



Corporate Tax Scenario Worksheet

This worksheet projects corporate tax outcomes for CCPCs or other private corporations, and provides visual summaries.

Your client's situation:

- Corporate inputs
 - Tax province AB
 - Tax year ending Sep 30, 2016
 - Income subject to Small Business Deduction 500,000

- Opening carry-forward balances
 - Net capital loss carryforwards 25,000
 - Non-capital loss carryforwards 10,000

- Scenario #1
 - Active business income 400,000
 - Other Canadian investment income 160,000

- Scenario #2
 - Active business income 450,000
 - Eligible dividends – not connected 140,000

- Scenario #3
 - Active business income 510,000
 - Net capital gains 100,000

Determine the net cash retained in the corporation under the various scenarios.

Prepared	Andrew	May 1, 2016
Reviewed		
Approved		

	Corporate tax calculation		Corporate tax calculation		Corporate tax calculation	
	Corporate details		Corporate details		Corporate details	
Name	Opco		Opco		Opco	
Description	Scenario 1		Scenario 2		Scenario 3	
Tax province	AB		AB		AB	
Tax year ending	Sep 30, 2016		Sep 30, 2016		Sep 30, 2016	
Tax year starting	Oct 1, 2015		Oct 1, 2015		Oct 1, 2015	
Type of corporation	CCPC		CCPC		CCPC	
	Opening carryforward balances		Opening carryforward balances		Opening carryforward balances	
Net capital losses	25,000		25,000		25,000	
Non-capital losses	10,000		10,000		10,000	
Refundable Dividend Tax on Hand	-		-		-	
General Rate Income Pool	-		-		-	
Charitable donations - 75%	-		-		-	
Charitable donations - no limit	-		-		-	
	Taxable income		Taxable income		Taxable income	
Active business income	400,000		450,000		510,000	
Related addbacks (deductions)	-		-		-	
Other Canadian investment income	160,000		-		-	
Related addbacks (deductions)	-		-		-	
Net capital gains (losses)	-		-		100,000	
(Non-taxable portion)	-		-		(50,000)	
(Allowable business investment losses)	-		-		-	
Non-taxable portion	-		-		-	
Eligible dividends - not connected	-		140,000		-	
Eligible dividends - connected	-		-		-	
Other than eligible dividends - not connected	-		-		-	
Other than eligible dividends - connected	-		-		-	
Capital dividends received	-		-		-	
(Non-taxable portion)	-		-		-	
Net income (loss) for tax purposes	560,000		590,000		560,000	
(Taxable dividends deductible)	-		(140,000)		-	
(Charitable donations - 75% limit)	-		-		-	
(Charitable donations - no limit)	-		-		-	
(Net capital losses of previous tax years)	-		-		(12,500)	
(Non-capital losses of previous tax year)	(10,000)		(10,000)		(10,000)	
Taxable income	550,000		440,000		537,500	

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	Active business income		Active business income		Active business income	
Income subject to Federal SBD	400,000		440,000		500,000	
Business limit %	100.00%		100.00%		100.00%	
Taxable capital for SBD	-		-		-	
Cost of capital	-		-		-	
Cost of M&P capital	-		-		-	
Cost of labour	-		-		-	
Cost of M&P labour	-		-		-	
Personal service business income	-		-		-	
	Corporate cash summary		Corporate cash summary		Corporate cash summary	
Total cash	560,000		590,000		610,000	
Adjustment	-		-		-	
Net cash before corporate taxes	560,000		590,000		610,000	
(Part I tax - non-refundable)	(54,503)		(46,753)		(56,128)	
(Part I tax - refundable)	(44,492)		-		(11,123)	
(Part III.1 tax)	-		-		-	
(Part IV tax)	-		(53,666)		-	
(Net provincial tax)	(30,000)		(13,200)		(19,500)	
Dividend refund	-		-		-	
Adjustment	-		-		-	
Net cash after corporate taxes	431,005		476,381		523,249	
(Tax free distributions)	-		-		-	
(Dividends paid - capital)	-		-		-	
(Dividends paid - eligible)	-		-		-	
(Dividends paid - other than eligible)	-		-		-	
Net cash retained in corporation	431,005		476,381		523,249	

