

CANADIAN CONTROLLED PRIVATE CORPORATION (CCPC)

CCPC Defined

A **Canadian Controlled Private Corporation (CCPC)** is a:

- Private Corporation; that is
- Not Controlled by Non-Canadian Resident Person (person = individuals, corporation); and
- Not controlled by Public Corporations

Implications of being a CCPC

1. CCPC's are eligible for the **Small Business Deduction (a lower tax rate on the first \$500,000 on active business income)**
2. Need to be a CCPC throughout the year to qualify as a **Small Business Corporation**
 - Benefits of small business corporation status:
 - i. QSBC and \$375,000 Lifetime Capital Gains Deduction
 - ii. Corporate attribution does not apply SBC's paying the prescribed rates
3. **Higher SRED credits** (35% for CCPC's) and CCPC's qualify for refundable SRED credits while all other corporations only qualify for non-refundable SRED credits
4. CCPC's need to keep track of the **General Rate Income Pool (GRIP)**
5. **Capital Dividend Account (CDA)** – All private corporations (including CCPC's) can pay tax free dividends out of the CDA
6. **Later deadline** to pay remaining taxes (3 months after year end)