



# Use CEE Flow-Through LP Tax Savings to Pay Down a Mortgage

Investors who invest a Canadian Exploration Expense (“CEE”) flow-through limited partnership can use their flow-through tax savings to pay down their mortgage.

**Here is how it can work for an investor:**

- 1) Invest \$10,000 in a CEE flow-through limited partnership and receive a 100% tax deduction;
- 2) Claim a \$10,000 flow-through tax deduction on a tax return and receive \$4,500 in tax savings (assuming 45% marginal tax rate);
- 3) Follow steps 1 and 2 for a period of **10 years only**, each year putting the \$4,500 in tax savings against a mortgage.

Assumptions							
Mortgage Amount:	\$300,000						
Interest Rate:	6.0% (assumes the interest rate remains at 6% the entire amortization period)						
Amortization:	25 years (300 months)						
Compounding:	Semi-annual						
Extra Payments:	\$4,500 for 10 years only						
Extra Payments Commencement:	Month 13 (or whenever the investor receives their first flow-through tax savings)						
Extra Payments End Date:	Month 121 (10 years from the commencement month)						
Basic Loan Information			Extra Payments				
			Interval	Amount	Start In Month	Duration	End in Month
Mortgage Amount:	\$300,000		Annually	\$4,500.00	13	10 years	121
Interest Rate:	6.00%						
Amortization (in months):	300						
Payment Frequency:	Monthly						
Interest Saved & Loan Term Reduction With Extra Payments							
		Without Extra Payments		With Extra Payments			
Loan Repaid In:		300 months		237 months			
Total Interest Paid:		\$275,826		\$198,123			
<b>Interest Saved Over Monthly Payment Loan:</b>				<b>\$77,703</b>			
<b>Loan Term Will Be Shortened By:</b>				<b>63 months</b>			

Mortgage Calculator Source: [www.vertex42.com](http://www.vertex42.com)

CONCLUSION

Investors can maximize their tax savings from a CEE flow-through limited partnership investment by putting the \$4,500 tax savings, on an annual basis for 10 years, towards their mortgage and save **\$77,703** in interest payments and shorten the term of the mortgage by **63 months!**

And just imagine the mortgage interest savings if you use the flow-through tax savings over the entire mortgage period!