

Benefits of Incorporating	Drawbacks of Incorporating
Limited Liability – If you get sued, they cannot take your personal assets.	Liability is not limited if you do not comply with Payroll Deduction and Remittance requirements.
Corporate Tax Rates are 14% as compared to as high as 39% Personal Tax Rates (in Alberta).	Money which is taxed in the company is taxed again to the shareholders (dividends) once flown out to the shareholders personally.
Income Tax Spitting and Tax Deferral Opportunities.	Accounting fees will be higher as you now have to do 2 tax returns instead of one.
More Reputable in Marketplace.	Losses are not immediately able to offset other sources of positive income.
Greater Access to Capital – Better reputation brings with it lenders who are more willing to lend.	Cost to incorporate can be high.
Good for Estate Planning – Not taxed on death like RRSPs (which can only rollover on a tax free basis to a spouse).	Additional annual cost to do an Annual Return with Government of Alberta.