Canada – TaxMatters@EY

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In this issue

TaxMatters@EY is a monthly Canadian bulletin that summarizes recent tax news, case developments, publications and more. For more information, please contact your EY advisor.

Federal budget proposes revised refundable tax regime for passive investment income

Alan Roth, Toronto

Background

The 27 February 2018 federal budget proposed two measures to limit the deferral advantage of private companies earning passive investment income, both of which are effective for taxation years beginning after 2018. The measures are amendments to the small-business deduction rules, as well as technical changes to the refundable dividend tax on hand account of private corporations to deal with the recovery of Refundable Dividend Tax On Hand (RDTOH), and the payment of eligible dividends.

In last month's issue of TaxMatters@EY, we reviewed the first change in the article titled "Federal budget simplifies passive investment income proposals". We also provided background information on the Department of Finance's previous proposals and comments.

In this article, we focus on the second of these two changes.

The concept of integration, which is built into the Canadian tax system, provides that the total tax paid on passive investment income and business income should be the same, whether the income is earned directly by an individual or it's earned through a corporation and then distributed to the individual as a taxable dividend.

Integration, while not perfect, is achieved at the individual level through the dividend tax credit mechanism. At the corporate level, integration is achieved with lower corporate tax rates for business income and the refundable dividend tax mechanism for investment income of a private corporation.

Investment income, such as interest or dividend income, or realized taxable capital gains, that is earned by a Canadian-controlled private corporation (CCPC) is initially taxed at a higher federal rate (currently 38.67%1) than active business income. The higher rate is meant to approximate the tax payable by an individual who earns investment income directly, rather than through a corporation, and who is subject to tax at the highest marginal rate.

A portion of this federal tax paid by the corporation (i.e., equal to 30.67% of investment income) is added to the corporation's RDTOH, and may be refunded to the corporation as a "dividend refund" after the payment of taxable dividends by the corporation to its shareholders. The amount refunded to the corporation is designed to approximate the personal tax payable on the taxable dividends received by shareholders subject to the highest marginal tax rate, thereby achieving integration.

A CCPC's refundable tax consists of its refundable portion of Part I tax on investment income (equal to 30.67% of investment income as noted above) and its Part IV tax. A private corporation that is not a CCPC is subject to refundable tax only on the Part IV tax that it pays. Part IV tax of 38.33% is payable on the receipt of eligible or non-eligible dividends from stock portfolio investments. In addition, Part IV tax is payable on the receipt of eligible or non-eligible dividends from connected corporations[2] to the extent that the payer corporation receives a dividend refund as a result of the payment of the dividend.[3]

Under the current system, the amount of a private corporation's dividend refund for the year in respect of taxable dividends paid is equal to the lesser of 38.33% of all taxable dividends paid in the year and the corporation's RDTOH account balance at the end of the year. A private corporation's refundable taxes paid are added to its RDTOH pool, while dividend refunds received are deducted from the pool.

A private corporation can recover refundable taxes paid on passive investment income by paying either eligible or non-eligible dividends to its shareholders to generate the dividend refund, provided that is has a positive RDTOH account balance at the end of the year.[4] As a result, the refundable dividend tax mechanism allows a private corporation to pay an eligible dividend to recover taxes paid on investment income from which, otherwise, only non-eligible dividends could be paid. The corporation obtains a tax deferral by paying eligible dividends sourced from active business income taxed at the general corporate income tax rate to generate a refund of taxes paid on higher-taxed passive investment income. When eligible dividends are paid to recover refundable taxes, the individual shareholder recipients are subject to personal tax at a lower rate than if they receive non-eligible dividends. This creates a tax advantage, as the total tax payable by the private corporation and its individual shareholders on passive investment income may be significantly lower than if the same income was earned by the individual directly through the receipt of non-eligible dividends. This advantage varies greatly depending on the individual shareholder's province or territory of residence, as there are substantial differences between the eligible and non-eligible dividend rates in different jurisdictions.[5] It is this tax deferral advantage that the federal government addressed in its 2018 budget.

