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Marmer Penner Newsletter

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WITHHOLDING TAX REFRESHER OR ONE MORE REASON WHY YOU'D LIKE YOUR EX TO MOVE ABROAD

We have received a number of questions over the last few years with respect to the level of withholding tax levied by Revenue Canada on support payments made to non-residents. In the past, a 25% tax generally was required to be withheld and remitted to the Receiver General for Canada unless Canada had a tax treaty with the country in which the non-resident resided which stipulated a different rate.

On May 1, 1997, along with the coming into force of the Child Support Guidelines, the requirement to withhold a non-resident tax on support paid to a non-resident ceased. This applies to both spousal and child support paid to a non-resident of Canada.

This newsletter is intended to highlight areas where professional assistance may be required. It is not intended to substitute for proper professional planning. The professionals at Marmer Penner will be pleased to assist you with any matters that arise.