



# About Us

Madan Chartered Accountant is one of Mississauga's best accounting firms. Whether you need advice, help with your statements, or guidance on your next business move, we are by your side. At Madan Chartered Accountant, we know how important the experience is. We know how critical it is to have someone in your corner that knows your unique situation.

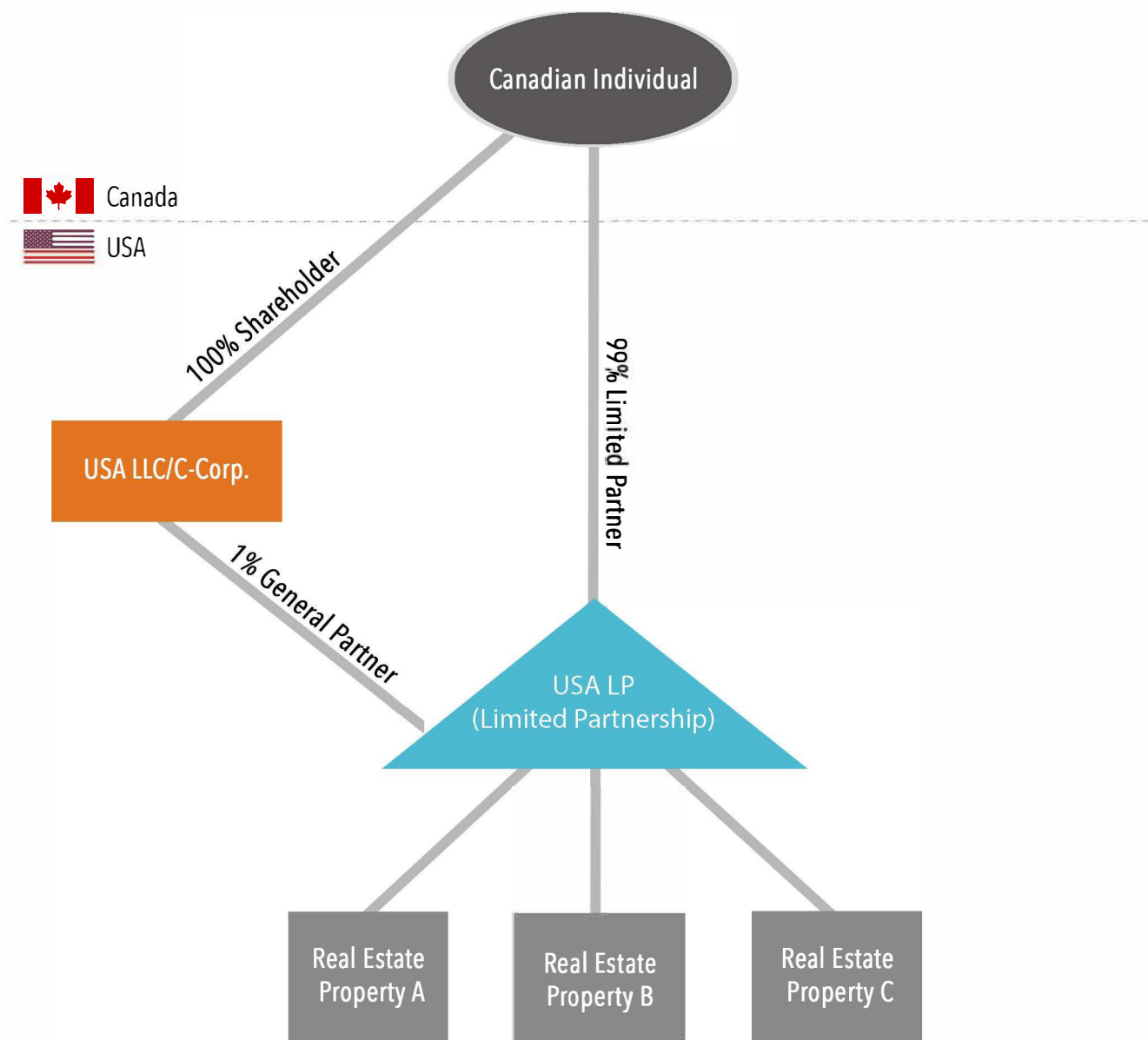
Whether you are living, working, or investing on either side of the border, we can help you better understand your tax obligations and devise a plan that works for you. Our cross-border tax services are catered towards both individuals and corporations. We develop specific tax planning that minimizes your overall tax obligations through eliminating double taxation while ensuring full compliance with the IRS and CRA. For corporations that are looking to move and conduct business across the border, we can devise a cross-border corporate structure that will reduce overall tax liability.

