

## Asset vs Shares Worksheet (Shares)

This worksheet determines the after-tax cash proceeds to corporate and/or individual shareholders after selling a business via shares.

Your client's situation:

- Shareholder 1 existing income
  - Shares in Opco 100 Class A
  - Tax province AB
  - Capital loss carryforwards 10,000
  - Employment income 130,000
  - Eligible dividends 30,000
  - Interest income 30,000
  
- Shareholder 2 existing income
  - Shares in Opco 100 Class B
  - Tax province BC
  - Capital loss carryforwards 15,000
  - Employment income 140,000
  - Eligible dividends 18,000
  - RRSP deduction 15,000
  
- Shareholder 3 existing income
  - Shares in Opco 100 Class C
  - Tax province ON
  - Capital loss carryforwards 20,000
  - Employment income 150,000
  - Eligible dividends 12,000
  - Eligible for disability tax credit Yes
  
- Purification prior to sale (\$500,000)
 

	<u>Eligible</u>	<u>Other than eligible</u>
○ Shareholder 1	87,000	163,000
○ Shareholder 2	52,200	97,800
○ Shareholder 3	34,800	65,200

• Disposed shares	<u>Shares</u>	<u>Proceeds</u>	<u>ACB</u>
○ Shareholder 1	100 Class A	1,925,000	500
○ Shareholder 2	100 Class B	1,155,000	300
○ Shareholder 3	100 Class C	770,000	200
• Other details			
○ Transaction fees per shareholder		10,000	
○ CGE available per shareholder		813,600	

Determine the after tax proceeds to the shareholders from the corporate shares sold.

*Other versions of this worksheet support combinations of corporate and individual shareholders*

Opc  
 Assets vs Shares  
 Prepared Sept 1, 2016

∞ - Top section  
 ∞ - T1 section  
 ∞ - T1 details

∞ - YouTube example  
 ∞ - PDF example  
 ∞ - Worksheet support  
 ∞ - Tax rates in effect  
 ∞ - **Completion guide**  
 Updated September 2016

Prepared	Andrew	Sep 1, 2016
Reviewed		
Approved		

Indexation rates	
2017	-
2018	-
2019	-
2020+	-

Taxpayer name
Existing salary from corporation
Taxpayer subject to CPP
Taxpayer subject to EI
EI payable by corporation
Provincial health tax rate - %

Individual taxpayer salary conditions					
Shareholder 1	Shareholder 2	Shareholder 3	Taxpayer 4	Taxpayer 5	Taxpayer 6
Shareholder 1	Shareholder 2	Shareholder 3			
130,000	140,000	150,000			
Yes	Yes	Yes	Yes	Yes	Yes
No	No	No	No	No	No
No	No	No	No	No	No
	-	-	-	-	-

Notes and calcs	

Prepared	Andrew	Sep 1, 2016
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Indexation rates	
2017	-
2018	-
2019	-
2020+	-

Tax results - individuals						
Marginal cash results						
	Shareholder 1	Shareholder 2	Shareholder 3	Taxpayer 4	Taxpayer 5	Taxpayer 6
Proceeds from disposition of shares	1,925,000	1,155,000	770,000	-	-	-
(Cash outlays and expenses)	(10,000)	(10,000)	(10,000)	-	-	-
Salary allocated						
(Corporate CPP + EI + health tax)	-	-	-	-	-	-
(Other salary amounts)						
Tax free distributions						
Capital dividends allocated						
Eligible dividends allocated	87,000	52,200	34,800			
Other than eligible dividends allocated	163,000	97,800	65,200			
Gross cash	2,165,000	1,295,000	860,000	-	-	-
(Federal taxes)	(242,804)	(86,349)	(24,445)	-	-	-
(Provincial taxes)	(110,438)	(39,511)	(17,198)	-	-	-
(Alternative Minimum Tax)	-	-	(3,094)	-	-	-
(CPP on business income)	-	-	-	-	-	-
(EI on business income)	-	-	-	-	-	-
(Social benefits repayment)	-	-	-	-	-	-
Provincial or territorial credits	-	-	-	-	-	-
Adjustment						
Net cash after income taxes	1,811,758	1,169,140	815,263	-	-	-
(CPP on employment income)	-	-	-	-	-	-
(EI on employment income)	-	-	-	-	-	-
(Reversal of Canada Child Benefit payments)	-	-	-	-	-	-
Adjustment						
Net cash after income taxes and related amounts	1,811,758	1,169,140	815,263	-	-	-

