust gains in 2017
- Tax deferred roll-out of property in 2017 to adult beneficiary
- No "grandfathering" for existing trusts

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Restrictions on Capital Gains Exemption (cont'd)

Implications

- Do you want to roll out shares or other property to adult child?
- Valuation costs
- Alternative Minimum Tax (AMT) considerations
- Limited time frame to act – December 31, 2017

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Taxation of Passive Investment Income in a Private Corporation

History

- Cornerstone of Tax Policy is “Neutrality” and “Fairness”
- That is – ensuring that an individual is indifferent to earning income through a corporation or directly
- This is currently the case – We do have tax integration

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Taxation of Passive Investment Income in a Private Corporation

Example (assumes Manitoba tax rates)

	Employee	Income Corp SBD	Corp No SBD	Passive Income
Income	100	100	100	100
Tax	(50)	(11)	(27)	(50)
	50	89	73	50
Refundable Tax	-	-	-	30
	50	89	73	80
Dividend Tax	-	(40)	(24)	(36)
After-tax income	50	49	49	44

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Taxation of Passive Investment Income in a Private Corporation

So what are the issues?

- Integration is maintained
- No advantage in earning passive income through a private corporation
- But…there can be more dollars to invest in passive investments earned on active income not redeployed in the business than an employee

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Taxation of Passive Investment Income in a Private Corporation

	Employee	Corporation
After tax income to invest	$ 50	$ 73-89

Finance is concerned about this "corporate opportunity"

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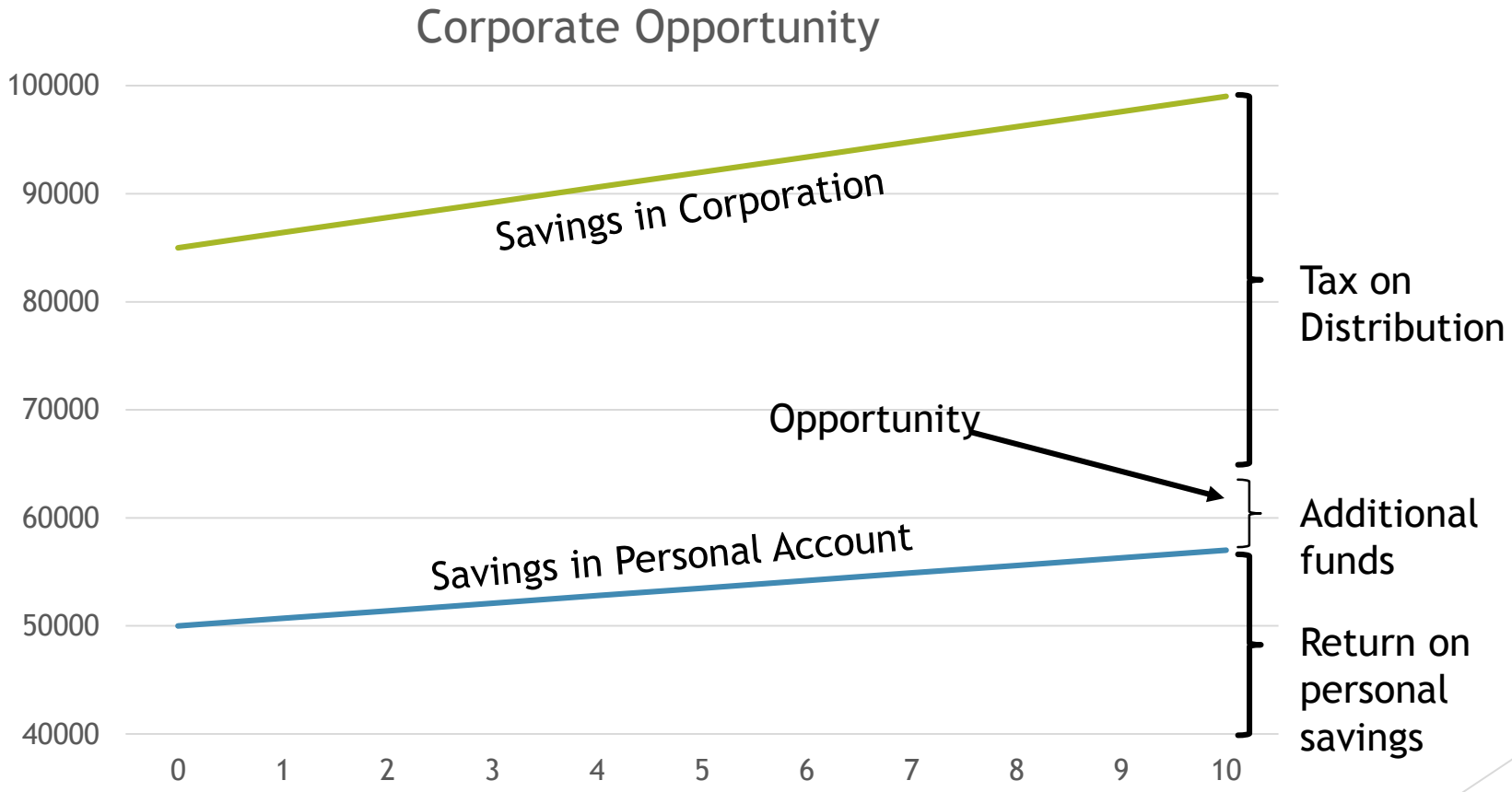

