



NEW Incorporation for Real Estate Agents

For many years, Ontario real estate agents have fought for the right to conduct their activities through a business corporation. On March 4th, 2020 Bill 145 - *An Act to amend the Real Estate and Business Brokers Act, 2002* (The "Act") received Royal Assent. The Act updates many aspects of the legislation governing the Real Estate industry, but specifically allows real estate professionals to form and conduct their activities through a Personal Real Estate Corporation (PREC) in Ontario.

While details are currently being developed, now is the time to contact your FCR advisor to discuss how these changes could impact you. We can discuss future tax strategies, keep you abreast of developments, and take steps to put into place the necessary corporate structure to take advantage of this opportunity once available.

The ability to incorporate can allow a real estate professional to access many tax benefits and strategies that were previously unavailable. Details and regulations are still being developed which could impact the final structure of your corporation, but the primary benefits you gain access to are:



TAX SAVINGS & DEFERRAL

- Over **40% lower corporate rates** than highest personal bracket
- **12.2%** combined small business rate in Ontario **vs 53.5%** (highest personal rate)



INCOME SMOOTHING

- Make personal **taxes more predictable**
- **Smooth over** high & low volume years



RETIRE SOONER

- **Fast-track** your retirement plan
- Take **advantage of maximizing** your retirement funds



EASIER TO INVEST

- **Fund** real estate and other investments **through your corporation**



INCOME SPLITTING

- Potential for **income splitting between family members** (depending on shareholdings permitted)
- Opportunities to **maximize household after-tax earnings**



RETIRE WITH MORE

- Allow your **nest-egg** to **grow** in your corporation

For more information, contact your FCR Advisor or fcrc@frcra.com today.