

COMMENT BACKGROUND



Number 243 – MAY / JUNE 2007

A COURT DECISION WITH FAR-REACHING IMPACT

Jordan B. Lipson and Earl Lipson v. Her Majesty the Queen, Tax Court of Canada, 2006 DTC 2687 (or 2006 TCC 148 (CanLII))

Earl Lipson and Jordan B. Lipson v. Her Majesty the Queen, Federal Court of Appeal, 2007 FCA 113 (CanLII)

2007 FEDERAL BUDGET

Department of Finance Canada, Budget Plan 2007:

http://www.budget.gc.ca/2007/index_e.html

CHOOSING A TRUSTEE

An **alter ego trust** is defined in subsections 248(1) and 104(4) of the Income Tax Act. Essentially, an alter ego trust is a trust set up by an individual who is over age 65. The individual must be the sole beneficiary of the trust during his or her lifetime. All income is payable (and taxable) to the individual prior to his or her death and he or she may also access the capital of the trust. After death, the assets of the trust will be held for the benefit of other named beneficiaries.