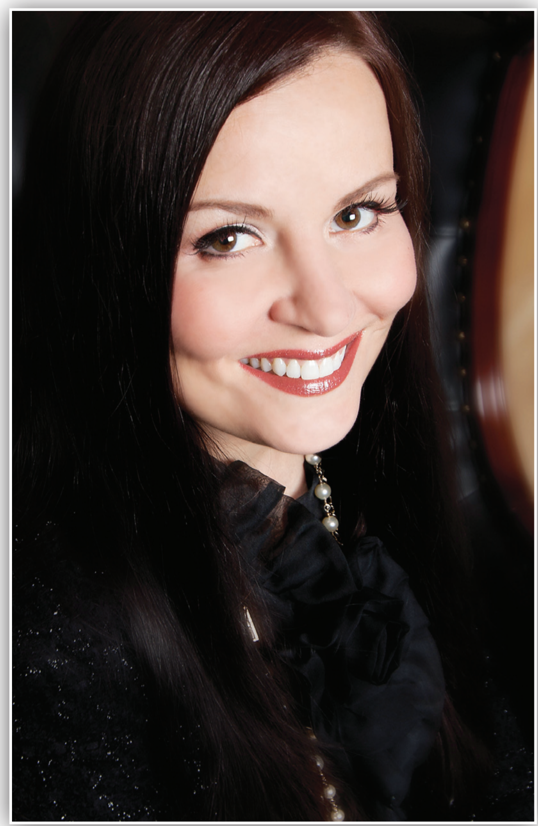
# Are You Exposed To Paying U.S. Estate Tax?

## Ask an Expert



*Sheri MacMillan,*
*Senior Trust & Estate Practitioner,*
*President of MacMillan Estate Planning Corp.*
*and Host of The Strongroom on QR77*

**Q** We are currently looking at purchasing a recreational property in the U.S. Is there anything we should be concerned about by owning assets in the U.S.?

**A** Great question! Canadians who own U.S. assets or spend a substantial amount of time south of the Canadian border may be exposed to U.S. estate taxation. Without the proper protective measures in place, a Canadian may lose up to 35% of their estate's total value to U.S. estate taxes upon death. Uncle Sam may have a few unpleasant surprises for the unprepared. Spending too much time in the U.S., owning a U.S. vacation property or U.S. investments, even within a RRSP/RRIF, may result in an excessive U.S. tax liability. Fortunately, utilizing specific estate planning mechanisms may minimize U.S. estate tax. Contrary to the United States, Canada does not have a formal estate tax. However, when Canadian residents pass away, they are deemed to have disposed of all of their worldwide assets at fair market value. Consequently, a Canadian resident who owns U.S. real estate or investments may have a large "deemed" capital gain in addition to a U.S. estate tax liability. The combination of Canadian tax and U.S. estate tax could significantly reduce an inheritance's value. Ultimately, your assets both inside and outside of Canada require careful planning. In order to avoid paying unnecessary tax, it is vital to use the most qualified experts available. Always consult with a professional who specializes in U.S. estate tax to ensure you are properly protected.

MacMillan Estate Planning Corp. will be hosting a complimentary
**Wine and Cheese Seminar**
on Tuesday, March 20TH AT 7:00 PM

TO REGISTER, PLEASE VISIT MACMILLANESTATE.COM
OR CALL (403) 266-6464

MACMILLAN
ESTATE PLANNING