

Tax Planning for Freehold Mineral Owners

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Abstract

Oil and gas activity can result in considerable income to you as a result of owning mineral rights. A “Freehold Mineral Right” is Canadian Resource Property (CRP) for income tax purposes and is not considered capital property. Any gain on the disposition of CRP either on a sale or upon death is 100% taxable. Income received from CRP is generally treated as investment income and as a result is not considered earned income for RRSP purposes nor is the income eligible for the small business income tax rate if received by a corporation. Managing this income in a tax-efficient manner allows you to ensure that you and your family benefit from the mineral rights in ways that are important to you.

Join MNP’s David Hammermeister to discuss common issues mineral right owners face, popular strategies and planning options that will protect you and your loved ones.

Don’t miss this great opportunity to develop a better understanding of how you can protect and grow your mineral rights income!

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David Hammermeister, CA, is the Regional Oilfield Services leader for MNP in Saskatchewan and Manitoba. For more than 20 years, David has served clients in the oilfield services and agriculture sectors. Drawing on his keen industry insight and hands-on experience, David helps his clients overcome their business challenges and seize opportunities through his expertise in: accounting, financial reporting, acquisitions and divestitures, as well as personal and corporate income tax preparation and planning. Before earning his Chartered Accountant designation, David graduated with a Bachelor of Commerce degree from the University of Saskatchewan. He is a member of the Canadian, Saskatchewan and Alberta Institutes of Chartered Accountants (CICA, ICAS, ICAA) and is also currently a member of the Estevan Chamber of Commerce.