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WARNING!!

The following material is graphic and may be disturbing to the viewer

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Taxation of Passive Investment Income in a Private Corporation

- Finance proposes 3 alternative approaches
- Apportionment method
- Elective method
  - Default treatment
  - Elective treatment
- Corporation focussed on passive investments

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Taxation of Passive Investment Income in a Private Corporation

For Apportionment and Elective methods:

- Maintain same tax rate on investment income
- Eliminate RDTOH when dividends paid
- Dividend tax rate will depend on source of capital used to fund passive investments

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Taxation of Passive Investment Income in a Private Corporation

Apportionment Method:

- Track after-tax income in three separate pools:
  - Small business rate
  - General rate
  - Shareholder contributions
- Allocate passive investment income of the corporation to these pools
- Corporations can designate which pool dividends are paid from:
  - Non-eligible dividends
  - Eligible dividends
  - Tax-free dividends

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Taxation of Passive Investment Income in a Private Corporation

Corporations Focused on Passive Investments:

- Additional election possible for both methods
- All income generated by the corporation would be taxed as passive investment income
- Existing RDTOH system would apply
- Additional refundable tax may apply to inter-corporate dividends received
- Unclear whether existing CDA rules continue to apply.

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Taxation of Passive Investment Income in a Private Corporation

- Taxation of Public Company Dividends
- Subject to non-refundable tax of 38 $^{1}/_{3}$%
- May no longer be able to be distributed as eligible dividends

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Taxation of Passive Investment Income in a Private Corporation

Taxation of Capital Gains

- Taxed as passive income
- Generally – CDA eliminated
- Limited addition to capital dividend account (e.g. arm's length sale of a subsidiary corporation that exclusively earns active business income)

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Taxation of Passive Investment Income in a Private Corporation

Example 1

Interest	Private Corporation Existing	Private Corporation Proposal
	$	$
Interest Income	100	100
Corporate Tax	(50)	(50)
	50	50
Refundable Tax	30	-
	80	50
Personal tax on div @ 45%	(36)	(23)
Net Cash Retained	44	27
Net Cash/Personal	50	50
Effective tax rate Corp/Pers	**56%**	**73%**

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Taxation of Passive Investment Income in a Private Corporation

Example 2

Capital Gains	Private Corporation Existing	Private Corporation Proposal
	$	$
Capital gains realized	100	100
Corporate tax ($^1/_2$ subject to)	(25)	(25)
	75	75
Refundable Tax	15	-
	90	75
Personal tax on div	(18)	(34)
Net Cash Retained	72	41
Net Cash/Personal	75	75
Effective tax rate Corp/Pers	**28%**	**59%**

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Taxation of Passive Investment Income in a Private Corporation

SUMMARY

	Individual	Private Corp (existing)	Private Corp. (proposed)
Interest income	50.40%	56.50%	73.00%
Capital gains	25.20%	28.20%	59.44%
Public company dividends	37.78%	37.78%	66.52%

No longer any integration

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Taxation of Passive Investment Income in a Private Corporation

Is this just a tax on the wealthy few? Think Again…

This Affects:

- The incorporated convenience store owner, saving some earnings for retirement
- Company that owns a building or plant used in the business. (future cap gains)
- Someone with rental property owned in a corporation

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<u>Taxation of Passive Investment Income in a Private Corporation</u>

A great deal of unknowns…

- How will unrealized and accrued gains be taxed?
- How will distributions of capital be taxed?
- How does one de-incorporate or remove passive investments from a corporation without suffering tremendous tax consequences
- Will there be transitional rules to deal with appreciated capital assets at December 31, 2017?