Notes and calcs	

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Indexation rates	
2017	-
2018	-
2019	-
2020+	-

∞ - Individuals

Shares disposed by
Number of shares
Class of shares
Proceeds of disposition
(Adjusted cost base)
(Cash outlays and expenses from disposition)
Capital gain (loss)
Allowable Business Investment Loss

Capital gains results of share dispositions						
Share disposition details						
Shareholder 1	Shareholder 2	Shareholder 3				
100	100	100				
Class A	Class B	Class C				
1,925,000	1,155,000	770,000				
(500)	(300)	(200)				
(10,000)	(10,000)	(10,000)				
1,914,500	1,144,700	759,800				
			-	-	-	

Notes and calcs	

Shares disposed by
Number of shares
Class of shares
Proceeds of disposition
(Adjusted cost base)
(Cash outlays and expenses from disposition)
Capital gain (loss)
Allowable Business Investment Loss

Share disposition details						
			-	-	-	

Notes and calcs	

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Indexation rates	
2017	-
2018	-
2019	-
2020+	-

	Existing personal tax calculation		Existing personal tax calculation		Existing personal tax calculation	
	Taxpayer details		Taxpayer details		Taxpayer details	
Name	Shareholder 1		Shareholder 2		Shareholder 3	
Description	Personal results		Personal results		Personal results	
Tax province	AB		BC		ON	
Tax year ending	Dec 31, 2017		Dec 31, 2017		Dec 31, 2017	
Net capital loss carryforwards	10,000		15,000		20,000	
Existing taxable income						
Employment	130,000		140,000		150,000	
CPP	-		-		-	
Old Age Security	-		-		-	
Eligible pension	-		-		-	
Other than eligible dividends	-		-		-	
Gross-up	-		-		-	
Eligible dividends	30,000		18,000		12,000	
Gross-up	11,400		6,840		4,560	
Interest and other investment	30,000		-		-	
Net capital gains (losses)	-		-		-	
(Non-taxable portion)	-		-		-	
Other income	-		-		-	
Net business income (loss)	-		-		-	
Total income (loss)	201,400		164,840		166,560	
(RRSP deduction)	-		(15,000)		-	
(Business investment losses)	-		-		-	
Non-taxable portion	-		-		-	
(CPP on business)	-		-		-	
(Social benefits repayment)	-		-		-	
Adjustment	-		-		-	
Net income (loss)	201,400		149,840		166,560	
(Non capital losses of other years)	-		-		-	
(Net capital losses of other years)	-		-		-	
(Capital gains deduction)	-		-		-	
Adjustment	-		-		-	
Taxable income (loss)	201,400		149,840		166,560	

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Indexation rates	
2017	-
2018	-
2019	-
2020+	-

