

U.S. TAX ADVICE TO CANADIAN CLIENTS WITH RESPECT TO CROSS-BORDER HYBRID STRUCTURES

Hodgson Russ provides U.S. tax advice to numerous Canadian clients with respect to the use of cross-border hybrid structures, including:

- The use of Canadian unlimited liability companies for U.S. investments in Canada to avoid potential adverse consequences under the controlled foreign corporation (CFC) and passive investment company (PFIC) tax regimes, facilitate a flow-through of foreign tax credits for Canadian tax paid at the entity level, and provide for a basis step-up and other U.S. tax benefits upon the purchase of shares of Canadian target companies.
- The use of Canadian limited partnerships, which “check-the-box” to be treated as flow-through entities for U.S. tax purposes.
- Special structuring needed to avoid potential adverse U.S. tax consequences for U.S. limited liability companies with Canadian owners.

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Canada-U.S. Cross-Border
International Tax