

# Introduction

**B**ecause our social and cultural institutions are so similar, many Americans and Canadians feel completely at home on either side of our two nations' border. Many incorrectly assume that the laws governing investment, taxation, and immigration are the same as well. Unfortunately, this can lead to some unpleasant surprises, particularly when conducting basic financial transactions such as buying or selling real estate. The North American Free Trade Agreement (NAFTA), the demographic push of baby boomers retiring in large numbers to the US Sunbelt, and the parity of the Canadian dollar with the US dollar has only served to fuel the fires of cross-border commerce. Many Canadians migrate to the Sunbelt seeking respite from harsh winters, and many Americans migrate to Canada for the pleasant summers.

*The Border Guide* is specifically written for both Canadians and Americans, regardless of which direction they may be moving or investing across the 49th parallel. It is a particularly great resource for Canadians who are considering some form of permanent or seasonal residency in the United States, or who have resided there for employment or other reasons and are contemplating returning to Canada. It will also prove extremely useful for US citizens living in, investing in, or moving to Canada, or those who are married to Canadians. It will be of particular value to Canadians who intend to invest or do business in the United States, even if their financial curiosity is limited to an occasional shopping trip or vacation. Whatever your interest, the information contained in these pages will help you to transact your cross-border business affairs with competence and confidence. It is the only step-by-step guide for people who want to understand and take advantage of American and Canadian tax, financial, and medical institutions. It will also show you how to avoid many of the common pitfalls of having assets and spending extended periods of time in both countries.

Chapters 1 through 6 deal primarily with Canadians visiting and investing in the US, and Chapters 7 to 9 address Canadians moving and immigrating to the US. Although many of the issues discussed in these chapters are not relevant to Americans immigrating to or investing in Canada, Americans face many similar cross-border issues when they move north. I therefore recommend that American readers review these chapters, paying particular attention to the concerns of US citizens and green card holders living in Canada, and the differences in both income and estate taxation between Canada and the United States. Chapters 10 and 11 discuss the residency status of new or returning immigrants to Canada and certain Canadian tax regulations that apply to Americans who invest in Canada. To get the full picture, both of these chapters should be read by Americans moving to Canada for the first time. Chapters 12 to 14 address investment, social benefits, medical coverage, estate tax, and issues relating to small business ownership for cross-border residents. The book concludes with Chapter 15, which highlights the key role of a cross-border financial planner in helping you get the most benefits from living or investing across the Canada/US border.

To prevent this book from becoming a dry technical manual that is factually accurate but functionally useless, I have presented my ideas in a non-technical fashion. Certain concepts have been simplified for readability. Sound professional advice is recommended for applying any of the ideas or techniques detailed in this guide. Please be aware that tax and other rules in both Canada and the US are constantly changing, which can make some of this information outdated the minute the book reaches the shelves. Please rely on your advisors to keep you current on all of these issues.

At the end of many of the chapters I have included some typical questions from readers, along with my responses, to illustrate and broaden the concepts presented. The majority of these questions were posed by readers of my numerous newspaper and magazine columns and articles, or by readers of a previous edition of *The Border Guide*. Most were looking for advice relating to their own specific problems or situations, but I hope that my responses will help to answer your questions as well.