

Professional Incorporation Tax Benefits

[Phone ringing]

Receptionist: Cohen Highley.

Announcer: The Cohen Highley Legal Moment on FM 96. I'm here with Landon Hang from the corporate commercial department at Cohen Highley lawyers. You mentioned taxation benefits that come from professional corporations.

Landon Hang: Yes, individuals such as doctors, chiropractors, veterinarians, physiotherapists, lawyers, anyone whose professional body permits professional corporations should consider a professional corporation due to the potential tax benefits.

Announcer: Such as?

Landon Hang: There are several reasons for professionals to incorporate, but there are four that really highlight the potential benefits.

Announcer: And they are?

Landon Hang: First, a professional's corporate income may be taxed at lower than personal rates. Second, reserved excess income can be drawn from the corporation at a later date when the professional's personal tax rate may be lower. Third, income paid out as dividends, salary or bonuses, may present different tax advantages in certain circumstances. And finally, some professionals can use the corporate structure for income splitting with adult family members.

Announcer: Sounds advantageous.

Landon Hang: Exactly.

Announcer: Thanks Landon. This has been the Cohen Highley Legal Moment. Cohenhighley.com

[Music]

Singers: Cohen Highley, we're listening.