

## INDEX

Note: References are to sections of the *Income Tax Act*. “Reg.” references are to the *Income Tax Regulations*. “Reg. Sch. II:Cl.” are references to the capital cost allowance Classes in Schedule II of the *Income Tax Regulations*, reproduced at the end of the *Regulations*. “ITAR” references are to the *Income Tax Application Rules*, reproduced after the text of the *Income Tax Act*.

### A

- AAII**, *see* Adjusted aggregate investment income
- ABIL**, *see* Allowable business investment loss
- ACB**, *see* Adjusted cost base
- ACB reduction**
  - defined, for small business investment capital gain rollover, 44.1(1)
- ADR**, *see* American Depositary Receipt
- AET**, *see* Alter ego trust
- AFB**, *see* Authorized foreign bank
- AGRA**, *see* Allocated group ratio amount
- AIP**, *see* Accelerated investment incentive property
- AIP**, *see* Accumulated income payment
- ALDA**, *see* Advanced life deferred annuity
- ALDA dollar limit**
  - defined, 205(1)
- AML/KYC procedures**
  - defined, for Common Reporting Standard, 270(1)“anti-money laundering and know your customer procedures”
- AMT (Alternative Minimum Tax)**, *see* Minimum tax
- APA**, *see* Advance Pricing Agreement
- ASPA**, *see* Adjusted stub period accrual
- ATI**, *see* Adjusted taxable income
- ATIP (Access to information and privacy)**, 241(1) (Notes)
- AVC**, *see* Additional voluntary contribution (AVC) [to pension plan]
- Abatement of tax**
  - corporations, 124(1)
  - manufacturing and processing credit, 125.1
  - small business deduction, 125
  - individuals, re provincial schooling allowance, 120(2), Reg. 6401
- Abeyance letter**, 225.1(5)
- Aboriginal government**
  - defined, re disclosure of taxpayer information, 241(10)
- Aboriginal peoples**, *see* Indian
- Abortion**
  - charity must disclose if it does not provide abortion counselling, 149.1(27)–(30), Reg. 3703(d)
- Absconding taxpayer**, 226
- Absorbed capacity**
  - defined, for interest deduction restrictions, 18.2(1), 248(1)
  - reduces limitation on interest expense, 18.2(2)E
- Absorbed capacity year**
  - defined, 18.2(1)“cumulative unused excess capacity”(b)(ii)
- Absorptive merger of foreign corporations**
  - qualifies as foreign merger, 87(8.2)
- Accelerated Canadian development expense**
  - deduction for, 66.2(2)(d)
  - defined, 66.2(5)
- Accelerated Canadian oil and gas property expense**
  - deduction for, 66.4(2)(c)
  - defined, 66.4(5)
- Accelerated capital cost allowance**, *see also* Accelerated investment incentive property
  - productivity-enhancing assets (Classes 44, 46, 50), 2024–2026, Reg. 1100(2)A(c.1)–(c.3)
- Accelerated investment incentive property**
  - defined, Reg. 1104(4)
  - fast writeoff, Reg. 1100(2)A
    - Canadian vessel, Reg. 1100(1)(v)(iv)(A)
    - Class 13, Reg. 1100(1)(b)(i)(A)
    - Class 14, Reg. 1100(1)(c)(i)(B)
    - Class 43 (after 2025), Reg. 1100(2)A(d)
    - Class 43.1, Reg. 1100(2)A(b)
    - Class 43.2, Reg. 1100(2)A(c)
    - Class 53, Reg. 1100(2)A(d)
- Acceleration clause exercised by creditor**, 20(1)(n)
- Acceptable accounting standards**
  - defined, 18.21(1)
- Access road**
  - access rights to, 13(7.5)(c)
  - forest, Reg. Sch. II:Cl. 10(p)
- Access to information**, 241(1) (Notes)
- Accident and sickness insurance**
  - defined, for insurers’ policy reserves, Reg. 1408(1)
- Accident claims**, *see also* Accident insurance plan
  - motor vehicle, payments exempt, 81(1)(q), Reg. 6501
- Accident insurance plan**
  - death coverage is not group life insurance, Reg. 2700(2)
  - employer’s contribution not a taxable benefit, 6(1)(a)(i)
  - payment to employee under, taxable, 6(1)(f), ITAR 19
- Account holder**
  - defined, for Common Reporting Standard, 270(1)
- Accountant**, *see also* Professional practice
  - examination fees to qualify as, tuition credit, 118.5(1)(d)
  - penalty for misrepresentation by, 163.2
- Accounting**
  - accrual method for professionals until 2017, 34
  - transitional rule 2017–2020, 10(14.1)
  - branch
    - insurer, by, 138(9)
  - cash method for farming or fishing business, 28(1)–(3)
  - consolidation method prohibited, 61.3(1)(b)C(i), 248(24)
  - equity method prohibited, 61.3(1)(b)C(i), 248(24)
  - functional currency reporting, 261
  - records, not protected by solicitor-client privilege, 232(1)“solicitor-client privilege”
  - rule changes for insurers (2023), 138(16)–(25), 142.51
  - securities held by financial institutions, 142.2–142.6
- Accounts**
  - contingent, limitation on deductibility, 18(1)(e)
  - factoring of, *see* Factoring of accounts
  - penalty for failure to keep, 238(1), 239(1)(b)
  - receivable, *see* Accounts receivable
  - separate, for tax deductions
    - penalty for default, 238(1)
  - tax, transfers of payments among, 211.2
  - to be kept, 230(1)

## Index

### Accounts receivable

- bad, *see* Bad debt
- ceasing to carry on business, on, 28(5)
- doubtful, reserve for, 12(1)(d), 20(1)(l)
- factoring of, *see* Factoring of accounts
- sale of, 22

### Accredited film or video production certificate, 125.5(1)

### Accredited production

- defined, for film/video production services credit, 125.5(1), Reg. 9300

### Accrual method of reporting income

- required generally, 9(1)
- • exception for farmers and fishers, 28
- • mark-to-market requirement for financial institutions, 142.5(2)
- • work in progress deferral for professionals until 2017, 34
- • • transitional rule 2017–2020, 10(14.1)

### Accrued interest, *see* Interest (monetary): accrued

### Accrued return (from specified debt obligation)

- defined, Reg. 9102(1), (3)

### Accumulated income payment, *see* Registered education savings plan: accumulated income payment

### Accumulated 1968 deficit

- defined, 219(7)

### Accumulated overpayment amount

- defined, for corporate interest offset, 161.1(1)

### Accumulated PSPA

- defined, Reg. 8303(1)(a), 8303(2)

### Accumulated underpayment amount

- defined, for corporate interest offset, 161.1(1)

### Accumulating fund

- computation of, Reg. 307
- defined, Reg. 307

### Accumulating income (of trust)

- defined, 108(1)
- election re, *see* Preferred beneficiary: election

### Accumulation of property

- by registered charity, 149.1(8), (9)

### Acquired affiliate

- defined, for FAPI blocking-deficit rules, Reg. 5905(7.1)(a)

### Acquired for consideration

- meaning of, 108(7)

### Acquiror (re butterfly transactions)

- defined, 55(1)“permitted exchange”(b)

### Acquisition of control, *see* Control of corporation: change of

### Act, *see also* Legislation

- defined, *Interpretation Act* s. 35(1)

### Acting services, *see* Actor

### Action, *see also* Offences

- defined, 222(1)
- none for withholding taxes, 227(1)
- recovery of tax by Crown, for, 222(2)

### Active asset

- defined, 125(7)

### Active Biotech spinoff, Reg. 5600(a)

### Active business, *see also* Small business deduction

- corporation, *see* Active business corporation
- defined, 95(1), 125(7)“active business carried on by a corporation”, 125(7)“income of the corporation for the year from an active business”, 248(1), Reg. 5907(1)
- income from
  - defined, 95(1), 125(7)“income of the corporation for the year from an active business”
  - foreign affiliates, 95(1), 95(2)(a)
  - investment income from associated corporation, deemed to be, 129(6)
- income incident or pertaining to, 129(4)“income” or “loss”(b)(ii)



### Active business corporation

- defined, for small business investment capital gain rollover, 44.1(1), (10)

### Active member

- defined, Reg. 8306(4)(a), 8500(1)

### Active NFE

- defined, for Common Reporting Standard, 270(1)

### Active partner, *see* Partner

### Active seller

- defined, for digital platform operator reporting rules, 282(1)

### Active trade or business

- exception to limitation-on-benefits rule, Canada-U.S. Tax Treaty:Art. XXIX:3

### Actor

- deduction from employment income, 8(1)(q)
- non-resident
  - deferred payment by actor’s corporation, 115(2.2)
  - election to be taxed under Part I, 216.1
  - income excluded from Part I unless election filed, 115(2.1)
  - information return, Reg. 202(1.1)
  - tax return not required unless election filed, 150(1)(a)(i)(B)
  - withholding tax on acting services, 212(5.1)–(5.3)

### Actor payment, defined, 212(5.2)

### Actual carbon intensity

- change in, recapture of clean hydrogen credit, 127.48(18)–(24)
- defined, 127.48(1), (6)

### Actual eligible use percentage

- defined, for CCUS credit, 211.92(1)

### Actual emission intensity

- defined, for clean electricity credit, 127.491(1)
- excessive, recapture of clean electricity credit, 127.491(17), (19)

### Actual stub period accrual (corporate inclusion of partnership income shortfall)

- adjustment if different than amount reported, 34.3(1)“income shortfall adjustment”, 34.3(3)
- defined, 34.3(1)

### Actuarial report, for registered pension plan, 147.2(3), Reg. 8410

### Actuarial surplus

- no transfer from RPP on death, 147.3(7)(a)
- no transfer to money-purchase RPP, RRSP or RRIF, 147.3(4)(a)
- no transfer to spouse on marriage breakdown, 147.3(5)(a)
- transfer of, 147.3(4.1)

### Actuary

- defined
  - for employee life and health trusts, 144.1(1)
  - for registered pension plans, 147.1(1)

### Additional tax

- clawback of OAS, 180.2
- income not earned in a province, 120(1)
- • minimum tax and, 120(4)“tax otherwise payable under this Part”
- non-Canadian corporations carrying on business in Canada, 219
- • limitations on, 219.2
- surtax, *see* Surtax

### Additional voluntary contribution (AVC) [to pension plan]

- defined, 248(1)
- past service, undeducted
- refund, 60.2(1)

### Address

- changing, deduction for costs, 62(3)(h)

**Adjusted aggregate investment income**

- defined, 125(7)

**Adjusted amounts**

- defined, for transfer pricing rules, 247(2.02)

**Adjusted business income**

- application in calculation of M&P credit, Reg. 5200, 5201
- defined, 125.2(1), Reg. 5202, 5203(1)