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Taxation of Passive Investment Income in a Private Corporation

Who might be affected?

- Investments held in a private corp?
- Real estate held in a corp
- Farmland held in FARM CORP
- Life insurance held in OPCO
- Estate planning – private business (double or triple taxes!)

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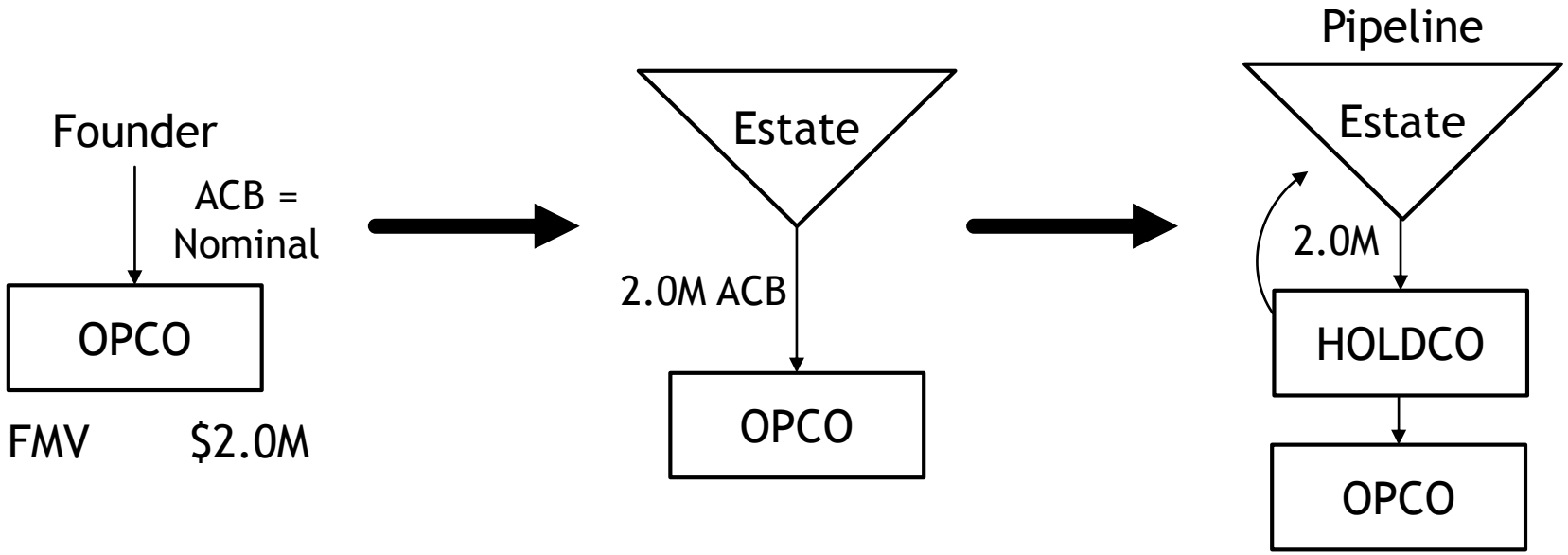
Estate Planning – Private Business

Example



Note – See Globe and Mail article – August 31, 2017

"Draft tax changes put families, partners of deceased business owners in legal limbo: experts"

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TAX CONSEQUENCES

	USE "PIPELINE"	
	Existing Rules	Proposed Rules
Tax on Death – T1		
Deemed Disposition	500,000	500,000
New Sec 84.1 deemed dividend	-	900,000
Tax in OPCO – sale of assets	-	500,000
	500,000	1,900,000

- If 164(6) loss CB strategy not available, tax could be "TRIPLE"
- **95.0% of Estate paid to taxes**

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Taxation of Passive Investment Income in a Private Corporation

What are business groups and tax experts doing?

- Proliferation of articles
- Calling on Government to convene a Royal Commission to study the matter

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Taxation of Passive Investment Income in a Private Corporation

What should you do?

- Don't make any quick decisions
- Need to study this and look at options
- Write your Member of Parliament
- Talk to your advisors

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QUESTIONS?

Thank You!

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and

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