

6 Managing the tax bite for your heirs from high real estate prices

Not nice to think about, but at some point your death could trigger a tax liability on real property — a cottage or vacation home — if the property has appreciated over time. To avoid needing to sell the property to pay a potentially large tax bill, you can begin the process of transferring your estate to your heirs while you are still alive, locking in the value of your asset now. In this way, your executors may avoid liquidating the property to pay the tax bill, a bill that could be significantly reduced.

7 Tax change for life insurance coming in 2017

Changes in the tax treatment of universal life insurance policies will be less favourable starting in 2017. Universal life insurance may be tax sheltered, hold investments and can be part of an overall tax strategy. Check and see if a universal life policy is a strategy that would help your tax management and get your policy grandfathered before the calendar turns.

8 Tax changes in 2017 for business owners large and small

New legislation impacts two separate areas for business owners. First, with changes to the taxation and treatment of eligible capital property, businesses will lose the corporate tax deferral of a goodwill sale. Second, new rules, which may restrict access to the small business deduction, will impact corporations that provide services and or property to partnerships and corporations with common ownership. The new rules could significantly impact planning e.g. for many doctors, dentists, accountants, and lawyers. Look at your corporate situation and talk to your tax advisor to see if you need to solidify any gains now or to restructure your business to take these tax changes into account.

9 Does the IRS think are a U.S. person?

Are you a Snowbird who spends a significant amount of time in the States or perhaps your parent is a U.S. citizen and has lived in the U.S. for a period of time? If the answer is ‘yes’, you may be considered a “U.S. person” in the eyes of the IRS, which means you could have tax filing obligations and owe taxes to the IRS. The rules around who is considered a “U.S. person” are complex. So if you’re unsure about your U.S. tax status, contact your tax advisor.

10 Get the right team on your side

Above all, ensure that you have the proper tax expertise at your side. Tax rules can be complicated. So check in with your tax professional to ensure you have the best team to manage your taxes and give yourself peace of mind.

— Don Sutton, MoneyTalk Life

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