**Adjusted cost base, *see also* Property**

- bond or debt obligation, 53(1)(g), (g.1), 53(2)(l), (l.1), (q)
- computing
  - amounts to be added, 53(1)
  - amounts to be deducted, 53(2)
  - reduction for assistance received, 53(2)(k)
  - reduction on debt forgiveness, 53(2)(g.1), 80(9)–(11)
- debts
  - owing by predecessor corporation, 87(6), (6.1), (7); ITAR 26(23)
- defined, 54
- excessive election for capital gains exemption, 53(2)(v)
- expropriation asset, 53(1)(k), 53(2)(n)
- farmland, 53(1)(i)
- flow-through entity, 53(1)(p)
- identical properties, 47(1)(c), (d); ITAR 26(8)
- indexed debt obligation, 53(1)(g.1), 53(2)(l.1)
- land, 53(1)(h), (i)
- negative, deemed gain, 40(3), (3.1)
- offshore investment fund property, 53(1)(m)
- option, of, 53(2)(g.1)
- reduction flowed through to share, partnership interest or trust interest, 49(3.01)
- to acquire share of predecessor, reduction on amalgamation, 87(5.1)
- partnership interest, 40(3.1), 53(1)(e), 53(2)(c), (g.1); ITAR 26(9)
- partnership property, right to receive, 53(2)(o)
- property owned since before 1972, ITAR 26(3)
- shares, 53(1)(b), (c), (d), (d.3), (f.2), (j), 53(2)(a), (b), (e), (f.1), (g.1)
- right to acquire by deceased's estate under employee stock option agreement, 53(2)(t)
- substituted property, 53(1)(f)
- surveying costs, 53(1)(n)
- trust interest, 53(1)(d.1), (d.2), (l), 53(2)(b.1), (g.1), (h), (i), (j), (q)
- valuation costs, 53(1)(n)

**Adjusted cost basis, defined, 148(9)****Adjusted cumulative foreign resource expense**

- defined, 66.21(1)

**Adjusted income**

- defined
  - for Canada Child Benefit, 122.6
  - for Canada Disability Savings Grant, *CDS Act*, s. 2(2) (in Notes to 146.4)
  - for Canada Education Savings Grant, *CES Act*, s. 2(2) (in Notes to 146.1)
  - for GST credit, 122.5(1)
  - for old age security clawback, 180.2(1)
  - for refundable medical expense credit, 122.51(1), 122.6

**Adjusted principal amount, defined, 80.1(7)**

- property disposed of at other than arm's length, ITAR 26(5)
- property owned on Dec. 31/71, ITAR 26(3), (4)

**Adjusted purchase price**

- of interest in annuity contract, defined, Reg. 300(3), (4), 310

**Adjusted selling cost (re investment tax credits)**

- defined, 127(11.7)
- effect on qualified expenditures, 127(11.6)(d)(ii)

**Adjusted service cost (re investment tax credits)**

- defined, 127(11.7)

- effect on qualified expenditures, 127(11.6)(c)(ii)

**Adjusted stub period accrual (corporate inclusion of partnership income)**

- deduction in year following inclusion, 34.2(4)
- defined, 34.2(1)
- included in corporation's income, 34.2(2)
- inclusion for new partner, 34.2(3)
- optional reduction in income inclusion, 34.2(1)“adjusted stub period accrual”(a)F
- reserve for qualifying transitional income, 34.2(11)

**Adjusted taxable income**

- defined
  - for Alternative Minimum Tax, 127.52
  - for GRIP calculation, 89(1)
  - for interest deduction restrictions, 18.2(1)
- interest expense limited to 30% of, for certain corps, 18.2(2)B(b)

**Adjustment**

- at-risk, *see* At-risk adjustment (for tax shelter)
- capital setoff, *see* Transfer pricing capital setoff adjustment
- defined, for transfer pricing rules, 247(2.02)
- income setoff, *see* Transfer pricing income setoff adjustment
- inflation, for, *see* Indexing (for inflation)
- inventory, *see* Inventory: adjustment
- unpaid claims reserve, 20(4.2)

**Adjustment amount**

- defined, for FAPI surplus rules, Reg. 5905(7.7)

**Adjustment time**

- defined, for FAPI surplus rules, Reg. 5905(7.2)

**Administration fee**

- paid to non-resident, 212(1)(a)
- defined, 212(4)

**Administration of Act, 220–244****Administrator, *see also* Legal representative**

- deemed to be legal representative, 248(1)“legal representative”
- defined
  - for government-sponsored retirement arrangements, Reg. 8308.4(1)
  - for pooled registered pension plan, 147.5(1)
- estate, *see* Executor
- obligations of, 159
- registered pension plan, *see* Registered pension plan: administrator
- return required by, 150(3)

**Adoption expenses**

- tax credit, 118.01

**Adoption period**

- defined, 118.01(1)

**Adult basic education**

- deduction for financial assistance, 110(1)(g)

**Advance Pricing Agreement**

- transfer pricing, 247

**Advanced life deferred annuity, 146.5**

- cumulative excess amount, tax on, 205
- death benefit, taxable, 146.5(3)
- rollover to RRSP etc. of spouse, child or grandchild, 60(l)(v)(A.2)
- defined, 146.5(1), 248(1)
- dollar limit, defined, 205(1)“ALDA dollar limit”
- excessive transfer to, tax on, 205
- non-resident withholding tax, 212(1)(l.1)
- payments from
  - included in income, 56(1)(z.5), 146.5(2)
  - not taxed as regular annuity payments, 56(1)(d)(iv)
- withholding of tax at source
  - non-resident payee, 212(1)(l.1)
  - resident payee, 153(1)(u)

## Index

### Advanced life deferred annuity (*cont'd*)

- qualified investment for RRIF, 146.3(1)“qualified investment”(b.3)
- qualified investment for RRSP, 146(1)“qualified investment”(c.3)
- transfer from
  - to RRIF, 146.3(2)(c)(ix)
  - to RRSP, 146(16)(a.1)
- transfer to
  - from DPSP, 147(19)(d)(v)
  - from PRPP, 147.5(21)(c)(vi)
  - from RPP, 147.3(1)(c)(iv)
  - from RRIF, 146.3(14.1)(c)
  - from RRSP, 146.3(16)(a.1)
- withholding tax, *see* payments from (above)

### Advantage

- charitable donation or political contribution
- defined, 248(32)
- reduces eligible amount for donation or contribution credit, 248(31)
- RCA
  - defined, 207.5(1)
  - limitation on RCA election, 207.5(3)
  - tax on, 207.62
- RRSP, RRIF, TFSA, RESP or RDSP
  - defined, 207.01(1)
  - tax on, 207.05

### Adventure in the nature of trade

- constitutes business, 248(1)“business”
- deemed carried on by corporation or trust, 10(11)
- inventory held in, no writedown until sale, 10(1.01), (9), (10)
- superficial loss not deductible, 18(14)–(16)

### Advertisement directed at the Canadian market

- defined, 19.01(1)

### Advertising

- expenses, limitation on deductibility
- foreign broadcasting media, 19.1
- foreign (other than U.S.) periodicals, 19
- materials
- deemed to be inventory, 10(5)
- valuation of, 10(4)
- show, ineligible for Canadian film/video credit, Reg. 1106(1)“excluded production”(b)(ix)
- show, ineligible for film/video production services credit, Reg. 9300(2)(i)
- signs and posters, capital cost allowance, Reg. Sch. II:Cl. 11

### Advisor

- defined
- for notifiable-transaction rules, 237.4(1)
- for reportable-transaction rules, 237.3(1)

### Advisory committee, dues paid by employee, deduction, 8(1)(i)(vi)

### Advocate (in Quebec), *see* Lawyer

### Aeronautics Act, compensation under, exemption, 81(1)(d)

### Aeroplane, *see* Aircraft

### Affidavit

- CRA can require answer to audit query by, 231.41

### Affiliate, *see* Affiliated person; Foreign affiliate; Subsidiary

### Affiliate share

- defined, 93(2)(a), (b), 93(2.1)(a), (b), 93(2.2)(a), (b), 93(2.3)(a), (b)

### Affiliate taxation year

- defined, for interest deduction restrictions, 18.2(1)

### Affiliate year

- defined, for artificial foreign tax credit generator rules, 91(4.1)

### Affiliated

- defined

- changed meaning for trust loss trading rules, 251.2(5)

### Affiliated counterparty

- defined, for synthetic equity arrangement rules, 112(2.32)(a)

### Affiliated person

- acquisition of capital property by, 40(3.3), (3.4)
- acquisition of depreciable property by, 13(21.2)
- acquisition of inventory by
  - previously held as adventure in nature of trade, 18(14)–(16)
  - previously held by financial institution, 18(13), (15)
- defined, 251.1

### Affiliated specified counterparty

- defined, for synthetic equity arrangement rules, 112(2.32)(b)(ii)(A)(II)

### African Development Bank

- bonds of, qualified investment for RRSP etc., 204“qualified investment”(c.1) (formerly Reg. 4900(1)(l)(vi))

### Age

- 6
- under
  - Canada Child Benefit enhanced, 122.61(1)A:E(a)
- 7
- under
  - child care expenses, 63(3)“annual child care expense amount”(b)(i)
- 16
- under
  - child care expenses, 63(3)“eligible child”(c)
  - tuition credit disallowed, 118.5(1)(a)(ii.2)(A)
- 18
- over
  - RRSP overcontribution of \$2,000 allowed, 204.2(1.1)(b)C
  - where income-splitting tax does not apply, 120.4(1)“excluded amount”(e), (f)
- under, *see* Child; Minor
- 19
- over, GST credit, 122.5(1)“eligible individual”(b)
- under
  - dependant for pension purposes, Reg. 8500(1)“dependant”(a)
  - dependent child, 70(10)“child”(c), 252(1)(b)
  - parent or caregiver to be notified of RESP, 146.1(2)(1)
- 21
- over
  - accumulated income payments from RESP, 146.1(2)(d.1)(iii)(A)
- under
  - contributions to RESP, 146.1(2)(j)(ii)(A), (iii)(A)
  - dependent child, ITAR 20(1.11)(c), 26(20)(c)
  - income from personal injury award exempt, 81(1)(g.1), (g.2), 81(5)
  - transfer of RESP beneficiary, 204.9(4)(b), 204.9(5)(c)(ii)
  - trust for, whether amounts payable, 104(18)(b)
- 25
- over
  - where income-splitting tax does not apply, 120.4(1)“excluded amount”(a), (g)
- under
  - income-splitting tax
    - joint liability with related person, 160(1.2)
- 27
- effect on registered disability savings plan, 146.4(4)(n)(iii)
- 40
- under, trust for, whether amounts payable, 104(18)(d)
- 55
- additional lifetime retirement benefits, Reg. 8505(3)
- early retirement pension benefits, Reg. 8503(3)(c)(i)(A)
- 59
- effect on registered disability savings plan, 146.4(4)(n)(ii), (8)(d)