Investment in U.S. real estate has become a common practice. If you are a Canadian investing in vacation homes or rental property across the border, it is necessary to be aware of all the associated taxes. Owning a property in the U.S. would essentially include federal and state taxes in addition to the real estate tax for Canadians. Two sets of regulations and tax laws for U.S. real estate investment would make the paperwork tedious and complicated. However, professionals at Madan Chartered Accountant are well versed in U.S. real estate tax for Canadians and can provide unique ways to ensure your investment plan allows for minimization of taxes. Our optimal tax structure will guarantee a reduction in your tax payments.

We value you as a person, and not just a customer. Your taxes are important to us, because they are important to you. Our knowledgeable and friendly staff will always take the time to go the extra mile. Among all the accounting firms in Mississauga, we're special. Our unique size enables us to answer the most complex of problems, yet provide personal attention to all our clients.

## DIAGRAM A

Option 1: *Limited Partnership as Operating Entities,  
Canadian Individual as Limited Partner, Without LLC Owning Properties*



### Description:

The Limited Partnership owns the real estate properties directly.

### Scenario:

If the tenant from property A sues the LP, all assets owned by the LP (including properties B & C) can be at risk.

### Pros:

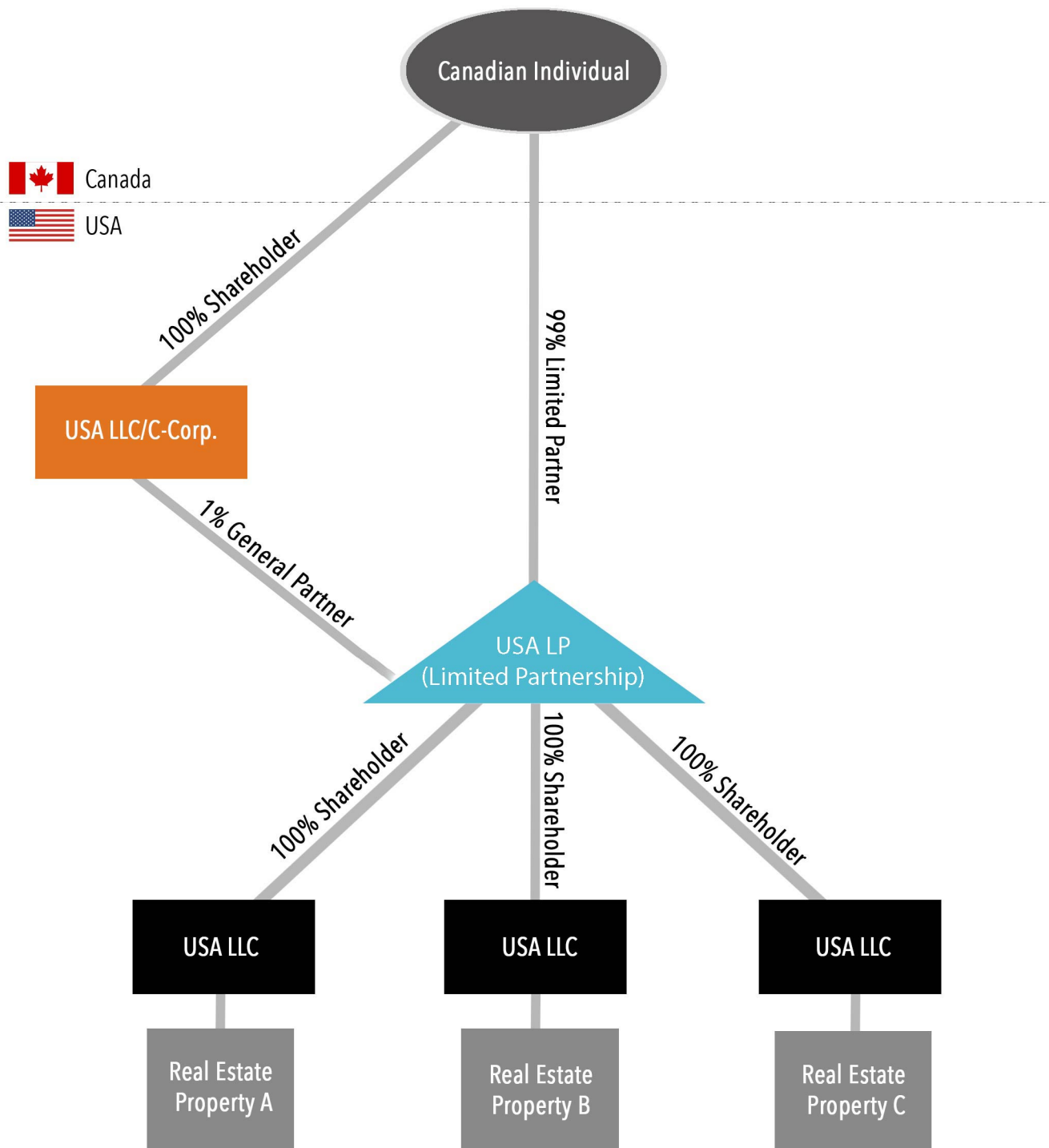
- No double taxation
- Liability protection
- Ease of doing business