	Existing tax credits for Shareholder 1		Existing tax credits for Shareholder 2		Existing tax credits for Shareholder 3				
	Carryforwards		Carryforwards		Carryforwards				
Charitable donations - 2015 or before - 75%	-		-		-				
Charitable donations - 2015 or before - no limit	-		-		-				
Charitable donations - 2016 or after - 75%	-		-		-				
Charitable donations - 2016 or after - no limit	-		-		-				
Tuition and related amounts - federal	-		-		-				
Tuition and related amounts - provincial	-		-		-				
Alternative Minimum Tax	-		-		-	2,315 carried forward			
	Current year		Current year		Current year				
Claim disability amount	No		No		Yes				
Charitable donations - 75%	-		-		-				
Charitable donations - no limit	-		-		-				
Tuition and related amounts - federal	-		-		-				
Medical expenses	-		-		-				
Other federal credits - credit rate	-		-		-				
Tuition and related amounts - provincial	-		-		-				
Other provincial credits - credit rate	-		-		-				
Other provincial credits - 100%	-		-		-				
Other than eligible dividends - before rate change									
Eligible dividends - before rate change									
	Existing Canada Child Benefit		Existing Canada Child Benefit		Existing Canada Child Benefit				
	Existing family net income		Existing family net income		Existing family net income				
Taxpayer	201,400		149,840		166,560				
Spouse or spousal equivalent	-		-		-				
Adjustment	-		-		-				
Family net income	201,400		149,840		166,560				
	Eligible children			Eligible children			Eligible children		
	Age / date of birth	Disability	Shared custody	Age / date of birth	Disability	Shared custody	Age / date of birth	Disability	Shared custody
Eligible child 1									
Eligible child 2									
Eligible child 3									
Eligible child 4									
Eligible child 5									
Eligible child 6									

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Indexation rates	
2017	-
2018	-
2019	-
2020+	-

	Marginal personal tax calculation		Marginal personal tax calculation		Marginal personal tax calculation	
	Taxpayer details		Taxpayer details		Taxpayer details	
Name	Shareholder 1		Shareholder 2		Shareholder 3	
Description	Personal results		Personal results		Personal results	
Tax province	AB		BC		ON	
Tax year ending	Dec 31, 2017		Dec 31, 2017		Dec 31, 2017	
	Marginal taxable income		Marginal taxable income		Marginal taxable income	
Employment	-		-		-	
Other than eligible dividends	163,000		97,800		65,200	
Gross-up	27,710		16,626		11,084	
Eligible dividends	87,000		52,200		34,800	
Gross-up	33,060		19,836		13,224	
Net capital gains (losses)	1,914,500		1,144,700		759,800	
(Non-taxable portion)	(957,250)		(572,350)		(379,900)	
Total income (loss)	1,268,020		758,812		504,208	
(RRSP deduction)	-		-		-	
(Business investment losses)	-		-		-	
Non-taxable portion	-		-		-	
(CPP on business)	-		-		-	
(Social benefits repayment)	-		-		-	
Adjustment	-		-		-	
Net income (loss)	1,268,020		758,812		504,208	
(Non capital losses of other years)	-		-		-	
(Net capital losses of other years)	(10,000)		(15,000)		(20,000)	
(Capital gains deduction)	(406,800)		(406,800)		(359,900)	
Adjustment	-		-		-	
Taxable income (loss)	851,220		337,012		124,308	



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Indexation rates		
2017	-	
2018	-	
2019	-	
2020+	-	

	Marginal tax credits for Shareholder 1		Marginal tax credits for Shareholder 2		Marginal tax credits for Shareholder 3		
	Current year		Current year		Current year		
Charitable donations - 75%	-		-		-		
Charitable donations - no limit	-		-		-		
Other federal credits - credit rate	-		-		-		
Other provincial credits - credit rate	-		-		-		
Other provincial credits - 100%	-		-		-		
Other than eligible dividends - before rate change							
Eligible dividends - before rate change							
		Marginal Canada Child Benefit		Marginal Canada Child Benefit		Marginal Canada Child Benefit	
		Marginal family net income		Marginal family net income		Marginal family net income	
Taxpayer	1,469,420		908,652		670,768		
Spouse or spousal equivalent	-		-		-		
Adjustment	-		-		-		
Family net income	1,469,420		908,652		670,768		

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2017	-
2018	-
2019	-
2020+	-