**Age** (*cont'd*)

- 60
  - early retirement pension benefits, Reg. 8503(3)(c)(ii)(A)
  - pension bridging benefits, Reg. 8503(2)(b)(ii)B(A)
  - registered disability savings plan, contributions stop, 146.4(4)(g)(i)
- 65
  - over
    - home accessibility tax credit, 118.041(1)“qualifying individual”(a)
    - in-home care of, caregiver credit (before 2017), 118(1)B(c.1)(iii)(A)
    - normalized pension, lifetime retirement benefits, Reg. 8302(3)(b), (n), 8303(5)(b), 8503(2)(e)(vi)B, 8503(3)(d)(ii)B, 8504(10)(b), 8517(5)(b)
    - pension bridging benefits, Reg. 8503(2)(b)(i), (ii)A(A), 8506(1)(b)
    - pension credit, 118(3)
    - re-employment of member of pension plan, Reg. 8503(9)(b)(iv)
    - restricted-funding member of pension plan, Reg. 8515(7)(e)(i)
    - sale of LSVCC shares, 211.8(1)(a)B(i)(A)
    - specified retirement arrangement, Reg. 8308.3(1)(c)
    - spouse, income-splitting tax inapplicable, 120.4(1.1)(c)(i)(B)
    - trust for self, 248(1)“alter ego trust”
    - trust for self and spouse, 248(1)“joint spouse trust”
    - under
      - pension plan, retirement benefits, Reg. 8504(5)
  - 71
    - conversion of pension rights to annuity contract, Reg. 8502(e)(i)
    - conversion of RRSP to RRIF or annuity, 146(2)(b.4)
    - expiry of FHSA eligibility, 146.6(1)“maximum participation period”(b)(ii)
    - maturation of deferred profit sharing plan, 147(2)(k), 147(10.6)
    - pre-retirement surviving spouse benefits, Reg. 8506(1)(e)(iii)
    - pre-retirement survivor benefits, Reg. 8503(2)(f)(iii)(B)
  - 75
    - payments after, annuity contract issued before 1978, 20(2.2)
  - 80
    - effect on registered disability savings plan, 146.4(4)(l)B
  - 85
    - exempt life insurance policy, Reg. 310“endowment date”(a)(ii)
  - 90
    - annuity to, 146(1)“qualified investment”(c.2)(v)(B), 146.3(1)“qualified investment”(b.2)(v)(B)
  - 91
    - reaching, prescribed annuity contract, Reg. 304(1)(c)(iv)(C), 304(2)(b)
  - 94
    - RRIF payout levels out at 20%, 146.3(1)“minimum amount”
  - under 18, *see* Minor

**Agent**

- administering property, return by, 150(3)
- insurance, reserves for, 32(1)
- liability for non-resident tax, 215(2)
- paid by commission, deductions allowed, 8(1)(f)
- certificate of employer, 8(10)
- receiving income on behalf of non-resident, 215(1), (3)
- trustee acting as, 104(1), *see also* Bare trust
- ceasing to act, 248(1)“disposition”(b)(v)

**Aggregate investment income**

- defined, 129(4), 248(1)
- refund to private corporation of 30⅓%, 129(4)“non-eligible refundable dividend tax on hand”(a)(i)A

**Aggregate participating percentage**

- defined, 91(1.3)

**Agreement**

- among associated/related corporations
  - to allocate base level deduction re soft costs on land, 18(2.3)
  - to allocate capital deduction among financial institutions, 190.15(2)
  - to allocate dividend allowance for Part VI.1 tax, 191.1(3)
  - to allocate ITC expenditure limit, 127(20)
  - to allocate reduction in ITC due to government assistance, 127(20)
  - to allocate small business deduction, 125(3)
  - to transfer SR&ED qualified expenditure pool, 127(13)–(17)
- collection agreement with provinces, 228
- competent authority, deemed valid, 115.1
- for payment of unreasonably low rent
  - effect on proceeds of disposition of property, 69(1.2)
- for payment without withholding tax, void, 227(12)
- not to compete, *see* Restrictive covenant (or non-competition payment)
- to issue shares to employee, 7
- to transfer forgiven amount of debt to related person, 80.04

**Agreement for sale**

- included in proceeds of disposition, 20(5), (5.1)

**Agricultural business**

- defined, 135.1(1)

**Agricultural cooperative corporation**

- defined, 135.1(1)
- tax-deferred patronage dividends, 135.1

**Agricultural equipment technician**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Agricultural land**, *see* Farm land**Agricultural organization**

- exemption, 149(1)(e), 149(2)
- information return, whether required, 149

**Agri-Quebec programs**

- prescribed for farm income stabilization, Reg. 5503

**Air Canada**

- pension underfunding trust, Reg. 6802(h)(i), 8502(b)(v.1)
- subject to tax, 27(2), Reg. 7100

**Air conditioner**

- medical expense credit for, Reg. 5700(c.3)

**Air navigation equipment**

- lease of, non-resident withholding tax exemption, 212(1)(d)(xi)(D)

**Air purifier**

- medical expense credit for, Reg. 5700(c.1)

**Air quality improvement credit**, 127.43

- amalgamation, effect of, 127.43(5)
- regulations, Reg. 9700

**Air-source heat pump**

- qualified for enhanced CCA, Reg. Sch. II:Cl. 43.1(d)(i)(A)(III)
- qualifies for ZETM deduction, Reg. 5202“qualified zero-emission technology manufacturing activities”(a)(i)(E.1)

**Air traffic control operations**, *see* Nav Canada**Air traffic controller**

- pension accrual to retire early, *see* Public safety occupation

**AirBNB**

- reporting of rentals by property owners, 282–295

**AirBNB rentals, deductions disallowed if not compliant with local laws**, 67.7**Aircraft**

- available-for-use rule, 13(27)(h)
- broadcasting from, 19.1(4)“foreign broadcasting undertaking”

**Aircraft** (*cont'd*)

- capital cost allowance, Reg. Sch. II:Cl. 9(g)–(i), Sch. II:Cl. 16(a)–(c)
- capital tax exemption, Canada-U.S. Tax Treaty:Art. XXIII:3
- component manufacturer
- exception to thin capitalization rules, 18(8) [repealed]
- cost over \$100,000, *see* Luxury Items Tax
- employment, used in
- costs, 8(1)(j), 8(9)
- employment by U.S. resident on, Canada-U.S. Tax Treaty:Art. XV:3
- food consumed or entertainment enjoyed on, 67.1(4)(a)
- fuel tax rebate, *see* Fuel tax rebate
- GST input tax credit in respect of, 248(17)
- hangar, capital cost allowance, Reg. Sch. II:Cl. 6(h)
- international traffic, used in
- income of non-resident exempt, 81(1)(c)
- lease payments, non-resident withholding tax exemption, 212(1)(d)(xi)
- manufacturer or developer of
- exception to thin capitalization rules, 18(8) [repealed]
- non-resident's income from, exempt, 81(1)(c)
- pilot
- away-from-home expenses, 8(1)(g)
- non-resident, Canadian income calculation, 115(3)
- pension accrual to retire early, *see* Public safety occupation
- QST input tax refund in respect of, 248(17)
- runway, capital cost allowance, Reg. Sch. II:Cl. 1(g), Sch. II:Cl. 17(c)
- for mine, Reg. Sch. II:Cl. 10(1)(ii)
- used in international traffic, *see* International traffic

**Airline corporations**

- aviation fuel tax rebate, *see* Fuel tax rebate
- taxable income earned in a province, Reg. 407

**Airline pilot**, *see* Aircraft: pilot**Airplane**, *see* Aircraft**Airport, for mine, capital cost allowance**, Reg. Sch. II:Cl. 10(1)(i)**Airports relief (COVID)**, Reg. 8901.1(2)(b)(xvii), *see also* Qualifying tourism or hospitality entity**Alarm**

- for infant prone to sudden infant death syndrome, medical expense, Reg. 5700(r)

**Alberta**, *see also* Province; *Investing in a Diversified Alberta Economy Act*

- labour-sponsored venture capital corporation of
- prescribed, Reg. 6700(a)(v)
- northern, *see* Northern Canada
- prescribed stock savings plan, Reg. 6705(a)
- tax rates, *see* introductory pages
- unlimited liability company, *see* Nova Scotia: unlimited liability company

**Alberta Royalty Tax Credit**

- transitional relief, 12(1)(x.2) (application phase-in)

**Alberta Stock Exchange**

- prescribed stock exchange, 262

**Alcatel case overruled**, 143.3**Alex Parallel Computers case overruled**, 220(2.2)**Algoa Trust case overruled**, 160(1) closing words, 160(1.1) closing words**Alimony**, *see* Support payments (spousal or child)**All or substantially all**

- meaning of, 66.6 (Notes)

**Allied war veterans**

- death or disability pension exempt, 81(1)(e)

**Allocable amount (for preferred beneficiary election)**

- defined, 104(15)

- election to include in beneficiary's income, 104(14)

**Allocated amount**

- defined, for mutual fund rules re allocation to redeemers, 132(5.3)

**Allocated group ratio amount**

- determined, for interest deduction EIFEL rules, 18.21(3)

**Allocation**, *see also* Apportionment

- allocation in proportion to patronage, *see* Patronage
- borrowing, in proportion to, *see also* Borrowing
- by Minister, where associated corporations do not file agreement
- base level deduction, for soft costs on land, 18(2.4)
- dividend allowance, for Part VI.1 tax, 191.1(5)
- expenditure limit, for investment tax credit, 127(10.4)
- coal mine depletion allowance, 65(3)
- consideration, where combined transfer of property, 13(33), 68
- credits between spouses, *see* Splitting, sharing or apportionment
- foreign tax credit, by trust to beneficiary, 104(22)–(22.4)
- income of trust, to beneficiaries
- capital gains, 104(21)–(21.7)
- dividends, 104(19), (20)
- preferred beneficiary election, 104(13)
- liability for debt obligation, 80(2)(o)
- partnership income among partners, 103
- patronage, in proportion to, *see* Patronage
- proceeds
- between land and building, 13(21.1), 70(5)(d)
- between property and services, 68

**Allowable business investment loss**, *see also* Business investment loss

- capital gains exemption, interaction with, 39(9), 110.6(1)“annual gains limit”B(b), 110.6(1)“cumulative gains limit”(b)
- carryforward, 111(1)(a), 111(8)“non-capital loss”
- reduction on debt forgiveness, 80(4)(a)
- deduction, 3(d)
- defined, 38(c)
- partnership, of, 96(1.7)

**Allowable capital loss**, *see* Capital loss**Allowable disposition**

- defined, for agricultural cooperatives, 135.1(1)

**Allowable refund**

- defined
- for tax on registered plans, 207.01(1)

**Allowance**

- capital cost, *see* Capital cost allowance
- clergyman's, not taxable, 6(1)(b)(vi)
- defined
- capital cost, 20(1)(a), Reg. 1100, *see also* Capital cost allowance
- for alimony, maintenance, child support, 56(12)
- for employee benefits, reasonable, 6(1)(b)(x), (xi)
- retiring, 248(1), *see also* Retiring allowance
- depletion, *see* Depletion allowances
- depreciable property, *see* Capital cost allowance
- disabled employee: transportation and attendant, 6(16)
- employee, 6(1)(b)
- child's schooling, 6(1)(b)(ix)
- exempt, 81(1)(d)
- family, *see* Canada Child Benefit
- inventory, repealed [was 20(1)(gg)]
- investment in property in Canada, 219(1)(j), Reg. 808
- Member of Legislative Assembly, 81(2) [before 2019]
- members of Canadian Forces, 6(1)(b)(ii)
- mines, Reg. Part XII
- motor vehicle, employee's, 6(1)(b)(vii.1)
- where deemed not reasonable, 6(1)(b)(x), (xi)

