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COVID-19 presents a unique opportunity in terms of tax planning: an estate freeze today at COVID-19 values could result in significant capital gains tax savings when the market and the economy rebounds.

The value of capital assets such as securities or real estate purchased at pre-COVID-19 prices has likely suffered in recent weeks. Some tax loss planning options which may be available to individuals and/or to corporations include:

1. An estate freeze, whereby assets are frozen at today's reduced value. The expectation is that the markets and economy will rebound. The final tax return of an individual who undertook an estate freeze will reflect today's lower, "frozen" value of any assets which had been included in the estate freeze and which remain in the estate upon the individual's demise, resulting in reduced final tax in their regard.
2. Take a capital loss now, and carry it back to offset capital gains earned in the past 3 years for a refund of taxes paid. To the extent not applied to prior years, capital losses may be carried forward indefinitely.
3. Sell selected assets and realize a capital loss and repurchase them at a lower price, mindful of any relevant qualifying periods during which neither the individual nor their spouse can repurchase the asset without jeopardizing the use of the loss until the replacement asset is sold.

DSF's lawyers can provide advice and can help implement these and other tax planning options available to individuals and/or to the corporations under their control.

We also invite you to review our summary of the highlights of the various Ontario and federal relief measures currently available in response to COVID-19, available on our website at <https://devrylaw.ca/>.