Federal budget RDTOH proposals

The 2018 federal budget introduced amendments to create a modified RDTOH regime to limit the recovery of refundable taxes when eligible dividends are paid, effective for a private corporation's taxation year beginning after 2018. A private corporation will usually only be able to receive a dividend refund when non-eligible dividends are paid. However, there will be exceptions to allow for a dividend refund when eligible dividends are paid to the extent RDTOH is sourced from Part IV tax paid on eligible portfolio dividends, or from certain intercorporate dividends received (as discussed below). The new regime will be implemented through the establishment of separate eligible and non-eligible RDTOH accounts.

A private corporation's eligible RDTOH account will include and track:

- Part IV tax paid on eligible portfolio dividends received from non-connected corporations
- Part IV tax paid on eligible or non-eligible intercorporate dividends received from connected corporations, to the extent that such dividends result in the payer corporation receiving a dividend refund from its own eligible RDTOH account
- The corporation's eligible RDTOH balance at the end of the preceding year (provided it was a private corporation at that time), net of the total dividend refund received from the corporation's eligible RDTOH account in respect of its preceding year.

[1] The higher rate results in combined federal/provincial rates for a CCPC ranging from 50.17% to 54.67%, compared to combined federal-provincial rates on general active business income ranging from 25% to 31%.

[2] For purposes of Part IV tax, a payer corporation is connected with another corporation if it is controlled by the other corporation, or the other corporation owns more than 10% of the issued voting shares of the payer corporation and more than 10% of the fair market value of all the issued shares of the payer corporation.

[3] Both *subject corporations* and private corporations can be subject to Part IV tax. A *subject corporation* is a Canadian-resident corporation other than a private corporation that is controlled, through a trust or otherwise, by or for the benefit of an individual or a related group of individuals.

[4] Eligible dividends can only be designated and paid if they are sourced from active business income taxed at the general corporate tax rate to the extent of a CCPC's general rate income pool (GRIP) balance, or after the low-rate income pool (LRIP) balance is eliminated for a private corporation that is not a CCPC. Non-eligible dividends are generally paid if they are sourced from either a CCPC's active business income taxed at the small-business rate, or from its passive investment income, or to the extent of the LRIP balance of a private corporation that is not a CCPC.

[5] The differences range from 1% to approximately 13%, with most provinces in the 6% to 10% range.

A private corporation's non-eligible RDTOH account will include and track:

- The refundable portion of Part I tax paid on a CCPC's passive investment income
- Part IV tax paid for the year less the total Part IV tax added to the private corporation's eligible RDTOH account (see above)
- The corporation's non-eligible RDTOH balance at the end of the preceding year (provided it was a private corporation at that time), net of the total dividend refund received from the corporation's non-eligible RDTOH account in respect of its preceding year.

When eligible dividends are paid in a year, a private corporation will receive a dividend refund in the year equal to the lesser of 38.33% of all eligible dividends paid in the year and the corporation's eligible RDTOH account balance at the end of the year. Likewise, when non-eligible dividends are paid in the year, the dividend refund will be equal to the lesser of 38.33% of all non-eligible dividends paid in the year and the corporation's non-eligible RDTOH account balance at the end of the year. A private corporation will not be permitted to access its non-eligible RDTOH account to obtain a dividend refund when eligible dividends are paid, presumably because eligible dividends are sourced from income that is not subject to the higher-level refundable tax. However, if a private corporation's non-eligible RDTOH pool is fully exhausted, it can access its eligible RDTOH account in order to obtain a dividend refund on the payment of a non-eligible dividend. There will be no change to the requirement for a corporation to file its tax return within three years after the end of the taxation year in which the dividends are paid in order for it to receive its dividend refund.

Under the new regime, Part IV tax paid by a recipient corporation will be added to the same type of RDTOH account from which the payer corporation received its dividend refund. For example, if the payer corporation generated its dividend refund through a recovery of taxes included in its non-eligible RDTOH account, the Part IV tax paid by the recipient corporation will be added to its non-eligible RDTOH account.