**Allowance** (*cont'd*)

- municipal officer's, 81(3) [before 2019]
- not income, 6(1)(b)(i)–(ix)
- oil or gas wells, Reg. Part XII
- parking, for disabled employee, not income, 6(16)
- received, as income, 6(1)(b)
- representation, not income, 6(1)(b)(iii), (iv)
- resource [repealed], 20(1)(v.1)
- resource and processing, Reg. Part XII
- retiring, *see* Retiring allowance
- support payments, defined with respect to, 56(12)
- transportation
  - disabled employee, 6(16)
  - remote work site, 6(6)(b)
- travelling, not income, 6(1)(b)(i), (ii), (v)–(vii)
- volunteer firefighters and emergency workers
  - not income, 81(4)

**Alter ego trust**

- deduction from income, 104(6)(b)B(i)
- defined, 104(4)(a)(iv)(A), 248(1)
- distribution of property to person other than taxpayer, 107(4)(a)(ii)
- preferred beneficiary election by, 104(15)(a)
- principal residence exemption, 54“principal residence”(c.1)(iii.1)(A)
- transfer by, to another trust, 104(5.8)
- transfer to, rollover, 73(1.01)(c)(ii)

**Alterations to driveway**

- medical expense credit, 118.2(2)(1.6)

**Altered auditory feedback device**

- medical expense credit, Reg. 5700(z.1)

**Alternative basis for assessment**

- Minister allowed to raise, 152(9)

**Alternative Minimum Tax**, *see* Minimum tax**Amalgamation**, 87, *see also* Merger

- accrual rules, 87(2)(j.4)
- affiliated corporations, 251.1(2)
- agricultural cooperative corporation, 87(2)(s)
- associated corporations, 256(7)(b)
- balance-due day, 87(2)(oo.1)
- balance of tax for year, when due, 87(2)(oo.1)
- Canadian film or video tax credit, 87(2)(j.94)
- Canadian resource property, 66.7(10)(j), 66.7(10.1)
- capital dividend account, 87(2)(z.1)
- capital dividends, 87(2)(x)(ii)
- capital property, 53(6), 87(2)(e)
- carryback of losses, 87(2.11)
- charitable gifts, 87(2)(v)
- computation of income, 87(2)(c)
- continuation of predecessors, 87(2)(g.1), (j.6)–(j.95), (qq)
  - butterfly reorganizations, 55(3.2)(b)
- contributed surplus, 87(2)(y)
- corporation beneficiary under life insurance policy, 89(2)
- corporations deemed related, 251(3.1), (3.2)
- credit unions in Quebec, 87(2.3)
- cross-border, 128.2
- cumulative offset account, computation, 87(2)(pp)
- debt obligation acquired, 87(2)(e.2)
- debts
  - between two predecessor corporations, 80.01(3)
  - owing by predecessor corporation, 87(6), (7); ITAR 26(23)
  - owing to predecessor corporation, 87(2)(h)
- deemed proceeds of disposition, 69(13)
- defined, 87(1)
  - pre-1972, ITAR 34(7)
- depreciable property, 87(2)(d), (d.1)
- employee benefit plans, 87(2)(j.3)

- employee stock options, 7(1.4), (1.5)
- employees profit sharing plan election, 87(2)(r)
- employment tax credit, 87(2)(qq)
- exchanged shares, 87(4.1), (4.2)
- exchange of franchise, concession or licence, 87(2)(l.4)
- farming or fishing insurer, 87(1), 89(1)“taxable Canadian corporation”(b)
- farm losses, 87(2.1)
- film/video production services credit, 87(2)(j.94)
- flow-through entity, 87(2)(bb.1)
- flow-through shares, 87(4.4)
  - renunciation of CDE as CEE before 2019, calculation of taxable capital limit, 66(12.6013)
- following debt forgiveness, deemed capital gain, 80.03(3)(a)(ii)
- foreign, *see* Foreign merger
- foreign affiliate, shares of, 87(2)(u), Reg. 5905(5.1)
- foreign affiliates, 87(8), (8.1), Reg. 5905(3)
- foreign corporation with Canadian resident corporation, 128.2
- foreign investment entity, interest in, 87(2)(j.95)
- foreign resource property, 66.7(10)(j), 66.7(10.1)
- foreign tax carryover, 87(2)(z)
- functional currency rules, 261(17)–(19)
- general rate income pool determination, 87(2)(vv), 89(5)
- insurance corporation, 87(2.2)
  - causing demutualization, 139.1(3)(g)
- inventory, 87(2)(b)
  - adjustment, 87(2)(j.1)
- investment tax credit, 87(2)(j.6), (oo.1), (qq)
- labour-sponsored venture capital corporation, 204.85(3)
  - permission of Minister needed, 204.85(1)
- lease, cancellation of, 87(2)(j.5)
- leasing properties, 16.1(4)
- liability for Part VI.1 tax transferred, 87(2)(ss)
- life insurance capital dividends, 87(2)(x)(ii)
- limited partnership losses, 87(2.1)
- losses
  - carryback, 87(2.11)
  - carryforward, 87(2.1)
- low rate income pool determination, 87(2)(ww), 89(9)
- mark-to-market property, 87(2)(e.4)
- mutual fund corporations, 87(2)(bb)
- net capital losses, 87(2.1)
- new corporation
  - deemed continuation of predecessors, 87(1.2), (2)(j.6)–(j.9), (l)
    - accrual rules, 87(2)(j.4)
    - bank reserves, 87(2)(g.1)
    - cancellation of lease, 87(2)(j.5)
    - charitable gifts, 87(2)(v)
    - deduction for Part I.3 tax, 87(2)(j.9)
    - deduction of Part VI tax, 87(2)(j.9)
    - employee benefit plans, 87(2)(j.3)
    - inclusion of deferred amounts for livestock, 87(2)(tt)
    - insurance corporations, 87(2.2)
    - Part III, 87(2)(z.2)
    - Part III.1, 87(2)(z.2)
    - partnership interest, 87(2)(e.1)
    - prepaid expenses, 87(2)(j.2)
    - registered plans, 87(2)(q)
  - whether Canadian corporation, 89(1)“Canadian corporation”
- new corporation deemed related to predecessors, 251(3.1), (3.2)
- non-arm's length transactions, 251(3.1)
- non-capital losses, 87(2.1)
- non-qualifying security, gift of, 87(2)(m.1)
- non-resident trust, interest in, 87(2)(j.95)
- not acquisition of control, 88(4)
- obligations, *see* debts (*above*)
- options

## Index

### Amalgamation (*cont'd*)

- expired, 87(2)(o)
- received on, ITAR 26(22)
- to acquire shares of predecessor corporation, 87(5), (5.1)
- paid-up capital, computation of, 87(3), (3.1)
- partnership interest acquired, 87(2)(e.1)
- patronage dividends, 87(2)(g.5)
- pension fund real estate corporations, 149(1)(o.2) closing words
- pre-1972 capital surplus on hand, 87(2)(t)
- predecessor corporation
  - continued, 87(2)(jj)–(ll)
  - defined, 87(1)
- preferred shares, 87(4.1), (4.2)
- prepaid expenses, 87(2)(j.2)
- proceeds of disposition not due until later year, 87(2)(m)
- property lost, destroyed or taken, 87(2)(l.3)
- public corporation, 87(2)(ii), 87(2)(j)–(ll)
- qualifying environmental trust, interest in, 87(2)(j.93)
- Quebec credit unions, 87(2.3)
- refundable dividend tax on hand, 87(2)(aa)
- refundable investment tax credit, 87(2)(oo.1)
- refundable Part VII tax on hand, 87(2)(nn)
- reserves, carryover to new corporation, 87(2)(g)
- residence of predecessor corporations, deemed, 128.2
- resource and processing allowances, Reg. 1214
- resource expenses, 66.7(6)
- resource property disposition, consideration for, 87(2)(p)
- restricted farm loss, 87(2.1)
- rights, exchange of, 87(4.3)
- rules applicable, 87(2)
- scientific research expenditures, 87(2)(l)–(l.2)
- security acquired, 87(2)(e.2)
- settlement of debts between predecessors, 80.01(3)
- shares
  - deemed received, 87(1.1)
  - exchange of, 87(4.1), (4.2)
  - issued by parent, 87(9)
  - predecessor corporations, of, 87(4)
  - received on, ITAR 26(21), 65(5)
- short-form, 87(1.1), (2.11)
- special reserve, 87(2)(i), (j)
- specified debt obligation, 87(2)(e.3)
- specified property, effect on adjusted cost base, 53(6)
- squeeze-out, new share deemed listed, 87(10)
- subsidiary wholly-owned corporation, 87(1.4)
- tax deferred cooperative shares, 87(2)(s)
- tax-deferred preferred shares previously issued, 83(7)
- taxable dividends, 87(2)(x)
- taxable preferred shares, tax on, 87(2)(rr)
- taxation year, 87(2)(a)
- transitional provisions, ITAR 34
- triangular, 87(9)
- vertical
  - carryback of losses, 87(2.11)
  - deemed cost of capital properties, 87(11)(b)
  - deemed proceeds from subsidiary's shares, 87(11)(a)
- warranty outlays, 87(2)(n)

### Amateur athlete

- defined, 143.1(1)

### Amateur athlete trust, *see also* Athlete

- beneficiary, defined, 143.1(1.2)(e)
- death of beneficiary, 143.1(4)
- defined, 143.1(1.2), 248(1)
- distributions by
  - deemed
    - 8 years after last international competition, 143.1(3)
    - on death, 143.1(4)

- included in income, 12(1)(z), 143.1(2)
- non-resident beneficiary, to
  - tax on trust, 210.2(2)
  - withholding tax, 212(1)(u), 214(3)(k)
- emigration of beneficiary, no deemed disposition, 128.1(10)“excluded right or interest”(e)(ii)
- excluded from various trust rules, 108(1)“trust”(a)
- no tax payable by, 143.1(1.2)(g), 149(1)(v)
- rollover to new trust, 248(1)“disposition”(f)(vi)
- termination of, 143.1(3)
- trustee, defined, 143.1(1.2)(f)

**Amateur athletic association**, *see* Canadian amateur athletic association; Registered Canadian amateur athletic association

### Amazon

- reporting of sales by sellers, 282–295

**Ambassador**, *see* Diplomat

### Ambulance

- excluded from “automobile”, 248(1)“automobile”(b)
- medical expense credit, 118.2(2)(f)
- technician, volunteer
  - exemption from employment income, 81(4)

### Amended Act

- defined, ITAR 8

### Amendment

- citation of, *Interpretation Act* s. 40(2)
- regulations, *Interpretation Act* s. 31(4)
- when in force
  - proclamation, *Interpretation Act* s. 18
  - Royal Assent, *Interpretation Act* s. 6(3)
- within power of Parliament, *Interpretation Act* s. 42

### Amendments to elections, 220(3.2)

- COVID-19 Canada Emergency Wage Subsidy and Canada Emergency Rent Subsidy, 125.7(10)

### American Depositary Receipt

- qualified investment for RRSP etc., Reg. 4900(1)(w)

### American Friends of Canadian Land Trusts

- prescribed donee, Reg. 3504(c)

### American Friends of Canadian Nature

- prescribed donee, Reg. 3504(a)

**American law**, *see* United States

### Ammonite gemstone

- treated as mineral, 248(1)“mineral”, “mineral resource”(d)(ii)

### Amortization

- depreciable property, *see* Capital cost allowance
- expenditures, *see* Matchable expenditure