	Marginal tax details for Shareholder 1			Marginal tax details for Shareholder 2			Marginal tax details for Shareholder 3		
	Federal			Federal			Federal		
	Amount	Rate	Tax	Amount	Rate	Tax	Amount	Rate	Tax
Bracket 1	-	-	-	-	-	-	-	-	-
Bracket 2	-	-	-	-	-	-	-	-	-
Bracket 3	-	-	-	-	-	-	-	-	-
Bracket 4	-	-	-	50,160	29.00%	14,546	33,440	29.00%	9,698
Bracket 5	851,220	33.00%	280,903	286,852	33.00%	94,661	90,868	33.00%	29,986
(Basic personal amount)	-	-	-	-	-	-	-	-	-
(Age amount)	-	-	-	-	-	-	-	-	-
(CPP credit - employment)	-	-	-	-	-	-	-	-	-
(CPP credit - business)	-	-	-	-	-	-	-	-	-
(EI credit - employment)	-	-	-	-	-	-	-	-	-
(EI credit - business)	-	-	-	-	-	-	-	-	-
(Canada employment amount)	-	-	-	-	-	-	-	-	-
(Tuition and related amounts)	-	-	-	-	-	-	-	-	-
(Medical expenses)	-	-	-	-	-	-	-	-	-
(Other credits - credit rate)	-	-	-	-	-	-	-	-	-
(Unused credits from existing income)			-			-			-
(Donations and gifts)			-			-			-
(Dividend credit - other)	(190,710)	10.52%	(20,066)	(114,426)	10.52%	(12,040)	(76,284)	10.52%	(8,026)
(Dividend credit - eligible)	(120,060)	15.02%	(18,033)	(72,036)	15.02%	(10,820)	(48,024)	15.02%	(7,213)
(Alternative Minimum Tax carryforwards)			-			-			-
Alternative Minimum Tax			-			-			2,315
Adjustment									
Federal taxes			242,804			86,349			26,760

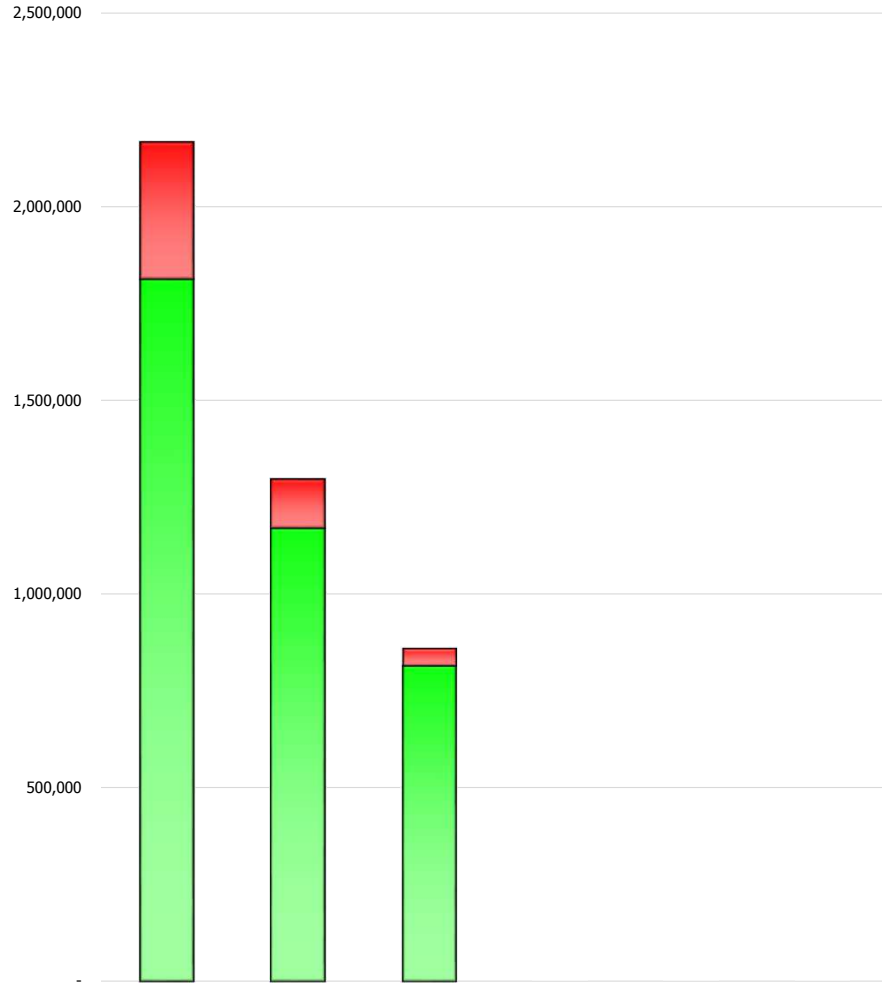
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Indexation rates	
2017	-
2018	-
2019	-
2020+	-