### Cons:

- Multiple returns to file

## DIAGRAM B

Option 2: *Limited Partnership as Operating Entities,  
Canadian Individual as Limited Partner, With LLC Owning Properties*



### Description:

Each real estate property is owned by an LLC. The LP is 100% shareholder of all the LLCs.

### Scenario:

If the tenant from property A sues the LLC it is owned by, then only the assets under that LLC will be at risk. The other properties owned by the other LLCs will not be at risk.

### Pros:

- No double taxation
- Liability protection
- Ease of doing business
- Additional asset protection for each real estate property

### Cons:

- Multiple returns to file

### **DIAGRAM A & B: FEDERAL TAX REQUIREMENTS & ACCOUNTING FEES**

Entity	Jurisdiction	Form	Deadline	Annual Fee
<b>USA LP</b>	IRS	Form 1065 (Return of Partnership Income)	March 15	<b>\$1,000*</b>
	CRA	Form T1135 (Foreign Income Verification Statement)	March 31	\$200
<b>USA C-Corp General Partner</b>	IRS	Form 1120 (U.S. Corporate Income Tax Return)	April 15	\$500
<b>USA LLC/ General Partner LLC</b>	IRS	Proforma 1120 (Disregarded Entity Tax Return)	April 15	\$300
<b>USA C-Corp/ General Partner LLC</b>	IRS	Form 5472 (Reporting Foreign Related Party Transactions)	April 15	\$350
	CRA	Form T1134 (Information Return Relating to Controlled & Non-Controlled Foreign Affiliate)	10 months from year-end	\$500
<b>Canadian Individual (Limited Partner)</b>	IRS	Form 1040/1040NR (U.S. Individual/Non-Resident Alien Income Tax Return)	April 15	\$350
	CRA	T1 (Personal Tax Return)	April 30	\$220

(Approximate Cost with 1 Investor: \$2,220 Minimum - \$3,120 Maximum)