### Amortization date (for specified debt obligation), Reg. 9200(2)

### Amortized cost

- defined, 248(1)
  - re loan or lending asset, 248(1)
  - re pre-1972 obligation, ITAR 26(12)
- variation in, for certain insurers, 138(13)

### Amount

- defined, 248(1)
- list of, *see* Dollar amounts in legislation and regulations
- negative, deemed nil, 257

### Amount of remuneration

- defined, re payment to a fisherman, Reg. 105.1(1)

### Amount or item reported

- meaning of, for insurer, 138(12.3)

### Amounts receivable

- deceased taxpayer, by, 70(2), (3)

### Amusement parks

- capital cost allowance, Reg. Sch. II:Cl. 37
- defined, Reg. 1104(12)

**Amusement parks relief (COVID)**, Reg. 8901.1(2)(b)(viii), *see also* Qualifying tourism or hospitality entity



**Ancillary tuition fees, credit, 118.5(3)****Animal**

- breeding, defined, 80.3(1)
- inventory valuation, 28(1.2), Reg. 1802
- specified, defined, 28(1.2)
- trained to assist disabled person
- disability supports deduction, 64(a)A(ii)(Y)
- medical expense credit, 118.2(2)(l)

**Animation production**

- allocation of points to determine whether Canadian production, Reg. 1106(5)(b), (c), Reg. 1106(7)
- defined, Reg. 1106(6)

**Anniversary day**

- investment contract, of, defined, 12(11)“anniversary day”

**Annual child care expense amount**

- defined, 63(3)

**Annual dues**

- professional membership, deduction, 8(1)(i)(i)
- trade union, etc., deductible, 8(1)(i)(iv)–(vi)

**Annual FHSA limit**

- defined, 146.6(1)

**“Annual gains limit” defined, 110.6(1)****Annual investment tax credit limit, defined, 127(9)****Annual operations knowledge sharing report**

- requirement to publish for CCUS credit, 211.92(1)“knowledge sharing report”(b), 211.92(1)(a)

**Annual reporting of interest, see Interest (monetary): accrued****Annuitant**

- defined
- for Home Buyers’ Plan, 146.01(1)
- for Lifelong Learning Plan, 146.02(1)
- for prescribed annuity contracts, Reg. 304(4)
- for RRIF, 146.3(1), Reg. 215(1)
- for RRSP, 146(1), Reg. 214(7)
- for registered labour-sponsored venture capital corporations, defined, 204.8(1)

**Annuity, Reg. Part III, see also Annuity contract**

- accrual to date of death, 70(1)(a)
- accrued interest on, taxable, 12.2
- advanced, *see* Advanced life deferred annuity
- buy-out (from RPP), 147.4(1)
- cancellation or termination of, Reg. 303
- capital element deductible, 60(a), Reg. 300
- capital/income elements, 16(4)
- commutation of, *see* Commutation of annuity
- constitutes life insurance policy, 138(12)“life insurance policy”
- contract, *see* Annuity contract
- DPSP investment eligibility, 204“qualified investment”
- deduction, 20(19)
- deferred, *see* Advanced life deferred annuity
- defined, 248(1); *Income Tax Conventions Interpretation Act* s. 5; Canada-U.S. Tax Treaty:Art. XVIII:4; Canada-UK Tax Treaty:Art. 17:3
- definitions, Reg. 310
- disposition of
  - deduction, 20(20)
  - taxable, 56(1)(d.2)
- disposition of interest in
  - information return, Reg. 217
- emigration of beneficiary, no deemed disposition, 128.1(10)“excluded right or interest”(f)(i)
- from pre-1998 pension plan, deemed to be pension payments, 254
- income-averaging, *see* Income-averaging annuity contract
- insured, leveraged, *see* LIA policy
- interest on money borrowed to buy
  - amount deductible, 20(1)(c)(iv)

- life insurance proceeds, as, 148(6), (10)
- locked-in, held by RRIF, 146.3(1)“qualified investment”(b.2)
- money borrowed to buy
  - limitation on deductibility, 18(11)(d)
- PRPP purchase of, 147.5(5)(a), 147.5(21)(c)(vi)
- payments
  - capital element of, 60(a), Reg. 300
  - life annuity contracts, Reg. 301
  - non-residents, to, 212(1)(o)
  - taxable, 56(1)(d)
  - from pooled registered pension plan, taxable, 147.5(23)
- prescribed, Reg. 304, *see also* Prescribed annuity contract
- qualified, defined, Reg. 1408(1)
- RESP investment eligibility, 146.1(1)“qualified investment”(c)
- RPP (defined-contribution) purchase of, 147.3(1)(c)(iv), Reg. 8506(1)(e.2)
- RPP conversion to, 147.4(1)
- RRIF investment eligibility, 146.3(1)“qualified investment”(b.1), (b.2)
- RRSP investment eligibility, 146(1)“qualified investment”(c)–(c.2)
- RRSP premium refund transferred to, 60(1)
- receipt of, income, 56(1)(d), (d.2)
- registered pension plan, 147.4
- variable, *see* Variable payment life annuity
- withholding tax, 153(1)(f), 212(1)(o)

**Annuity contract**

- defined, for Common Reporting Standard, 270(1)

**Annulment**

- charity registration, *see* Registered charity: registration of: annulment of registration

**Antecedent corporation**

- defined, 95(1)

**Anti-avoidance rules**

- 150-investor rule for non-resident trusts, 94(15)(a)
- abuse of the Act, 245(4)
- acquisition of option rather than shares to avoid various rules, 256(8)
- arm’s length rule, 246(2)
- associated corporations, 256(2.1)
- at-risk amount of limited partner, 96(2.6), (2.7)
- attribution rules, *see* Attribution rules
- avoidance transaction, defined, 245(3)
- back-to-back loans, *see* Back-to-back loans
- back-to-back-royalties, 212(3.9)–(3.94)
- bank and life insurer surtax, 125.6(6)
- blocking deficits, Reg. 5905(7.1)–(7.7)
- business limit (small business deduction), 125(9)
- Canada Emergency Wage Subsidy (CEWS) and Canada Emergency Rent Subsidy (CERS), 125.7(6)
- Canada Recovery Hiring Program (CRHP), 125.7(6.1)
- Canadian controlled private corporations, 248(1)“substantive CCPC”, 248(3)
- capital dividend, share acquired to receive, 83(2.1)
- capital gains exemption
  - allocated through partnership or trust, 110.6(11)
  - butterfly, on, 110.6(7)(a)
  - conversion of dividends into exempt capital gains, 110.6(8)
  - failure to declare exempt gain, 110.6(6)
  - gain of corporation converted to gain of individual, 110.6(7)(b)
  - sale of shares of corporation, 84.1(2)(a.1)(ii), 84.1(2.1)(b)
- capital gains stripping, 55(2), 110.6(7)(a)
- charitable donation flips, 248(35)–(41)
- charitable donation returned to donor, 110.1(14)–(17), 118.1(25)–(28)
- charity’s expenditures on non-charitable activities, 149.1(4.1)
- Common Reporting Standard (reporting of account information to foreign tax authorities), 280

## Index

- Anti-avoidance rules (*cont'd*)
  - contingent amounts in expenditures, 143.4
  - corporate members of partnerships, 34.2, 125(6), 125(7)“specified partnership income”
  - corporations becoming related to transfer forgiven amount of debt, 80.04(8)
  - corporations deemed associated, 256(2.1)
  - cross-border purchase butterfly, 55(3.1)
  - debt forgiveness reserve, 61.3(3), 160.4
  - debt parking, 39(2.01)–(2.03), 80.01
  - deferral of tax
    - corporate partner, 34.2
    - individual partner, 34.1
  - deductions accrued but unpaid, 78
  - derivatives, mark-to-market restrictions, 10.1
  - determination by Minister of tax consequences, 152(1.11), (1.12)
    - binding effect, 152(1.3)
  - disbursement quota of charity, 149.1(4.1)
  - disposition not at arm’s length, 69(1)
  - disposition of share of foreign affiliate, 93(2)–(2.3)
  - divestment obligation percentage (private foundation), 188.1(3.2)–(3.5)
  - dividend refund, 129(1.2)
  - dividend stripping, *see* Surplus stripping
  - donation of flow-through shares, 40(12)
    - after rollover of shares, 38.1
  - eligible dividends, 89(1)“excessive eligible dividend designation”(c)
  - emigration
    - deemed disposition by trust of assets transferred before emigration, 104(4)(a.3)
    - deemed disposition of assets, 128.1(4)
  - employee ownership trust, exemption on transfer of shares to, 110.61(5)
  - employees profit sharing plans (excess EPSP amount), 207.8
  - FATCA, 268
  - foreign account reporting, 268, 280
  - foreign accrual property income
    - insurance of Canadian risks (and insurance swaps), 95(2)(a.2)–(a.24)
    - offshore regulated banks, 95(2.11)
  - foreign accrual tax, 91(4.1)–(4.7)
  - foreign affiliate dumping, 212.3
    - corporate emigration, 219.1(2)
    - corporate immigration, 128.1(1)(c.3)
    - cross-border class, anti-avoidance rule, 212.3(6)
  - foreign affiliate rules, 95(6), Reg. 5905(7.1)–(7.7)
    - artificial generation of FAT, 91(41)
    - artificial generation of UFT, Reg. 5907(1.03)
    - loans from foreign affiliates, 90(6)–(15)
    - surplus computations, Reg. 5907(2.02)
  - foreign affiliate share-for-share exchange, 85.1(4)(a)
  - foreign currency debt parking, 39(2.01)–(2.03)
  - foreign investment entities, *see* Tax avoidance motive
  - foreign mergers, 87(8.3)
  - foreign partnership, 96(9)(a)
  - foreign resource property, 85(1.11)(a)
  - foreign tax credit, 126(4)–(4.3)
    - FTC generators, 91(4.1)–(4.7), 126(4.11)–(4.13), Reg. 5907(1.03)–(1.09)
  - functional currency reporting, 261(18)–(21)
  - general rule, 245(2), *see also* General anti-avoidance rule
  - gift of property, 69(1)(b)(ii), 74.1, 160(1)
  - goodwill, transition from eligible capital property to CCA, 13(40)
  - gross revenue increases for transfer pricing rules, 247(9)
  - hedges crossing year-end, 18(17)–(23)
  - income-splitting tax, 120.4, *see also* Split income
    - income-splitting through spousal RRSPs, 146(8.3), 146.3(5.1)–(5.5)
    - indirect loan to non-resident, 17(2)
    - insurance corporations, 138(2.6)
    - interest coupon stripping, 212(1)(b)(i)(B), 212(21)–(23)
    - interest deduction restrictions, 18.2(12)–(15), 18.21(6)
    - interest-free or low-interest loans, 56(4.1)
    - investment tax credit
      - qualified expenditures, 127(24)
      - transfer of SR&ED pool, 127(16)
    - life insurance policies
      - distribution of proceeds
        - by corporation, 89(1)“capital dividend account”(d)(iii)
        - by partnership, 53(1)(e)(iii)
      - exempt policy, Reg. 306(1)
    - transfer of, not at arm’s length, 89(1)“capital dividend account”(d)(v), 148(7)
  - life insurer using foreign branch to insure Canadian risks, 138(2.1)–(2.6)
  - loan from corporation, 15(2)–(2.6), 90(6)–(15)
  - loan not at arm’s length, 56(4.1)–(4.3)
  - loan to non-resident, 17
    - through partnership, 17(4)
    - through trust, 17(5)
  - look-through for trusts and partnerships, on non-arm’s length sale of shares, 212.1(7)
  - loss carryover rules, on change of corporate control, 111(5.5)(b)
  - losses imported by partnership by acquiring Canadian partner, 96(8), (9)
  - misuse of the Act, 245(4)
  - mutual fund trust election for December 15 year-end, where beneficiaries change, 132.11(8)
  - newspaper or periodical, control by non-resident, 19(8)
  - non-resident trust, indirect transfer to, 94(2)
  - non-resident trust transfer to another trust, 94(11)–(13)
  - offshore trusts, 94
  - Part II.2 tax, 183.3(3), (6)
  - partnership acquiring capital properties to avoid debt forgiveness rules, 80(18)
  - partnership, by, 103
  - partnership capital contribution where other partner withdraws funds, 40(3.13)
  - partnership interest disposition, 100(1.4), (1.5)
  - partnership with non-resident partners importing losses, 96(8), (9)
  - payment of capital dividend through trust to non-resident, 212(1)(c)(i)
  - penalties, *see* Penalty
  - pension adjustment, artificial reduction of, Reg. 8503(14)
  - pension, past service employer contributions in lieu of salary, Reg. 8503(15)
  - preferred shares, 248(1)“term preferred share”(a)(iv)(B), (i.1)(ii), (j)(ii)
  - pregnant losses, *see* Pregnant loss
  - private foundations, 149.2(2), 188.1(3.2)–(3.5)
  - purchase butterfly, 55(1)“permitted exchange”, (3.1), (3.2)
  - registered disability savings plan (RDSP)
    - advantage, prohibited investment or non-qualified investment, 207.01–207.07
  - registered education savings plan (RESP)
    - advantage, prohibited investment or non-qualified investment, 207.01–207.07
    - replacement of beneficiary, 204.9(4)
  - registered pension plan phased retirement rules, Reg. 8503(22)
  - registered pension plan, replacement of money purchase benefits, Reg. 8304(2)(f)
  - reportable transaction rules, 237.3
  - residence of corporation, 250(5)
  - retirement compensation arrangement
    - disposition for less than fair market value, 56(11)

