Holdco Tax Planning Checklist

Ten checks for your holding company structure

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Every mechanism has a condition attached. Work through these ten items before your consultation, and bring the answers with you.

- [ ] 1 **Confirm connected corporation status**
  Section 112 depends on meeting the test.
- [ ] 2 **Total the group AAII**
  The grind starts at $50,000 combined.
- [ ] 3 **Count the associated corporations**
  They share one $500,000 business limit.
- [ ] 4 **Check the RDTOH balance**
  Before year-end, to claim available refunds.
- [ ] 5 **Review the TOSI position**
  Wherever family members receive dividends.
- [ ] 6 **Confirm the section 85 filing**
  Form T2057, filed to the deadline.
- [ ] 7 **Match the fiscal year-ends**
  Holdco aligned to the operating company.
- [ ] 8 **Check the capital dividend account**
  For tax-free distributions available.
- [ ] 9 **Test QSBC status per entity**
  Each must qualify to multiply the LCGE.
- [ ] 10 **File a T2 for each corporation**
  Even where only passive income arises.

PRO TIP

Check the combined passive income figure across every associated corporation each year. A portfolio held for protection can quietly cost the operating company its small business rate.

What happens next

1 Free consultation

2 Flat fee, HST included

3 Structured and reviewed

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