

# Galaxy Tax

---

## What Type of Business do you have?

	<b>Sole Proprietorship</b>	<b>Partnership</b>	<b>Corporation</b>	<b>Non-Profit</b>
What is it?	<ul style="list-style-type: none"> <li>Owned by one individual</li> <li>Owner bears all risk and reward</li> </ul>	<ul style="list-style-type: none"> <li>Owned by two or more individuals, who share risks and rewards (% and factors depend on partnership agreement)</li> </ul>	<ul style="list-style-type: none"> <li>Is a separate legal entity meaning it bears the risks and rewards separately from the owners</li> </ul>	<ul style="list-style-type: none"> <li>A corporation that does not perform services for financial gain.</li> <li>Does not issue shares</li> </ul>
Business contract	No	Can be written or verbal	Set up a corporation by completing articles of incorporation (which will list things such as # of shareholders allowed, # of directors, etc.)	Must incorporate, and can do easily online Must have meeting with directors to create bylaws to follow within corporation
Tax return?	All assets and liabilities are included with your personal assets and liabilities thus you do one personal income tax return	<p>Each partner includes their share of ownership in their own personal income tax return</p> <p>Will have to file form T5013 (Statement of Partnership Income) if</p> <p>Revenue is more than \$2 million, or assets more than \$5 million</p>	Must file corporation income tax return, due six months after end of tax year	Generally do not have to file tax return, but when they do, must file corporation income tax return, due six months after end of tax year
Tax installments?	if tax owing is \$3000 or more in the current year or the last two years If so, pay on a	if tax owing is \$3000 or more in the current year or the last two years. If so, pay on a	No installments required until after the second year of	

	quarterly basis.	quarterly basis.	operation.  if tax owing is \$3000 or more in the current year or the last two years. If this is the case, must pay by monthly or quarterly installments.	
Register as business?	If name is different than owner's legal name, register your business for any CRA programs, such as GST, payroll deductions, etc.	f name is different than owner's legal name, register your business for any CRA programs, such as GST, payroll deductions, etc. Can be a general partnership (Form 1), limited partnership (fill in form for this), or limited liability	Can operate under a name other than legal name by filing Form 2 under the Business Names Act Submit a NUANS which ensures the name you have decided to the the incorporation is available. Will received OCN (ontario corporation number) after incorporation approved	
HST?	When sales in taxable supplies over \$30,000	When sales in taxable supplies over \$30,000	When sales in taxable supplies over \$30,000	When sales in taxable supplies over \$30,000
Licenses?	Required only if change business name, or if occupation requires by law. Ex. Day cares must register as a business <a href="https://services.bizpal-perle.ca/">https://services.bizpal-perle.ca/</a> is good resource to find any licenses required by location and occupation  If required, you must apply for Master Business Licence	Required only if change business name, or if occupation requires by law. Ex. Day cares must register as a business <a href="https://services.bizpal-perle.ca/">https://services.bizpal-perle.ca/</a> is good resource to find any licenses required by location and occupation	Must have a business license The Goods and Services Tax (GST) or Harmonized Sales Tax (HST) Payroll taxes, such as Canada Pension Plan contributions Corporate income tax Duties for the import or export of goods Registered charity work Excise duties Insurance premium tax Air travelers security charge	Is issuing donation slips, must register at a charity