## Index

### Anti-avoidance rules (*cont'd*)

- “right to reduce” an expenditure, 143.4
- royalty reimbursements, 80.2
- SIFT rollovers, 248(1)“SIFT trust wind-up event”(e)
- sale of shares by non-resident, 212.1
- sale of shares for dividend stripping, 84.1
- section 160 planning, 160(5)
- securities lending arrangement, 260(1)“securities lending arrangement” closing words, *see also* Specified hedging transaction
- selling property and donating proceeds to charity, 248(39)
- share acquired to obtain dividend refund, 129(1.2)
- share repurchase transaction, 112(5.2)B(a)
- small business deduction limit, 125(9)
- corporate partners, 34.2, 125(6), 125(7)“specified partnership income”
- small business investment rollover, 44.1(12)
- specified member of partnership, 40(3.131), 127.52(2.1)
- stapled securities, 12.6
- stock buyback tax, 183.3(3), (6)
- stop-loss rules, *see* Stop-loss rules
- straddle transactions, 18(17)–(23)
- surplus stripping, *see* Surplus stripping
- synthetic equity arrangements, 112(2.3)–(2.34)
- TFSA, 207.01–207.07
- tax debt avoidance, 160(5)
- testamentary trust, 108(1)“testamentary trust”(d)
- transfer of insurance business by non-resident insurer, 138(11.7)
- transfer of property between trusts to delay deemed disposition rules, 104(5.8)
- transfer of property by tax debtor, 160
- transfer of property for low or no consideration, 69(1)(b), 74.1, 160(1)
- transfer of property with pregnant loss, 13(21.2), 40(3.3), (3.4)
- transfer pricing, 247
- treaty shopping, Canada-U.S. Tax Treaty:Art. XXIX-A
- trust distributing assets before death, 104(4)(a.2)
- trust, excessive capital interest, 104(7.1), (7.2)
- trust receiving assets before emigration, 104(4)(a.3)
- trust with accrued loss, acquisition of interest in, 107(6)
- trusts, allocation of income and capital to different beneficiaries, 104(7.1), (7.2)
- underlying foreign tax, Reg. 5907(1.03)
- unreasonable consideration, 247
- withholding tax on dividends, Canada-U.K. Tax Treaty Art. 10:7
- withholding tax on interest, Canada-U.K. Tax Treaty Art. 11:11
- withholding tax on royalties, Canada-U.K. Tax Treaty Art. 12:8

### Anticosti Island

- prescribed intermediate zone for northern residents’ deduction, Reg. 7303.1(2)

### Anti-dumping duties or countervailing duties

- deductible, 20(1)(vv)
- included in UCC of depreciable property, 13(21)“undepreciated capital cost”D.1
- refund of
  - deducted from UCC of depreciable property, 13(21)“undepreciated capital cost”K
  - taxable, 12(1)(z.6)

### Anti-money laundering and know your customer procedures

- defined, for Common Reporting Standard, 270(1)

### Antiques, CCA disallowed, Reg. 1102(1)(e)

### Antoine Guertin Lée case overruled, 20(1)(e.2)

### Appeal, *see also* Tax Court of Canada

- bifurcation, 171(2)
- books and records, 230(6)

- disposal of
  - Minister’s duty after, 164(4.1)
  - reassessment, on consent, 169(3)
  - Tax Court, by, 171
- ecological property valuation, 169(1.1)
- expense of making, deduction, 60(o)
- extension of time for making, 167
- Federal Court of Appeal, to, *see* Federal Court of Appeal
- frivolous, 10% penalty, 179.1
- general procedure, 175
- grounds for, whether raised in Notice of Objection, 169(2.1)
- *in camera* proceedings in Federal Court, 179
- informal procedure, 170
- large corporation by, only on grounds raised in objection, 169(2.1)
- legal costs of, 152(1.2)
- limitation on grounds for filing, 169(2), (2.1)
- Minister may change grounds for assessment, 152(9)
- notice of, Tax Court to Commissioner, 170(1)
- Part II.2 tax, 183.4(3)
- Part IV.1 tax, 187.6
- Part VI.1 tax, 191.4(2)
- Part VI.2 tax, 191.6
- Part XII.2 tax, 210.2(7)
- Part XII.3 tax, 211.5
- Part XII.4 tax, 211.6(5)
- Part XII.5 tax, 211.82
- repayment on, 164(1.1)
- restriction on collection action while underway, 225.1
- stay of, during action, 239(4)
- Tax Court decisions, from, 174(4.1)
- Tax Court of Canada, to, 169, 170, 174
- time not counted, 173(2), 174(5)
- transitional provisions, ITAR 62(4)–(6)
- where no reasonable grounds for, 179.1
- where right to appeal waived, 169(2.2)
- withholding tax on dividends, Canada-U.K. tax treaty Art. 10:7
- withholding tax on interest, Canada-U.K. tax treaty Art. 11:11
- withholding tax on royalties, Canada-U.K. tax treaty Art. 12:8

### Appliance service technician

- apprenticeship job creation credit, 127(9)“investment tax credit”

### Applicable fraction (for debt forgiveness rules)

- application of to capital losses, 80(4)
- defined, 80(2)(d)

### Application deadline

- defined, Reg. 1106(1)“application for a certificate of completion”

### Application for a certificate of completion

- defined, for Canadian film/video credit, Reg. 1106(1), (1.1)

### Application for continuance (for Canadian Wheat Board)

- defined, 135.2(1)

### Apportionment, *see also* Allocation; Splitting, sharing or apportionment

- bond interest to date of sale, 20(14)
- income accrued to date of death, 70(1)(a)
- proceeds of disposition, between property and services, 68
- tax credit, *see* Splitting, sharing or apportionment
- taxable and exempt income, between, 149(6)

### Apprentice

- grant to, *see* Apprenticeship Incentive Grant or Apprenticeship Completion Grant
- job creation, investment tax credit, 127(9)“apprenticeship expenditure”, 127(9)“investment tax credit”(a.4)
- mechanic
  - eligible, defined, 8(6)(a)
  - tools, deduction from employment income, 8(1)(r)

- Apprentice (*cont'd*)**
- • • GST rebate on, 6(8)
  - • • income inclusion on sale of tools, 56(1)(k)
  - • • rollover of tools to corporation, 85(5.1)
  - • • rollover of tools to partnership, 97(5)
  - payments received by, Canada-U.S. Tax Treaty:Art. XX
  - travel to construction job site, deduction, 8(1)(q.1)
- Apprenticeship expenditure**
- defined, 127(9)
  - • reduction for assistance received, 127(11.1)(c.4)
  - investment tax credit for, 127(5)(a)(i), 127(9)“investment tax credit”(a.4)
  - • carryforward or carryback, 127(9)“investment tax credit”(c)
- Apprenticeship Incentive Grant or Apprenticeship Completion Grant**
- information return required, Reg. 200(2)(b.1)
  - is earned income for child care expense, 63(3)“earned income”(b)
  - repayment of, deductible, 60(p)
  - taxable, 56(1)(n.1)
- Apprenticeship requirements**
- defined, for labour requirements for ITCs, 127.46(1)
- Appropriate minister**
- defined, 13(21)
- Appropriate percentage**
- defined, 248(1)
- Appropriation Act**
- interest paid under
  - • deduction for, 20(1)(c)(iii)
- Appropriation of amounts**
- to transfer balance between tax accounts, 221.2
- Appropriation of property**
- by shareholder, generally, 69(4)
  - legal representative, by, 159(3.1)
  - on winding-up of corporation, 69(5), 84(2)
- Approved pension plan**
- included in reference to “registered” plan, ITAR 17(8)
- Approved project, defined, 127(9)**
- Approved project property [repealed]**
- defined, 127(9)
- Approved share**
- clawback on disposition, 211.8(1)
  - defined, 127.4(1), 211.7(1)
- Arbitration of disputes**
- United Kingdom, Canada-U.K. Tax Treaty:Art. 23:6, 7
  - United States, Canada-U.S. Tax Treaty:Art. XXVI:6, 7; Fifth Protocol (2007) Annex A
- Arcade games relief (COVID), Reg. 8901.1(2)(b)(ix)(A)(IV), (b)(xv), *see also* Qualifying tourism or hospitality entity**
- Armed forces, *see* Canadian Forces and veterans**
- Arm’s length**
- allocation, *see* Arm’s length allocation
  - dividend dealings, 55(4), (5)(e)
  - meaning of, 251(1)
  - • beneficiary and trust, 251(1)(b)
  - • for CCA purposes, Reg. 1102(20)
  - • for currency dealings with foreign affiliate, 95(2.1)
  - • for debt forgiveness rules, 80(2)(j)
  - • for divisive reorganizations, 55(4), (5)(e)
  - • for non-arm’s length sale of shares, 84.1(2)(b), (d), 212.1(3)(c)
  - • for resource expenses renounced to partnership on flow-through shares, 66(17)
  - • for s. 160 avoidance of tax debts, 160(5)(a)
  - • for stock option rules, mutual fund trust, 7(1.11)
  - • for tax shelter investment where information outside Canada, 143.2(14)
  - • for windup of subsidiary, 88(1)(d.2)
  - not deemed to confer benefit, 246(2)
  - transfer, *see* Arm’s length transfer
  - transfer price, *see* Arm’s length transfer price
- Arm’s length allocation**
- defined, 247(1)
- Arm’s length capital**
- defined, for income-splitting tax, 120.4(1)
- Arm’s length transfer**
- defined, 94(1)
  - price, *see* Arm’s length transfer price
- Arm’s length transfer price, *see also* Transfer pricing**
- defined, 247(1)
  - required for transactions with related non-residents, 247(2)
- Arrears interest**
- defined, for corporate interest offset, 161.1(1)
- Arriola case overruled, 118.5(1)(d)**
- Arrival in Canada, *see* Becoming resident in Canada**
- Art, *see also* Cultural property; Listed personal property**
- whether CCA allowed, Reg. 1102(1)(e)
- Art flips**
- donation valued at cost of art, 248(35)–(38)
  - minimum \$1,000 proceeds eliminated, 46(5)
  - penalties for valuers and promoters, 163.2
- Art shelters, *see* Art flips**
- Artificial eye, medical expense, 118.2(2)(i)**
- Artificial kidney machine, medical expense, 118.2(2)(i)**
- Artificial limb**
- costs, as medical expenses, 118.2(2)(i)
- Artificial transactions, *see* Anti-avoidance rules**
- Artist**
- artistic endeavour, 10(6)–(8)
  - expenses, deduction from employment income, 8(1)(q)
  - gift of work of art created by, 118.1(7), (7.1)
  - organization for, *see* Registered national arts service organization
  - project grant, included in income, 56(1)(n)
  - U.S. resident, Canada-U.S. Tax Treaty:Art. XVI
  - valuation of inventory, 10(6)–(8)
- Artistic endeavour**
- defined, 10(8)
  - value of inventory, 10(6), (7)
- Artistic events relief (COVID), Reg. 8901.1(2)(b)(iv), *see also* Qualifying tourism or hospitality entity**
- Artistic work, copyright royalties**
- no withholding tax, 212(1)(b)(vi), 212(9)(b)
- Arts credit for children, *see* Children’s Arts Tax Credit (pre-2017)**
- Arts service organization, *see* Registered national arts service organization**
- “As registered” (pension plan), meaning, 147.1(15)**
- Asian Development Bank**
- bonds of, qualified investment for RRSP etc., 204“qualified investment”(c.1) (formerly Reg. 4900(1)(l)(iii))
- Assessable distribution**
- defined, for Part XIII.2 tax, 218.3(1)
  - does not reduce adjusted cost base of capital interest in trust, 53(2)(h)(i.1)(B)(III)
  - payment of to non-resident
  - • information return, Reg. 202(1)(f)
  - • tax on, 218.3(2)
- Assessable dividend (for Part IV tax)**
- defined, 186(3)
  - tax on, 186(1)(a)



