



Alberta Tax Advantage For Manitoba Residents

INTRODUCTION

We focus our activities on providing Canadian tax compliant techniques for implementation by our clientele to reduce tax. One of our new strategies (which has been developed in conjunction with a major national Canadian accounting firm) is a strategy which we call the "Alberta Advantage".

THE STRATEGY

The Alberta Advantage is a completely tax compliant strategy which will provide Alberta's rates of tax on top tier income to individuals resident in Manitoba. Alberta's rate of tax on top-tier income is 39%, while Manitoba's rate of tax on top-tier income is 46.5%, a saving of 7.5%. In addition, the use of the Alberta Advantage will avoid Manitoba's 4.3% payroll tax applicable to corporations whose employees earn more than \$2,000,000 per year. As such, overall tax savings as high as 11.8% can be obtained respecting top-tier income earning individuals resident in Manitoba using the Alberta Advantage.

WHO CAN USE THIS STRATEGY

The Alberta Advantage will be cost effective for any individual resident of Manitoba who receives annual employment or business income in excess of \$200,000.00 and as well for any corporation which is subject to the payroll tax.

TAX COMPLIANT

The Alberta Advantage utilizes, and relies upon, in combination, specific provisions of applicable Canadian taxation legislation. As such, GAAR and other anti-avoidance sections of Canada's Income Tax Act are not applicable to the use of the Alberta Advantage.

FEES

The fees to implement the Alberta Advantage consist of a \$25,000 initial establishment fee for the structure, which can be utilized by an employee group and as such the establishment fee is spread over the employee group. The establishment fees include preparation of all legal documents. There is also an ongoing maintenance fee of 18% of the tax saved by the use of the Alberta Advantage, resulting in a net saving of either 5.4% on the tax applied to top-tier income, after maintenance fees. As well, if the payroll tax is avoided an additional tax savings of 4.3% (net of maintenance fees; 3.1%) of employment income can be avoided by the employer.

PROPRIETARY

The Alberta Advantage is proprietary. As a result, all participants in the Alberta Advantage are required to execute a strict confidentiality and non-circumvention agreement.

Please do not hesitate to contact us should you have any interest in utilizing the Alberta Advantage.

For more information, please contact:

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