	Marginal tax details for Shareholder 1			Marginal tax details for Shareholder 2			Marginal tax details for Shareholder 3		
	Provincial			Provincial			Provincial		
	Amount	Rate	Tax	Amount	Rate	Tax	Amount	Rate	Tax
Bracket 1	-	-	-	-	-	-	-	-	-
Bracket 2	-	-	-	-	-	-	-	-	-
Bracket 3	-	-	-	-	-	-	-	-	-
Bracket 4	98,600	14.00%	13,804	-	-	-	53,440	12.16%	6,498
Bracket 5	752,620	15.00%	112,893	337,012	14.70%	49,541	70,868	13.16%	9,326
Bracket 6	-	-	-	-	-	-	-	-	-
(Basic personal amount)	-	-	-	-	-	-	-	-	-
(CPP credit - employment)	-	-	-	-	-	-	-	-	-
(CPP credit - business)	-	-	-	-	-	-	-	-	-
(EI credit - employment)	-	-	-	-	-	-	-	-	-
(EI credit - business)	-	-	-	-	-	-	-	-	-
(Canada employment amount)	-	-	-	-	-	-	-	-	-
(Tuition and related amounts)	-	-	-	-	-	-	-	-	-
(Medical expenses)	-	-	-	-	-	-	-	-	-
(Other credits - calculated amounts)	-	-	-	-	-	-	-	-	-
(Other credits - credit rate)	-	-	-	-	-	-	-	-	-
(Unused credits from existing income)	-	-	-	-	-	-	-	-	-
(Donations and gifts)			-			-			-
(Alternative Minimum Tax carryforwards)			-			-			-
Alternative Minimum Tax			-			-			779
Surtaxes			-			-			9,298
(Dividend credit - other)	(190,710)	2.23%	(4,253)	(114,426)	2.47%	(2,826)	(76,284)	4.29%	(3,273)
(Dividend credit - eligible)	(120,060)	10.00%	(12,006)	(72,036)	10.00%	(7,204)	(48,024)	10.00%	(4,802)
(Tax reduction)			-			-			-
(Other credits - 100%)	-	-	-	-	-	-	-	-	-
Health tax			-			-			150
Adjustment									
Provincial taxes			110,438			39,511			17,977