**Assessment**, *see also* Determination; Limitation period; Reassessment

- alternative basis for, permitted, 152(9)
- amounts received under RCA trust, re, 160.3(2)
- appeal from, *see* Appeal
- arbitrary, 152(7)
- consequential, of other taxation year, 152(4.3)
- date of mailing, 244(14)
- date of making, 244(15)
- derivative, 160
- determination binding, 152(1.3)–(3)
- excess refund, 160.1(3)
- failure to withhold tax, 227(10)–(10.8)
- includes reassessment, 248(1)
- incorrect or incomplete, 152(3), (8)
- irregularities in, not invalidating, 152(3), (8), 166
- issue in respect of, reference to Tax Court, 173
- jeopardy, 225.2
- losses, of, *see* Determination
- Minister, by, 152(1)
- net worth, 152(7)
- notice of, 152(2)
  - date of, 244(14), (15)
  - electronic
    - allowed for corporation, 244(14.2)
    - allowed if individual's return is e-filed, 150.1(4.1)
    - allowed if email address given by individual, 244(14.1)
    - when presumed received, 244(14.1)
- objection to, *see* Objection
- Part II.2 tax, 183.4(3)
- Part IV tax, allowed 1 year late, 152(4.31)
- Part IV.1 tax, 187.6
- Part VI.1 tax, 191.4(2)
- Part VI.2 tax, 191.6
- Part XII.2 tax, 210.2(7)
- Part XII.3 tax, 211.5
- Part XII.4 tax, 211.6(5)
- Part XII.5 tax, 227(10.01), 227(10.1)(c), 211.82
- Part XII.6 tax, 211.91(3)
- Part XII.7 tax, 211.94
- past regular deadline, 152(4)
- transitional provision, ITAR 62(1)
- valid and binding despite defects, 152(8)
- zapper penalty, 163.3(5)

**Asset**

- computation of, for debt forgiveness reserve, 61.3(1)(b)B(i)
- lending
  - defined, 248(1)
  - of insurer/moneylender
  - limitation on deduction re, where reduced in value, 18(1)(s)

**Asset-backed securities**

- qualified investment for RRSP etc., 204“qualified investment”(c.1) (formerly Reg. 4900(1)(i.3))

**Assignee**, *see also* Legal representative

- deemed to be legal representative, 248(1)“legal representative”
- obligations of, 159
- return required by, 150(3)
- withholding tax, liability for, 227(5), (5.1)(g)

**Assignment**

- rights to income, 56(4)
- tax refund, permitted, 220(6)

**Assistance/government assistance**

- air quality improvement credit, 127.43(5)
- Canadian development expense, in respect of, 66.2(5)“Canadian development expense”, 66.2(5)“cumulative Canadian development expense”D, M

- Canadian exploration expense, in respect of, 66.1(6)“Canadian exploration expense”, 66.1(6)“cumulative Canadian exploration expense”E, J
- Canadian film/video tax credit
  - constitutes assistance for all purposes, 125.4(5)
  - defined, 125.4(1)
- Canadian oil and gas property expense, in respect of, 66.4(5)“Canadian oil and gas property expense”, 66.4(5)“cumulative Canadian oil and gas property expense”D, I
- capital cost allowance, effect on, 13(7.1)
- carbon tax refund to farmers, 127.42(7)
- carbon tax refund to small business, 127.421(6)
- clean hydrogen tax credit
  - defined, 127(9), 127.48(1)
  - repaid, 127.48(11)
- clean technology manufacturing ITC
  - defined, 127(9), 127.49(1)
  - repaid, 127.49(7)
  - defined
    - for air quality improvement credit, 127.43(1)
    - for clean electricity credit, 127(9), 127.491(1)
    - for clean hydrogen tax credit, 127(9), 127.48(1)
    - for clean technology investment tax credit, 127(9), 127.45(1)
    - for clean technology manufacturing ITC, 127(9), 127.49(1)
    - for film/video production services tax credit, 125.5(1)
    - for investment tax credit, 127(9)“government assistance”
    - for journalism labour credit, 125.6(1)
    - for resource exploration and development rules, 66(15)“assistance”
    - includes GST input tax credits, 248(16)–(18)
    - includes QST input tax refunds, 248(16.1), (17.1), (17.3), (18.1)
- employer, provided by, for housing, 6(23)
- expired, treated as repaid, 127(10.8)
- exploration and development grant, deductible, 20(1)(kk)
- film/video production services tax credit
  - constitutes assistance for all purposes, 125.5(5)
  - defined, 125.5(1)
- flow-through critical mineral mining expenditure reduced, 127(11.1)(c.21)
- flow-through mining expenditure reduced, 127(11.1)(c.2)
- GST input tax credit or rebate deemed to be, 248(16)
- GST input tax credit repaid deemed to be reduction in, 248(18)
- government assistance, defined, 127(9); *see* “defined” above
- housing subsidy provided by employer, taxable, 6(23)
- included in income, 12(1)(x)
- increases adjusted cost base of partnership interest, 53(1)(e)(ix)
- indirect, taxable, 12(1)(x)(i)(C)
- investment tax credit reduction, 127(18)–(21)
- non-government, defined, 127(9)
- pre-production mining expenditure reduced, 127(11.1)(c.3)
- prescribed benefit under government program
  - overpayment repaid, deductible, 60(n)(v)
  - taxable, 56(1)(a)(vi), Reg. 5502
- QST input tax refund or rebate deemed to be, 248(16.1)
- QST input tax refund repaid deemed to be reduction in, 248(18.1)
- qualified expenditures, effect on, 127(18)–(21)
- reduces adjusted base of partnership interest, 53(2)(c)(ix)
- reduces adjusted cost base of property, 13(7.1), 127(11.1)(b)
- reduces claim for scientific research, 37(1)(d)
- reduces R&D expenditures, 127(11.1)(f) [repealed], 127(18)
- repayment of
  - creates capital loss, 39(13)
  - deduction for, 20(1)(hh)
  - excluded from reduction in cost base, 53(2)(k), 53(2)(s)
  - includes repaid GST input tax credit, 248(18)

Assistance/government assistance (*cont'd*)

- increases investment tax credit, 127(9)“investment tax credit”(e.1), 127(10.7)
- reduces adjusted cost base of partnership interest, 53(1)(e)(ix)(B)
- resource-related
- allocated to member of partnership, 66.1(7), 66.2(6), (7), 66.4(6), (7)
- increases adjusted cost base of partnership interest, 53(1)(e)(ix)
- tax shelter investment excluded, 125.4(4)

**Assistance holdback amount**

- defined, for RDSP, 146.4(1)

**Assistant's salary paid by employee**

- CPP contributions, UI/EI premiums deductible, 8(1)(1.1)
- deduction, 8(1)(i)(ii)
- certificate of employer, 8(10)
- Quebec Parental Insurance Plan premiums deductible, 8(1)(1.2)

**Associated charities**

- designation by Minister, 149.1(7)
- disbursement by one to another, 149.1(6)(c)

**Associated corporations, *see also* Related persons**

- amalgamation, following, 256(7)(b)
- anti-avoidance rules
- separate corporations deemed associated, 256(2.1)
- transfer of assets for passive income SBD grind, 256(2.1)
- base level deduction, 18(2.3)–(2.5)
- certain shares excluded from fair market valuations, 256(1.6)
- corporations associated with same corporation deemed associated with each other, 256(2)
- defined, 256(1)
- investment income from, 129(6)
- investment tax, allocation of expenditure limit, 127(10.2)–(10.4)
- land soft costs, allocation of base level deduction, 18(2.3)–(2.5)
- options, 256(1.4)
- parent deemed to own child's shares, 256(1.3)
- Part VI.1 tax, allocation of dividend allowance, 191.1(3)–(5)
- person deemed related to himself, 256(1.5)
- refundable SR&ED credit, special rule, 127.1(2.2), (2.3)
- rights, 256(1.4)
- small business deduction, 125(3)–(5)
- specified class of shares, defined, 256(1.1)
- SR&ED expenditure limit for investment tax credit, special rule, 127(10.22), (10.23)

**Association of Universities and Colleges of Canada, exempt, 149(1)(h.1)****Associations**

- non-profit exemption, 149(1)(l)

**Assumption of debt, 20(1)(e)(ii.2), 20(1)(e.1)(iii)**

- debt forgiveness rules do not apply, 80(1)“forgiven amount”B(1)

