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Michael Kandeve Speaks to *Canadian Lawyer* About Impact of U.S. Tax Reforms on Canadian Tax Planning

Davies partner [Michael Kandeve](#) was interviewed this month by *Canadian Lawyer* (available to subscribers) about the effect of the U.S. *Tax Cuts and Jobs Act* on Canadian tax planning.

One impact of the new legislation has been on the estates of Canadian parents who die in Canada but leave assets to children in the United States. “The 30-day rule has now been repealed,” Michael explained. Unless pre-mortem steps are taken, the U.S. heirs may be faced with a double tax,” payable in both Canada and in the United States.

Michael also noted that the lower corporate tax payable under the new legislation means diminished value of accrued losses. If a company operating in the United States has loss “carry-forwards,” those will now be valued at the 21% and not the 35% rate, he explained. “So, the value of your losses has gone down.” This makes “any accrued losses ... much less valuable. Companies will take significant write-offs on their financials to reflect the fact that their losses have lost value,” he said.