2019 transitional rules

Under the transitional rules, a CCPC's first eligible RDTOH account balance will generally be equal to the lesser of its existing RDTOH balance and 38.33% of its GRIP balance at the end of its last taxation year that begins before 2019. Any remaining balance will be allocated to its non-eligible RDTOH account. For private corporations that are not CCPCs, all of the corporation's existing RDTOH balance at end of its last taxation year that begins before 2019 will be allocated to its eligible RDTOH account.

An anti-avoidance rule will apply to prevent the deferral of the application of the new RDTOH regime through the creation of a short taxation year, if one of the reasons for the creation of the short tax year was to achieve this deferral. In these circumstances, the new regime will apply to a taxation year of a corporation beginning before 2019 and ending after 2018.

The following examples illustrate the mechanics of the new RDTOH regime:

Example 1

Privateco has a balance of $100,000 in its eligible RDTOH account and $200,000 in its non-eligible RDTOH account at the end of its 2020 taxation year. Privateco paid eligible dividends totalling $1.3 million in 2020 and no other dividends were paid.

Privateco cannot access its non-eligible RDTOH account to obtain a dividend refund when eligible dividends are paid. Since Privateco only paid eligible dividends in 2020, its total dividend refund for that year is $100,000, equal to the lesser of 38.33% of the $1.3 million of eligible dividends (or approximately $498,000) paid by Privateco in 2020, and $100,000, the year-end balance in Privateco's eligible RDTOH account.

Example 2

CCPC Company has a balance of $250,000 in its eligible RDTOH account and $300,000 in its non-eligible RDTOH account at the end of its 2022 taxation year. CCPC Company paid non-eligible dividends totalling $1.2 million in 2022, but no other dividends were paid.

CCPC Company must first access its non-eligible RDTOH to obtain a dividend refund. The dividend refund obtained by recovering taxes included in this account is $300,000, equal to the lesser of 38.33% of non-eligible dividends paid in 2022 (or approximately $460,000) and $300,000, the year-end balance in CCPC Company's non-eligible RDTOH account. Since the corporation could not obtain its full dividend refund by accessing its non-eligible RDTOH account, it can recover the difference by accessing its eligible RDTOH account. CCPC Company will be able to obtain a dividend refund from this account equal to the lesser of the excess amount of $160,000 ($460,000 - $300,000) and $250,000, the year-end balance in its eligible RDTOH account. CCPC Company will then have $90,000 remaining in its eligible RDTOH account to carry forward to 2023, but no amount of non-eligible RDTOH to carry forward.

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Example 3

Holdco has a 100% voting interest in Opco. Both companies are CCPCs with a 31 December year end. Holdco is 100% owned by an individual who is a Canadian resident. Holdco has a 31 December 2020 balance of $250,000 in its non-eligible RDTOH account. In 2020, Holdco paid $56,100 in non-eligible dividends to its individual shareholder and received a dividend refund of $21,500 ($56,100 x 38.33%) from its non-eligible RDTOH account. In its 2021 taxation year, Holdco's refundable portion of Part I tax on investment income was $85,000, and its total Part IV tax payable in that year was $130,000, of which $124,575 was added to its eligible RDTOH account.

As at 31 December 2021, the balance in Holdco's non-eligible RDTOH account is $318,925 and is computed as follows:

31 December 2020 balance in non-eligible RDTOH account	$250,000
Plus: 2021 refundable portion of Part I tax	$85,000
Plus: Part IV tax not included in eligible RDTOH in 2021	$5,425
Less: Dividend refund received in respect of 2020 tax year	$(21,500)
31 December 2021 balance in non-eligible RDTOH account:	**$318,925**

Conclusion

By limiting the payment of eligible dividends to recover refundable taxes paid on passive investment income, the proposed RDTOH regime will greatly reduce the tax deferral advantage with which the government has been concerned. However, a private corporation will now need to track two RDTOH accounts instead of one.