# Assets vs Shares - Personal Tax Results - Marginal Income

Opco - Prepared Sept 1, 2016

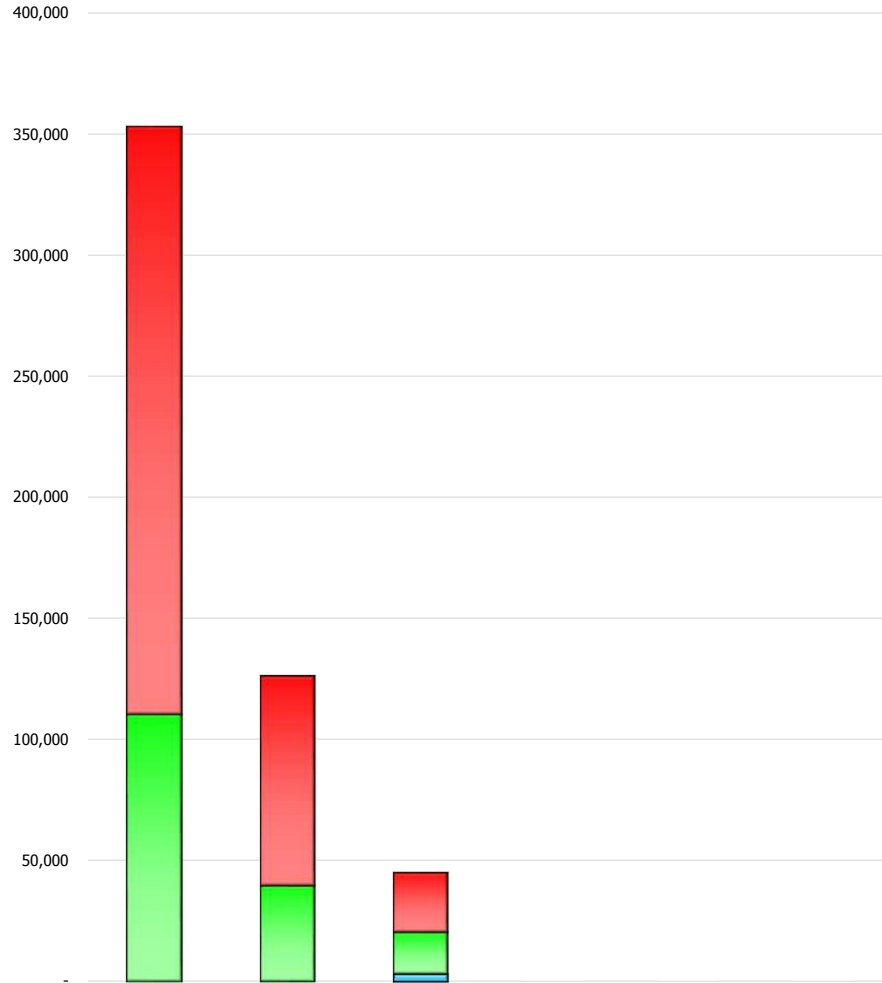


	Shareholder 1	Shareholder 2	Shareholder 3	Taxpayer 4	Taxpayer 5	Taxpayer 6
	Personal results	Personal results	Personal results	Personal results	Personal results	Personal results
Total cash before income taxes and related amounts	2,165,000	1,295,000	860,000	-	-	-
Less: Personal taxes and related amounts	353,242	125,860	44,737	-	-	-
Net cash	1,811,758	1,169,140	815,263	-	-	-

Tax province	AB	BC	ON			
Tax year ending	Dec 31, 2017	Dec 31, 2017	Dec 31, 2017			
Existing income	201,400	149,840	166,560	-	-	-

