

2019 BRITISH COLUMBIA TAX CONFERENCE & LIVE WEBCAST

TOPIC OUTLINE

PROFESSIONAL PARTNERSHIPS - TIPS AND TRAPS

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With the recent changes to WIP rules for professionals, it may be time to review your partnership structures and agreements. This session will highlight tips and traps in dealing with professional partnerships, and consider the potential long-term implications to new, exiting and remaining partners. Topics will include timing a deemed gain on negative ACB, full-shield vs. partial shield LLPs, and consider the practical implications of income and WIP allocation methodologies to partners at various stages.

1. Partnership Agreements

- a. Allocation of Income and WIP
 - i. Recent Changes to the WIP Rules
 - ii. Allocation Methodologies
- b. Liability and Tax: Full Shield vs. Partial Shield LLPs
- c. Professional Corporations as Partners
 - i. Liability
 - ii. Small Business Deduction
- d. Partnership Capital
 - i. Funding
 - ii. Non-Equity Partners
- e. Services Trusts in light of TOSI
- f. GST and PSTs

2. Entry into Partnerships

- a. Calculation of ACB
- b. Allocation of Income and WIP
- c. PST Considerations

3. Remaining Partners

- a. Calculation of ACB
- b. Allocation of Income and WIP
- c. Deemed Gains
- d. PST Considerations

4. Exit from Partnerships

- a. Calculations of ACB
- b. Allocation of Income and WIP
- c. Deemed Gains
- d. PST Considerations