There is still a bit of time before the new RDTOH regime takes effect. In the meantime, it may be advisable to meet with your EY advisor to determine how the proposed regime could potentially impact your private corporation and its shareholders, and whether any planning can be done in advance of the effective date of the new rules. For example, if your private corporation has an RDTOH balance and a GRIP account, you may wish to discuss whether an eligible dividend should be paid before the new RDTOH regime begins to apply to the corporation. ♦

AI and robotics may change tax job duties

*Originally published in **EY Tax Insights**.*

There are concerns about job losses due to technology in the tax industry, but it's too early to make assumptions.

As robotics and artificial intelligence (AI) become more prevalent in the workplace, questions have emerged about the very future of work: are these advanced technologies job killers? Job creators? Job enhancers? Or all of the above?

The debate is just beginning, and answers could be a long time in coming. What is clear is that the time to prepare is dwindling quickly: the Gartner research firm predicted at the end of 2017 that AI will eliminate 1.8 million jobs by 2020 and create another 2.3 million jobs.

"Governments will need to balance their responsibility to sustain employment and the social fabric with the need to support new technologies that could bolster future economic growth."

Outcomes will most likely vary by geography, industry, type of work and other factors. The Gartner report, for example, predicts that AI will create jobs in the health care, public sector and education industries, while the manufacturing sector will be most affected by job losses.

The late Stephen Hawking expressed concerns in 2016 about AI and the impact on the economy as well as the development of powerful autonomous weapons.

AI "will bring great disruption to our economy," Hawking said at the time. "In short, the rise of powerful AI will be either the best or the worst thing ever to happen to humanity. We do not yet know which."

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Some believe AI and robotics present more opportunities than problems ahead. Robots and AI are expected to take over remedial tasks, freeing workers up to focus on more interesting value-added activities.

In an interview with CNBC, an AI researcher, Max Versace, said he believed the technology would encourage people to seek out more challenging jobs. "Humans are resourceful, and history has shown we can change to various economic conditions," Versace told CNBC.

A tax world example

Channing Flynn, EY's San Francisco-based Global Digital Tax Leader , agrees that AI will also bring opportunities for workers in the future. "Sometimes you read headlines that the robots are going to come and take all of our jobs," says Flynn. "I actually think the opposite – I think there are whole new fields of jobs opening up."

He offers the example of the tax world. In the past five years the single biggest source of United States Securities and Exchange Commission restatements has been income taxes.

Tax provision accounting on a global scale is difficult, expensive and not yet being achieved across all businesses, according to Flynn. And it will become even more challenging as the expectations from company boards and tax administrations increase.

AI and the broader intelligent automation trend, which will allow businesses to automate more of their processes, could prove helpful in this regard. "The coming wave of intelligent automation should actually enable us to achieve what we really need to achieve in the tax world," Flynn says.

While there are concerns about job losses due to technology in the tax industry, Flynn believes it's still too early to make assumptions, especially in light of widespread legal and regulatory changes within today's tax landscape.

Tax threat

Determining a course of action will not be easy for governments as businesses accelerate their use of AI and robotics – whether physical robots in the factory or robotic process automation software in the office.

On one hand are complex and critical tax questions. If job losses cut into countries' income tax revenues, how would governments fill the gap in their treasuries?

What will be the public cost of continually reskilling populations for an ever-increasingly tech world, as well as providing adequate support for people put out of work by robotics and AI?

On the other hand, governments want to encourage technological innovation, and putting taxes or regulation at an early stage on new technologies could hinder their development.

Experimental solutions

Some academics and governments are already conceiving and experimenting with targeted tax and wage solutions. Even the most fundamental tax precepts could be rewritten, according to Charles Davis, EY Global Tax Lead Analyst in London.

For example, effective corporate income tax rates tend to be lower in many countries than the effective tax rate (i.e., income and social security taxes) that employees pay on their wages.

So an increase in corporate profits and reduction in employee costs because of the use of robotics would produce less tax revenue for the government as employees are taxed at a higher rate than businesses.

"The balance between the two could become a really tough question over time because – if value creation moves from being delivered by humans to robots, you're talking about quite a big potential hit to government revenue," Davis says.