# Assets vs Shares - Personal Taxes Payable - Marginal Income

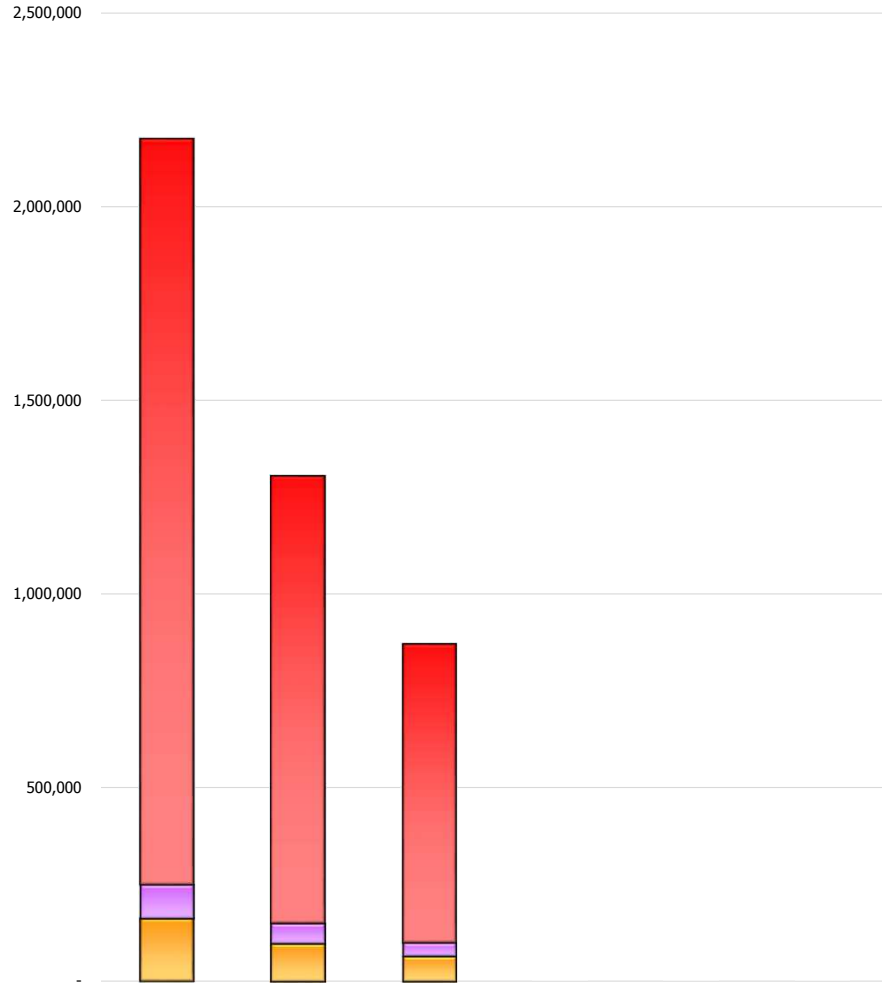
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	Shareholder 1	Shareholder 2	Shareholder 3	Taxpayer 4	Taxpayer 5	Taxpayer 6
	Personal results	Personal results	Personal results	Personal results	Personal results	Personal results
Federal taxes	242,804	86,349	24,445	-	-	-
Provincial taxes	110,438	39,511	17,198	-	-	-
Alternative Minimum Tax	-	-	3,094	-	-	-
CPP on business income	-	-	-	-	-	-
EI on business income	-	-	-	-	-	-
Social benefits repayment	-	-	-	-	-	-
Provincial or territorial credits	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
<b>Total personal taxes</b>	<b>353,242</b>	<b>125,860</b>	<b>44,737</b>	-	-	-
CPP on employment income	-	-	-	-	-	-
EI on employment income	-	-	-	-	-	-
Reversal of Canada Child Benefit payments	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
<b>Total personal taxes and related amounts</b>	<b>353,242</b>	<b>125,860</b>	<b>44,737</b>	-	-	-
Tax province	AB	BC	ON			
Tax year ending	Dec 31, 2017	Dec 31, 2017	Dec 31, 2017			

# Assets vs Shares - Remuneration to Individuals

Opco - Prepared Sept 1, 2016



	Shareholder 1	Shareholder 2	Shareholder 3	Taxpayer 4	Taxpayer 5	Taxpayer 6
Proceeds from disposition of shares	1,925,000	1,155,000	770,000	-	-	-
(Cash outlays and expenses)	(10,000)	(10,000)	(10,000)	-	-	-
Salary	-	-	-	-	-	-
(Corporate CPP + EI + health tax)	-	-	-	-	-	-
(Other salary amounts)	-	-	-	-	-	-
Tax free distributions	-	-	-	-	-	-
Capital dividends	-	-	-	-	-	-
Eligible dividends	87,000	52,200	34,800	-	-	-
Other than eligible dividends	163,000	97,800	65,200	-	-	-
<b>Total</b>	<b>2,165,000</b>	<b>1,295,000</b>	<b>860,000</b>	-	-	-