

## Vanderluit & Associates, Inc. 2012 Integration Tables For British Columbia

The following table provides an overview of the tax cost or savings of incorporating a business on a flow through basis. Some items you may wish to consider are as follows:

1. Incorporating your business may provide access to more cash for growth or for investment purposes due to the tax deferral of 30.2% and on active business income eligible for the small business deduction of up to \$500,000 and 18.7% on active business income not eligible for the small business deduction earned corporately.
2. Incorporating your investments will result in a prepayment of tax and may result in you paying more tax over time.

If you are considering incorporating or need advice on what structure you should use to invest please contact us. We can provide advice on share structures, what investment should be made corporately, and other questions you may have?

	<b>2012</b>			
	<b>Small Business Income (up to \$500,000)</b>	<b>General Income (not eligible SBD)</b>	<b>Investment Income for CCPC</b>	<b>Dividend Income</b>
<b>Use of a Corporation</b>				
Corporate taxable income	1,000.00	1,000.00	1,000.00	1,000.00
Corporate tax payable	13.50% (135.00)	25% (250.00)	44.67% (446.70)	33.33% (333.33)
	865.00	750.00	553.30	666.67
Refundable dividend tax on hand	-	-	26.67% 266.70	33.33% 333.33
Dividend	865.00	750.00	820.00	1,000.00
Personal income	865.00	750.00	820.00	1,000.00
Personal tax payable	33.71% (291.59)	25.78% (193.35)	33.71% (276.42)	25.78% (257.80)
After tax cash	<b>573.41</b>	<b>556.65</b>	<b>543.58</b>	<b>742.20</b>
<b>Earning Income Personally</b>				
Personal income	1,000.00	1,000.00	1,000.00	1,000.00
Personal tax payable	43.70% (437.00)	43.70% (437.00)	43.70% (437.00)	25.78% (257.80)
After tax cash	<b>563.00</b>	<b>563.00</b>	<b>563.00</b>	<b>742.20</b>
Deferral (Cost) of retaining cash in corporation (\$)	302.00	187.00	(9.70)	(75.53)
<b>Deferral (%)</b>	<b>30.20%</b>	<b>18.70%</b>	<b>-0.97%</b>	<b>-7.55%</b>
Saving/(Cost) of earning in a corporation	10.41	(6.35)	(19.42)	(0.00)
<b>Saving/(Cost) %</b>	<b>1.04%</b>	<b>-0.64%</b>	<b>-1.94%</b>	<b>0.00%</b>