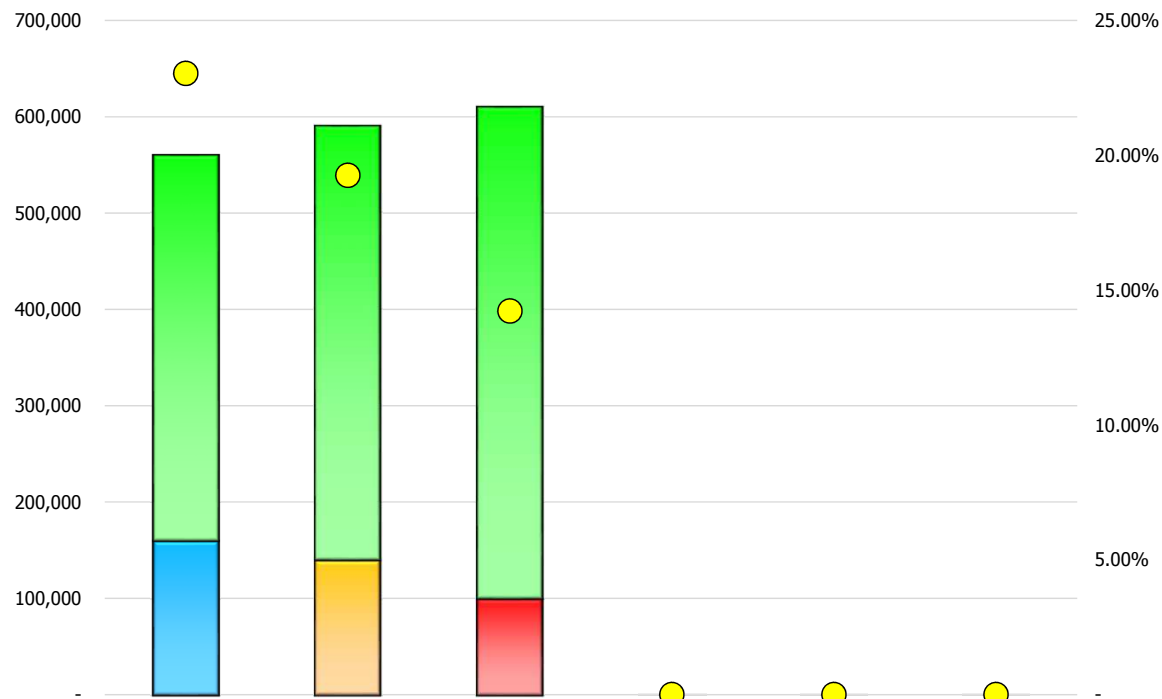
Prepared	Andrew	May 1, 2016
Reviewed		
Approved		

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	Carryforwards summary		Carryforwards summary		Carryforwards summary	
	Net capital losses		Net capital losses		Net capital losses	
Opening balance	25,000		25,000		25,000	
Increase to net capital losses	-		-		-	
(Net capital losses claimed)	-		-		(25,000)	
Closing balance	25,000		25,000		-	
	Non-capital losses		Non-capital losses		Non-capital losses	
Opening balance	10,000		10,000		10,000	
Increase to non-capital losses	-		-		-	
(Non-capital losses claimed)	(10,000)		(10,000)		(10,000)	
Closing balance	-		-		-	
	Refundable Dividend Tax on Hand		Refundable Dividend Tax on Hand		Refundable Dividend Tax on Hand	
Opening balance	-		-		-	
Part I tax - refundable	44,492		-		11,123	
Part IV tax - not connected	-		53,666		-	
Part IV tax - connected	-		-		-	
(Dividend refund)	-		-		-	
Closing balance	44,492		53,666		11,123	
	General Rate Income Pool		General Rate Income Pool		General Rate Income Pool	
Opening balance	-		-		-	
Income taxable at the general rate * 0.72	-		-		-	
Eligible dividends received	-		140,000		-	
(Eligible dividends paid)	-		-		-	
Closing balance	-		140,000		-	
	Charitable donations - 75% limit		Charitable donations - 75% limit		Charitable donations - 75% limit	
Opening balance	-		-		-	
Current year donations	-		-		-	
(Donations claimed)	-		-		-	
Closing balance	-		-		-	
	Charitable donations - no limit		Charitable donations - no limit		Charitable donations - no limit	
Opening balance	-		-		-	
Current year donations	-		-		-	
(Donations claimed)	-		-		-	
Closing balance	-		-		-	