Many suggestions, few answers

In an interview with *Quartz* in early 2017, Microsoft Co-founder Bill Gates caused a stir by suggesting the creation of a "robot tax" – basically, taxing a robot at a similar level to a human worker performing the same task. One way could be by taxing profits generated by the labor-saving efficiency of robotics and AI, Gates said in the interview.

During the past year, proposed tax solutions have only proliferated. For example, taxing capital investment in automation could be an alternative to taxing profits.

In another twist, a robot tax could be paired with minimum income payments for everyone, since a robot tax alone would have to be extremely high to address societal goals, according to research by Sergio Rebelo, a professor at the Kellogg School of Management at Northwestern University, and Pedro Teles, a professor at the Universidade Católica Portuguesa.

There is growing discussion about the merits of a universal basic income in the AI age, providing all individuals with a minimum amount paid regularly and unconditionally. Proponents argue that the approach could actually incentivize entrepreneurship, volunteerism and other socially desirable outcomes.

One World Economic Forum (WEF) panelist this year broadly suggested eliminating corporate tax breaks and subsidies to support a universal basic income for all, regardless of work status.

A pilot of the basic income concept is planned for Stockton, California, in 2018. Finland is expected to publish the results of its pilot at the end of 2018.

Other alternatives include wage insurance, which could provide incentives for workers with old-economy skills to take a pay cut in the short term as they get on-the-job training for 21st-century positions, according to a white paper co-written by Kellogg School Professor David A. Besanko.

Giving – and taking – incentives

In a report released in January 2018, the WEF called for a "reskilling revolution," saying that, "For companies, reskilling and upskilling strategies will be critical if they are to find the talent they need and to contribute to socially responsible approaches to the future of work."

As for governments, "reskilling and retraining the existing workforce are essential levers to fuel future economic growth [and] enhance societal resilience in the face of technological change."

The question is how to pay for that training. One proposed solution would be a financial transactions tax or a new tax on high-net-worth households to fund job training, according to Besanko. This would be in lieu of a robot tax, which critics warn could slow innovation.

Tax incentives are also cited as a possible solution. For example, tax credits could go to companies that hire and retrain displaced workers, suggested an op-ed written by a tax lawyer in the San Francisco Chronicle, which also pointed out that the new US tax law provides more incentive to invest in automation equipment than in jobs for people.

Looking ahead

As the debate over robotics, AI, the future of employment and the impact on tax continues, businesses need to monitor the situation closely. At a minimum, they need to understand the one- to three-year horizon – and plan for various tax and employment scenarios as part of their strategy for digital transformation.

Corporate training programs should be continually re-evaluated, given the acceleration of these advanced technologies and the growing intensity of the surrounding debate.

Businesses should also help policymakers understand the nature of robotics and AI, as well as their implications for the future economy and the future of work.

Governments will need to balance their responsibility to sustain employment and the social fabric with the need to support new technologies that could bolster future economic growth. ♦

Tax treaties are at a crossroads

Alex Postma, EY Global International Tax Services Leader

Originally published in ***EY Tax Insights***

For a large part of the Western world, the first week of January and especially 6 January, a day called Epiphany in the English language, is associated with the story of the three kings and the burning of Christmas trees. It's reminiscent of how large corporate legal entity structures are sometimes jokingly referred to as Christmas trees.

These corporate trees have developed over the years as corporations expand into new products and services and into new jurisdictions. And for many reasons – such as liability protection, local requirements for doing business, etc. – it has been common for groups to form new legal entities for new business ventures.

The expansion of the forest (to continue the metaphor) was supported by a proliferation of tax treaties in the last decades, creating a tax framework to mitigate the adverse impact of double taxation on cross-border operations and facilitating the build of global value chain infrastructures. In some cases, it became a tax treaty network where some jurisdictions negotiated access to **more favorable source country/residence country tax rates compared with other jurisdictions**. And it's fair to acknowledge that some multinational corporations at that time considered such potential treaty benefits as a factor when deciding on their platforms for foreign investments.

