Tax Planning Using Private Corporations: Facts on Finance Proposals & Insights

Private Corporation Information Session
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1. Income Sprinkling (Income Splitting Advantage)

- Physician
- Spouse
- Child +18

Medical Professional Corporation

Low tax Brackets

Shares

Practice Income
2. Holding Passive Investments Inside a Private Corporation (the Deferral Advantage)
3. Converting Income Into Capital Gains

<table>
<thead>
<tr>
<th>Type of Income</th>
<th>Average Top Marginal Tax Rate (Federal and Provincial Combined)</th>
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</thead>
<tbody>
<tr>
<td>Salary / self-employed income</td>
<td>50%</td>
</tr>
<tr>
<td>Eligible dividends</td>
<td>35%</td>
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<tr>
<td>Non-eligible dividends</td>
<td>42%</td>
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<tr>
<td>Capital Gains</td>
<td>25%</td>
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</tbody>
</table>
Q&A

Thank You
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