



## Integration Worksheet

This worksheet determines whether it is more tax efficient to earn different types of income through a corporation, or personally.

Your client's situation:

- Tax situation
  - Tax province ON
  - Tax year ending Dec 31, 2016
  
- Marginal active business income 100,000
  - Subject to SBD limit 100,000
  
- Your client's existing personal tax situation
  - Employment income 1,000,000

Advise your client of the tax effects of earning the income through a corporation and personally, determine the tax savings or cost by using a corporation, and identify the opportunity for a tax deferral.

Prepared	Andrew	May 1, 2016
Reviewed		
Approved		

Indexation rates	
2017	-
2018	-
2019	-
2020+	-

Corporate details	
Tax province	ON
Tax year ending	Dec 31, 2016
Tax year starting	Jan 1, 2016
Type of corporation	CCPC

Income earned	
Active business income	100,000
Other Canadian investment income	
Net capital gains	
Eligible dividends	
Other than eligible dividends	

Income subject to Federal SBD	100,000
Business limit %	100.00%

Personal service business income	-
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M&P details	
Cost of capital	-
Cost of M&P capital	-
Cost of labour	-
Cost of M&P labour	-

Earned by individual	
Income earned	100,000
(Tax payable by individual)	(53,530) ∞
Net amount to the individual	46,470
Notes	Average tax rate: 53.53%

Earned by corporation	
Income earned	100,000
(Part I tax - non-refundable)	(10,500)
(Part I tax - refundable)	-
(Part IV tax)	-
(ON corporate tax)	(4,500)
Dividend refund	-
Available for distribution	85,000
(Tax payable by individual)	(38,505) ∞
Net amount to the individual	46,495
Notes	Average tax rate: 53.50%

Summary of results	
Tax savings (cost) using corporation	25
Tax deferral advantage (cost)	38,530
Capital dividends paid	-
RDTOH ending balance	-

% of income	
100.00%	
(53.53%)	
46.47%	

% of income	
100.00%	
(10.50%)	
-	
-	
(4.50%)	
-	
85.00%	
(38.50%)	
46.50%	

% of income	
0.02%	
38.53%	

Mr. A  
 Integration Worksheet  
 Prepared May 1, 2016

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

∞ - YouTube example  
 ∞ - PDF example  
 ∞ - Worksheet support  
 ∞ - Tax rates in effect  
 Updated April 2016

Prepared	Andrew	May 1, 2016
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Approved		

Indexation rates		
2017	-	
2018	-	
2019	-	
2020+	-	

Existing personal tax calculation		
Taxpayer details		
Name		
Description		
Tax province		
Tax year ending		
Date of birth		
Net capital loss carryforwards		
Taxpayer		
Earned by individual		
ON		
Dec 31, 2016		
-		

Existing personal tax calculation		
Taxpayer details		
Name		
Description		
Tax province		
Tax year ending		
Date of birth		
Net capital loss carryforwards		
Taxpayer		
Income earned by corporation		
ON		
Dec 31, 2016		
-		

Existing taxable income		
Employment	1,000,000	
CPP	-	
Old Age Security	-	
Eligible pension	-	
Other than eligible dividends	-	
Gross-up	-	
Eligible dividends	-	
Gross-up	-	
Interest and other investment	-	
Net capital gains (losses)	-	
(Non-taxable portion)	-	
Other income	-	
Net business income (loss)	-	
Total income (loss)	1,000,000	
(RRSP deduction)	-	
(CPP on business)	-	
(Social benefits repayment)	-	
Adjustment	-	
Net income (loss)	1,000,000	
(Non capital losses of other years)	-	
(Net capital losses of other years)	-	
Adjustment	-	
Taxable income (loss)	1,000,000	

Existing taxable income		
Employment	1,000,000	
CPP	-	
Old Age Security	-	
Eligible pension	-	
Other than eligible dividends	-	
Gross-up	-	
Eligible dividends	-	
Gross-up	-	
Interest and other investment	-	
Net capital gains (losses)	-	
(Non-taxable portion)	-	
Other income	-	
Net business income (loss)	-	
Total income (loss)	1,000,000	
(RRSP deduction)	-	
(CPP on business)	-	
(Social benefits repayment)	-	
Adjustment	-	
Net income (loss)	1,000,000	
(Non capital losses of other years)	-	
(Net capital losses of other years)	-	
Adjustment	-	
Taxable income (loss)	1,000,000	

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Indexation rates		
2017	-	
2018	-	
2019	-	
2020+	-	

