
SELECTED US TAX DEVELOPMENTS

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THROUGH THE LOOKING GLASS: DIVIDING UP A FAMILY BUSINESS IN A CANADA-US CROSS-BORDER CONTEXT

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This article explores the interrelationship between the butterfly rules in subsection 55(3) of Canada's Income Tax Act and the spinoff/split-up rules in section 355 of the US Internal Revenue Code in the context of a Canada-US cross-border division of a family-owned corporation to accomplish succession-planning and other goals.

KEYWORDS: BUTTERFLY TRANSACTIONS ■ CANADA-US ■ CROSS-BORDER ■ SPINOFFS ■ SPLIT ■ US

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