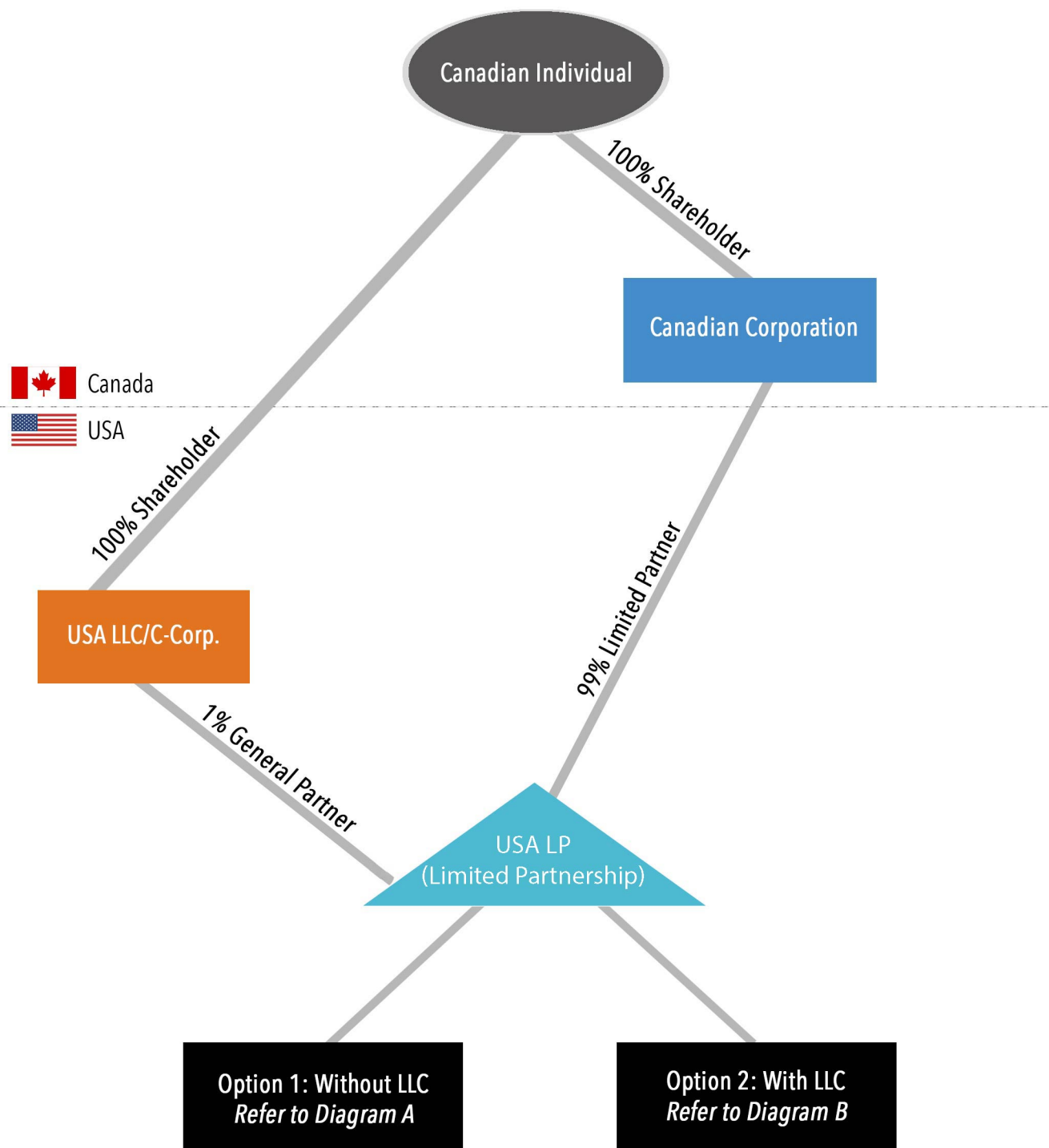
**Please note:**

\*\$100 extra for 2<sup>nd</sup> property onward

- Disbursements are extra
- Bookkeeping (optional) for \$60 / hour

## DIAGRAM C

Limited Partnership as Operating Entities,  
Canadian Corporation as Limited Partner