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Claiming treaty benefits

The Organisation for Economic Co-operation and Development (OECD) has been trying to confirm that treaty benefits are claimed legitimately through the anti-base erosion and profit shifting (BEPS) framework. In response, governments are beginning to implement recommendations to restrict access to treaties through the so-called multilateral instrument (MLI).

The MLI is an instrument signed by an increasing number of jurisdictions that amends the treaties between these jurisdictions upon ratification by the countries. This ratification is likely to happen in 2018 for many and in 2019 for most participating jurisdictions.

The most pronounced restriction of treaties is the so-called principal purpose test (PPT), which essentially excludes an entity from treaty access if it is reasonable to conclude that obtaining access to the treaty was one of the principal purposes for establishing the transaction with that entity.

Such a conclusion is inherently subjective and raises a few questions:

- Are we testing for intent or for substance?
- And when exactly do we test – in the year that the arrangement is put in place or in the year the taxpayer is looking for treaty benefits?

The bottom line

The bottom line is that it is not clear and likely a combination of all of these elements. Furthermore, different jurisdictions may take different perspectives (although some jurisdictions may find these perspectives limited by local or regional rules, for instance in the European Union, where the European Court of Justice has restricted the application of anti-avoidance to cases that are "wholly artificial"). So it is not an exaggeration to say that the PPT test puts the onus for robust documentation addressing all possible angles largely on the taxpayer.

The introduction of the PPT happens at a critical crossroad of tax reform in various jurisdictions, including the US and Japan, and implementation of the anti-tax avoidance directives in the EU. It also comes as additional provisions of the MLI are rolled out and the world prepares for the effects of Brexit.

So, what is a multinational enterprise to do?

Just as businesses work to comply with new OECD guidelines for transfer pricing documentation, they should also rethink possible consolidation of people functions in fewer entities. And in a fashion it urges taxpayers to choose direction and execute the necessary reorganizations now, because post-PPT reorganizations may not enjoy the same levels of treaty protection they have today.

In other words, it's time to take the ornaments and lights off the tree and trim some of the branches. It should come as no epiphany to realize that in the new environment, a smaller tax footprint that is more closely aligned with business activity is more prudent. ♦

Publications and articles

Tax Alerts – Canada

Tax Alert 2018 No. 21 – Ontario files regulations to facilitate land transfer tax compliance

On 26 April 2018, Ontario filed Regulation 343/18, Timing of Tax Payable under Subsection 3(2) of the Act, in accordance with the Land Transfer Tax Act (LTTA). This regulation sets out quarterly filing requirements for dispositions of a beneficial interest in land that change the composition of certain trusts and partnerships. These requirements apply to qualifying dispositions occurring on or after 1 January 2018.

Tax Alert 2018 No. 22 – Nunavut budget

Publications and articles

EY's Global Capital Confidence Barometer

The 18th edition of EY's *Global Capital Confidence Barometer* shows 78% of Canadian companies intend to pursue M&A in the next 12 months, an all-time high in survey history.

EY's Worldwide Personal Tax and Immigration Guide 2017-18

This guide summarizes personal tax systems and immigration rules in more than 160 jurisdictions, including Australia, Brazil, Canada, France, Germany, Mexico, the Netherlands, the Russian Federation, the UK and the US.

EY's Worldwide Capital and Fixed Assets Guide 2017

The *Worldwide Capital and Fixed Assets Guide* helps our clients navigate the rules relating to fixed assets and depreciation. It summarizes the complex rules relating to tax relief on capital expenditures in 27 jurisdictions and territories.

EY's Worldwide Estate and Inheritance Tax Guide 2017

EY's Worldwide Estate and Inheritance Tax Guide summarizes the estate tax planning systems and describes wealth transfer planning considerations in 37 jurisdictions around the world, including Australia, Canada, China, France, Germany, Italy, the Netherlands, the UK and the US.

Worldwide Corporate Tax Guide 2017

Governments worldwide continue to reform their tax codes at a historically rapid rate. Chapter by chapter, from Afghanistan to Zimbabwe, this EY guide summarizes corporate tax systems in 166 jurisdictions.