	Existing tax credits for Taxpayer		Existing tax credits for Taxpayer	
	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	-		-	
	Current year		Current year	
Calculate CPP	No		No	
Calculate EI	No		No	
Claim disability amount	-		-	
Charitable donations - 75%	-		-	
Charitable donations - no limit	-		-	
Tuition and related amounts - federal	-		-	
Other federal credits - credit rate	-		-	
Tuition and related amounts - provincial	-		-	
Other provincial credits - credit rate	-		-	
Other than eligible dividends - before rate change	-		-	
Eligible dividends - before rate change	-		-	

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Indexation rates		
2017	-	
2018	-	
2019	-	
2020+	-	

Marginal personal tax calculation		
Taxpayer details		
Name		
Description		
Tax province		
Tax year ending		
Date of birth		
Taxpayer		
Earned by individual		
ON		
Dec 31, 2016		

Marginal personal tax calculation		
Taxpayer details		
Name		
Description		
Tax province		
Tax year ending		
Date of birth		
Taxpayer		
Income earned by corporation		
ON		
Dec 31, 2016		

Marginal taxable income		
Other than eligible dividends	-	
Gross-up	-	
Eligible dividends	-	
Gross-up	-	
Interest and other investment	-	
Net capital gains (losses)	-	
(Non-taxable portion)	-	
Net business income (loss)	100,000	
Total income (loss)	100,000	
(CPP on business)	-	
(Social benefits repayment)	-	
Net income (loss)	100,000	
(Net capital losses of other years)	-	
Taxable income (loss)	100,000	

Marginal taxable income		
85,000		
14,450		
-		
-		
-		
-		
-		
-		
-		
99,450		
-		
-		
99,450		
-		
-		
99,450		

Other than eligible dividends - before rate change		
Eligible dividends - before rate change		


Marginal tax summary for Taxpayer		
(Federal taxes)	(33,000)	
(Provincial taxes)	(20,530)	
(CPP on business income)	-	
(EI on business income)	-	
(Social benefits repayment)	-	
Provincial or territorial credits	-	
(Total income taxes + CPP + EI)	(53,530)	

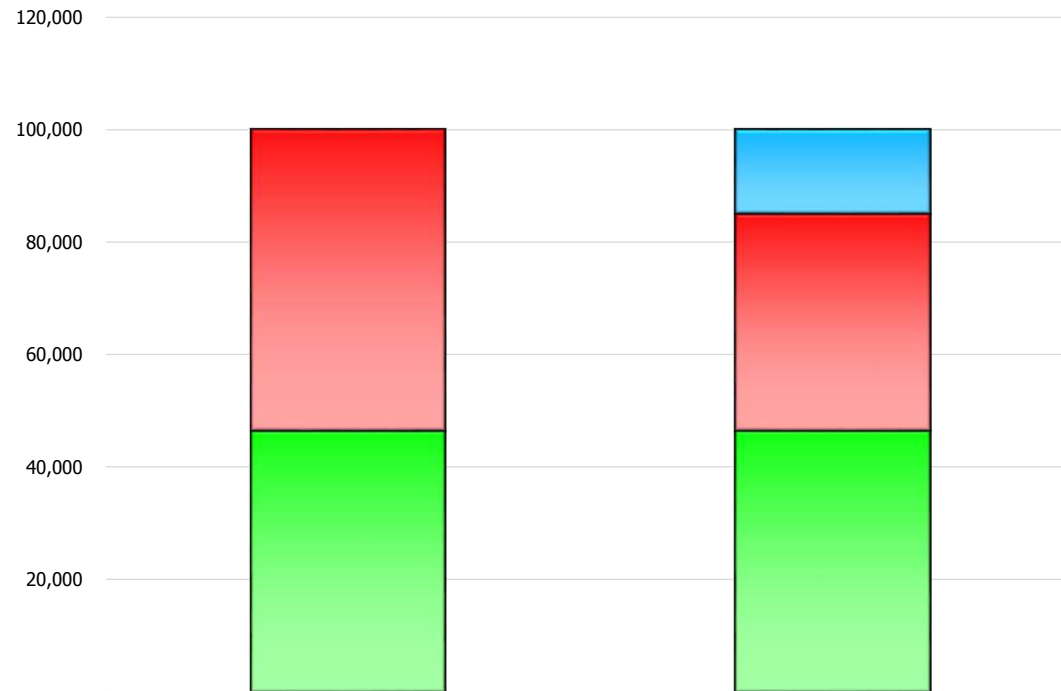
Marginal tax summary for Taxpayer		
(22,355)		
(16,150)		
-		
-		
-		
-		
(38,505)		





# Integration Worksheet - Net Cash Results - Scenario 1

Mr. A - Prepared May 1, 2016



	Earned by individual	Earned by corporation
Income	100,000	100,000
Less: Corporate taxes	-	15,000
Less: Personal taxes	53,530	38,505
Net cash	46,470	46,495
Tax savings (cost) using corporation		25
Tax deferral advantage (cost)		38,530