### Pros:

- No double taxation
- Liability protection
- Ease of doing business
- Additional protection for limited partner
- Additional asset protection for each real estate property when they're held by LLC

### Cons:

- Multiple returns to file

### **DIAGRAM C: FEDERAL TAX REQUIREMENTS & ACCOUNTING FEES**

Entity	Jurisdiction	Form	Deadline	Annual Fee
<b>USA LP</b>	IRS	Form 1065 (Return of Partnership Income)	March 15	<b>\$1,000*</b>
	CRA	Form T1135 (Foreign Income Verification Statement)	March 31	\$200
<b>USA C-Corp.</b>	IRS	Form 1120 (U.S. Corporate Income Tax Return)	April 15	\$500
<b>USA LLC/ General Partner LLC</b>	IRS	Proforma 1120 (Disregarded Entity Tax Return)	April 15	\$300
	IRS	Form 5472 (Reporting Foreign Related Party Transactions)	April 15	\$350
<b>Canadian Corporation (Limited Partner)</b>	IRS	Form 1120F (U.S. Corporate Income Tax Return of a Foreign Corporation)	April 15	\$750
	CRA	T2 (Holding Corporation Tax Return)	March 31	\$750
<b>Canadian Individual</b>	CRA	Form T1134 (Information Return Relating to Controlled and Not-controlled Foreign Affiliate)	10 months from year-end	\$500