Worldwide VAT, GST and Sales Tax Guide 2018

This guide summarizes the value-added tax (VAT), goods and services tax (GST) and sales tax systems in 122 jurisdictions, including the European Union.

Worldwide R&D Incentives Reference Guide 2017

The pace at which countries are reforming their R&D incentives regimes is unprecedented. This EY guide summarizes key R&D incentives in 44 jurisdictions, and provides an overview of the European Union's Horizon 2020 program.

2016-17 Worldwide Transfer Pricing Reference Guide

The proliferation of transfer pricing rules and regulations around the world, and the huge increase in focus on the subject by the world's tax authorities, require practitioners to have knowledge of a complex web of country tax laws, regulations, rulings, methods and requirements. This guide summarizes the transfer pricing rules and regulations adopted by 118 countries and territories

Board Matters Quarterly

The April 2018 issue of *Board Matters Quarterly* provides an overview of the accounting implications of US tax reform and a preview of the 2018 proxy season. Other articles look at how boards are overseeing strategy in the digital age and what they need to know about the SEC's new guidance on cybersecurity.

EY Trade Watch

This quarterly publication outlines key legislative and administrative developments for customs and trade around the world. Highlights of this issue include: (1) US tariffs on steel and aluminum, (2) Canada's WTO dispute settlement complaint against US trade law remedy practices, (3) New requirements in Mexico to support customs valuation of imported goods, (4) China Customs adopts interim administrative procedure for advance rulings, (5) EU27 develops its approach to post-Brexit arrangements, and (6) UK government introduces new customs bill.

Publications and articles

Websites

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Online tax calculators and rates

Frequently referred to by financial planning columnists, our mobile-friendly calculators on ey.com/ca let you compare the combined federal and provincial 2017 and 2018 personal tax bills in each province and territory. The site also includes an RRSP savings calculator and personal tax rates and credits for all income levels. Our corporate tax-planning tools include federal and provincial tax rates for small-business rate income, manufacturing and processing rate income, general rate income and investment income.

Tax Insights for business leaders

Tax Insights provides deep insights on the most pressing tax and business issues. You can read it online and find additional content, multimedia features, tax publications and other EY tax news from around the world.

The Worldwide Indirect Tax Developments Map

Updated monthly, our interactive map highlights where and when changes in VAT, Global trade and excise duties are happening around the world. The map can be filtered by tax type, country and topic (e.g., VAT rate changes, compliance obligations and digital tax).

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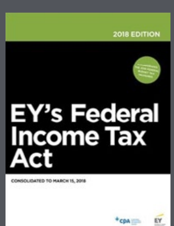
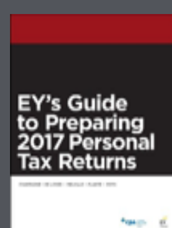


EY's Federal Income Tax Act, 2018 Edition

Editors: Alycia Calvert, Warren Pashkowich and Murray Pearson

Complete coverage of Canada's *Income Tax Act* and Regulations. Included with this edition: interactive online features and purpose notes for selected provisions. Purchase of a print book includes access to an online updated and searchable copy of the federal *Income Tax Act* as well as the PDF eBook. This edition contains amendments and proposals from the February 27, 2018 federal budget tax measures, Bill C-63 (SC 2017, c. 33), *Budget Implementation Act*, 2017, No. 2, the December 13, 2017 amendments to the *Income Tax Act* and Regulations (income sprinkling), and the October 24, 2017 notice of ways and means motion.



EY's Guide to Preparing 2017 Personal Tax Returns

Editors: Lucie Champagne, Maureen De Lisser, Gael Melville, Yves Plante, Alan Roth

This is the line-by-line guide busy tax professionals rely on throughout the tax season. The guide includes a summary of what's new for the 2017 taxation year as well as tips, suggestions and reminders to consider when preparing 2017 personal tax returns. Available as an easy-to-use and searchable internet collection (includes access to four years of previous internet editions).

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