Corporate Tax Scenario Worksheet - Corporate Tax Rate Results

Opco - Prepared May 1, 2016



	Opco	Opco	Opco	Opco	Opco	Opco
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6

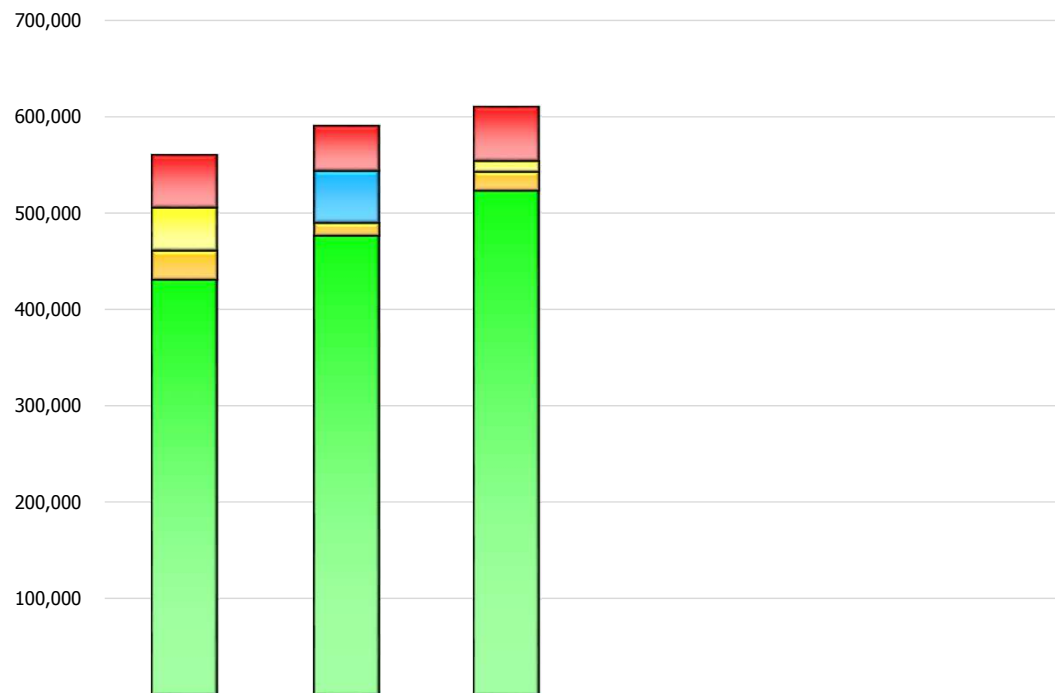
Net active business income	400,000	450,000	510,000	-	-	-
Net other Canadian investment income	160,000	-	-	-	-	-
Net capital gains (losses)	-	-	100,000	-	-	-
Dividend income	-	140,000	-	-	-	-
Adjustment	-	-	-	-	-	-
(Donations paid)	-	-	-	-	-	-
Net cash income	560,000	590,000	610,000	-	-	-

Total corporate taxes	128,995	113,619	86,751	-	-	-
Average tax rate	23.03%	19.26%	14.22%	-	-	-

Tax province	AB	AB	AB	AB	AB	AB
Tax year ending	Sep 30, 2016	Sep 30, 2016	Sep 30, 2016	Sep 30, 2016	Sep 30, 2016	Sep 30, 2016

Corporate Tax Scenario Worksheet - Corporate Net Cash Results

Opco - Prepared May 1, 2016



	Opco	Opco	Opco	Opco	Opco	Opco
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6

Net cash before corporate taxes	560,000	590,000	610,000	-	-	-
Part I tax - non-refundable	54,503	46,753	56,128	-	-	-
Part I tax - refundable	44,492	-	11,123	-	-	-
Part III.1 tax	-	-	-	-	-	-
Part IV tax	-	53,666	-	-	-	-
Net provincial taxes	30,000	13,200	19,500	-	-	-
(Dividend refund)	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
Net cash after corporate taxes	431,005	476,381	523,249	-	-	-
(Dividends and other distributions paid)	-	-	-	-	-	-
Net cash retained by corporation	431,005	476,381	523,249	-	-	-

Tax province	AB	AB	AB	AB	AB	AB
Tax year ending	Sep 30, 2016	Sep 30, 2016	Sep 30, 2016	Sep 30, 2016	Sep 30, 2016	Sep 30, 2016