*(Approximate Cost with 1 Investor: \$3,550 Minimum - \$4,350 Maximum)*

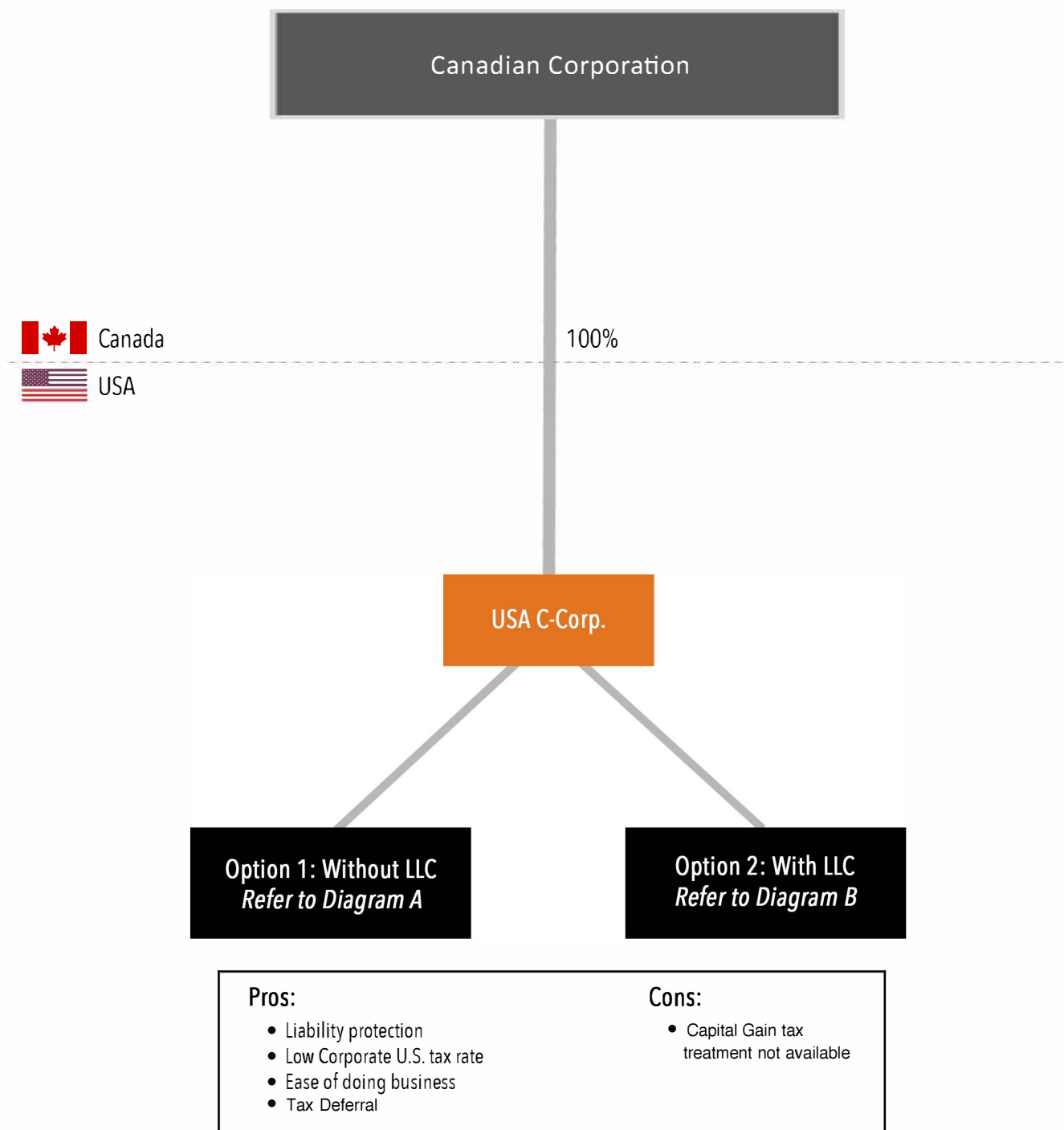
**Please note:**

**\*\$100 extra for 2<sup>nd</sup> property onward**

- Disbursements are extra
- Bookkeeping (optional) for \$60 / hour

## DIAGRAM D

*C-Corp. as Operating Entities,  
 Canadian Corp. as Shareholder of C-Corp.*



### **DIAGRAM D: FEDERAL TAX REQUIREMENTS & ACCOUNTING FEES**

Entity	Jurisdiction	Form	Deadline	Annual Fee
<b>USA C-Corp</b>	IRS	Form 1120 (U.S. Corporate Income Tax Return)	April 15	\$1,000*
	IRS	Form 5472 (Reporting Foreign Related Party Transactions)	April 15	\$350
<b>Canadian Corporation</b>	CRA	T2 (Holding Corporation Tax Return)	June 30	\$750
	CRA	Form T1134 (Information Return Relating to Controlled and Not-controlled Foreign Affiliate)	10 months from year-end	\$500
<b>USA LLC</b>	IRS	Proforma 1120F (Disregarded Entity Tax Return)	April 15	\$300*

*(Approximate Cost with 1 Investor: \$2,050 Minimum - \$2,900 Maximum)*

**Please note:**

\*\$100 extra for 2<sup>nd</sup> property onward

- Disbursements are extra
- Bookkeeping (optional) for \$60 / hour



### MADANCA FEES\*

Set-Up Fee	Diagram	Price
USA General Partner LLC & Limited Partnership LP	A,B,C	\$1500**
Canadian Corporation (Federal / Ontario)	D	\$918
USA C-Corporation	A,B,C,D	\$650**
Incorporation Fee		Price
USA LLC / C-Corp	A,B,C,D	\$554
USA LP	A,B,C	\$470

**Please note:**

\* The fees above are based on the formation in the state of Wyoming.

Fees may vary according to the state(s).

\*\* Includes EIN Application Fee

If you require assistance in opening a bank account and virtual offices to support your business, our team at MadanCA can connect you with the right people. Contact us today for more information:

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