**At-risk adjustment (for tax shelter)**

- defined, 143.2(2), (3)

**At-risk amount, *see also* Limited partner; Tax shelter**

- artificial transactions, 96(2.6), (2.7)
- defined, 96(2.2)
- for clean economy ITC allocation, 127.47(1)
- limited partner's losses restricted to, 96(2.1)
- limited partnership interest acquired by subsequent person, 96(2.3)
- resource expenditures, 66.8

**Athlete**

- amateur junior players, room and board exempt, 6(1)(b)(v.1)
- association for, *see* Registered Canadian amateur athletic association
- income of, Canada-U.S. Tax Treaty, Canada-U.S. Tax Treaty:Art. XVI

- Major League Baseball Players Benefit Plan, Reg. 6800
- National Hockey League referees, Reg. 6801(c), 6802(d)
- signing bonus, taxable, 6(3), 115(2)(c.1), 115(2)(e)(v); Canada-U.S. Tax Treaty:Art. XVI:4
- trust for, *see* Amateur athlete trust
- tuition support received by, no tuition credit, 118.5(1)(a)(v)
- U.S. resident, Canada-U.S. Tax Treaty:Art. XVI

**Atlantic Groundfish Adjustment Program/Atlantic Groundfish Strategy, *see* Fishing: compensation programs****Atlantic Investment Tax Credit, 127(9)“investment tax credit”(a), 127(9)“specified percentage”(a)(iii)(D), (a.1)****Attendant, *see also* Part-time attendant**

- for taxpayer or dependant mentally or physically impaired
- allowance paid by employer, not income, 6(16)
- deduction from income, 64(a)(ii)(J)
- residents absent from Canada, 64.1
- medical expense credit, 118.2(2)(b), (b.1), (c)
- reimbursement of expenses, 118.2(3)(b)

**Attendant care benefit**

- paid to Canadian Forces member or veteran, exempt, 81(1)(d.1)(vii)(E)

**Attorney, *see* Lawyer****Attribute trading restriction**

- defined, 256.1(1)

**Attributed surplus (of financial institution)**

- defined, 181(2), 190(1.1)

**Attributed surplus (non-resident insurer)**

- defined, 219(7), Reg. 2400(1)
- Large Corporations Tax, Reg. 8600

**Attribution rules, *see also* Income-splitting**

- Canada Child Benefit cheque deposited for child's benefit, 74.1(2)
- deemed receipt of dividend, 82(2)
- “designated person” defined, 74.5(5)
- FHSA, exception for, 74.5(12)(d)
- foreign income, *see* Foreign accrual property income
- gain/loss from property transferred or loaned, 74.2
- farm property, 75.1
- trust, to, 74.3(1)(b)
- income-splitting tax, 120.4, *see also* Split income
- indirect payments, 56(2)
- interest-free or low-interest loans, 56(4.1)
- loan or indebtedness, 56(4.1)–(4.3)
- property transferred to child, 74.1(2), 75.1
- property transferred to spouse
- capital gain/loss on, 74.2(1)
- income from, 74.1(1)
- property transferred to trust
- income, gain or loss transferor's, 75(2)
- trusts excluded, 75(3)
- qualifying trust annuity payment, 75.2(a)
- RDSP, exception for, 74.5(12)(a.2)
- RRSP spousal contributions
- regular attribution rules do not apply, 74.5(12)
- specific attribution rule, 146(8.3)
- reverse attribution, excluded, 74.5(11)
- Saskatchewan Pension Plan contributions, exceptions for, 74.5(12)
- spousal RRSP premiums, exception for, 74.5(12)
- TFSA, exception for, 74.5(12)(c)
- transfer or loan to child, 74.1(2)
- transfer or loan to corporation
- income/loss from property transferred or loaned, 74.1
- trust, to, 74.3(1)(a)
- transfer or loan to spouse, 74.1(1), 74.2(1)
- where not applicable, 74.5

**Auction of seized chattels, 225(2)–(4)**

**Audio tapes or CDs**

- talking textbooks
- disability supports deduction, 64(a)(ii)(I)
- medical expense credit, Reg. 5700(w)

**Audiologist**

- certification of hearing impairment
- for disability credit, 118.3(1)(a.2)(iii)
- defined, 118.4(2)

**Audit, 231.1(1)**

- affidavit answers can be required, 231.41
- answers orally or under oath can be required, 231.41
- compliance required, 231.51, 231.7
- contemporaneous documentation for transfer pricing, 247(4)
- copies or printouts of documents, 231.5
- court order for compliance, 231.7
- failure to comply, *see* Notice of non-compliance
- fishing expedition, 231.2(3)
- request for information or documents, 231.1(1)
- time contesting, not to count for reassessment clock, 231.8(1)(a)
- unnamed persons, limitations, 231.1(4), 231.2(3)

**Auditory feedback device**

- medical expense credit, Reg. 5700(z.1)

**Aunt, *see also* Niece/nephew**

- defined, 252(2)(e)
- dependent, 118(6)(b)
- great-aunt defined, 252(2)(f)

**Australia, *see also* Foreign government**

- currency loan, *see* Weak currency debt
- currency of, use as functional currency, 261(1)“qualifying currency”(d)
- stock exchange recognized, 262
- trust resident in
  - exclusion from foreign property reporting, 233.3(1)“specified foreign property”(n)
  - special rules for, 93.3
- universities, gifts to, Reg. Sch. VIII, s. 17

**Australian trust, 93.3**

- defined, 93.3(1)

**Austria, *see also* Foreign government**

- stock exchange recognized, 262
- universities, gifts to, Reg. Sch. VIII, s. 4

**Author**

- deduction from employment income, 8(1)(q)

**Authorized foreign bank**

- branch-establishment rollover, 142.7(3)
- branch interest tax, 218.2
- branch tax allowance, Reg. 808(8)
- capital tax rules, 181.3(3)(e), 181.3(4)(c), 190.13(d), 190.14(1)(c)
- conversion of Canadian affiliate to branch, 142.7
- debt of, qualified investment for deferred income plans, 146(1)“qualified investment”(b)(ii), 146.1(1)“qualified investment”(b)(ii), 146.3(1)“qualified investment”(b)(ii), 204“qualified investment”(b)(ii)
- deemed resident in Canada for withholding tax rules, 212(13.3)
- defined, 248(1)
- foreign tax credit, 126(1.1)
- interest deduction, 18(1)(v), 20.2
- payments to, non-resident tax
  - no withholding tax [before Aug. 8/09], Reg. 105(2)(b), 800, 803.1
  - tax payable directly [before Aug. 8/09], Reg. 801–803.1
- reassessment beyond 4-year deadline, 152(4)(b)(iii.1)
- taxable income earned in Canada, 115(1)(a)(vii)(B)
- winding up into, Reg. 9204(2.1)

**Authorized person**

- defined, re communication of taxpayer information, 241(10)

**Automobile, *see also* Motor vehicle; Passenger vehicle**

- available to shareholder, benefit, 15(5), (7)
- benefit related to operation of, includable in employee’s income, 6(1)(a)(iii)
- benefit related to use of, not includable in employee’s income, 6(1)(a)(iii)
- benefit to shareholder, 15(5)
- capital cost allowance
  - exclusion, Reg. 1102(1)(h), 1102(11)–(13)
  - limitation, *see* Passenger vehicle: luxury
- cost over \$34,000, *see* Passenger vehicle: luxury
- cost over \$100,000, *see* Luxury Items Tax
- dealer, taxable benefit to sales employees, 6(2.1)
- defined, 248(1)
- electric, *see* Zero-emission passenger vehicle; Zero-emission vehicle
- employee’s, capital cost allowance, Reg. 1100(6)
- expenses
  - employee, of, 8(1)(h.1)
  - limitations on deductibility, 13(7)(g), (h), 18(1)(r), 67.2, 67.3
  - gasoline for, *see* operating costs (*below*)
  - insurance, *see* operating costs (*below*)
  - interest cost limit, *see* Passenger vehicle: luxury
  - lease expense limit, *see* Passenger vehicle: luxury
  - luxury, *see* Passenger vehicle: luxury
  - maintenance, *see* operating costs (*below*)
  - mechanic, *see* Apprentice: mechanic
  - operating costs
    - benefit
      - employee-owned car, 6(1)(l)
      - employer-owned car, 6(1)(k), Reg. 7305.1
      - shareholder, received by, 15(5)
    - deductible
      - by employee, 8(1)(h.1)
      - by employer, 9(1)
    - parking for, taxable benefit, 6(1)(a), 6(1.1)
    - payments by, non-resident withholding tax, 212(13.3)
  - provided to employee
    - amount included in income, 6(1)(e), (k), 6(2)
  - cost includes GST, 6(7)
  - provided to partner
    - amount included in income, 12(1)(y)
  - provided to shareholder
    - amount included in income, 15(5)
  - purchase loan to employee, 15(2.4)(d)
  - salesperson, standby charge for use of vehicle, 6(2.1)
  - short-term rental/leasing, for
    - capital cost allowance, Reg. Sch. II:Cl. 16
  - standby charge, 6(1)(e)
    - reasonable amount, 6(2)
    - salesperson, reasonable amount, 6(2.1)
  - trade-in, allocation of consideration, 13(33)
  - used by employee, 6(1)(e), (k), 6(2)
  - used by shareholder, 15(5)
  - used in employment
    - costs, 8(1)(j)
  - zero-emission, *see* Zero-emission passenger vehicle; Zero-emission vehicle

**Automotive equipment**

- capital cost allowance, Reg. Sch. II:Cl. 10(a)
- large trucks and tractors, Reg. Sch. II:Cl. 16(g)

**Automotive painter**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Automotive service technician**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Available-for-use rules**

- capital cost allowance, 13(26)–(32), 20(28), (29), Reg. 1100(2)
- transfer of property to affiliated person, 13(21.2)(e)(iv)
- deduction against rental income, 20(28), (29)
- investment tax credit, 127(11.2)
- meaning of, 248(19)
- scientific research, 37(1.2)

**Average actual carbon intensity**

- change in, recapture of clean hydrogen credit, 127.48(18)–(24)
- defined, 127.48(1), (6)
- deemed greater than 4.25 in certain circumstances, 127.48(8)(c)(ii), (d)(i)(B)

**Average actual emission intensity**

- defined, for clean electricity credit, 127.491(1)
- excessive, recapture of clean electricity credit, 127.491(19)

**Average annual rate of return**

- defined
- for Canadian Entrepreneurs' Incentive, 110.63(6)
- for capital gains exemption, 110.6(9)
- for qualifying cooperative conversion, 110.62(9)

**Average Consumer Price Index**

- defined, Reg. 8500(1)

**“Average wage” for calendar year**

- defined, 147.1(1)
- used in calculating money purchase limit, 147.1(1)“money purchase limit”

**Averaging of income, *see also* Income-averaging annuity contract**

- forward, *see* Forward averaging
- lump-sum payments, 110.2, 120.31
- RRSPs, 146(5), (8)
- by pledging RRSP as security, 146(7), (10)
- shareholder loans, 15(2), 20(1)(j)

**Aviation fuel, *see* Fuel tax rebate (1992–1999)****Avoidance of tax, *see* Anti-avoidance rules****Avoidance transaction**

- defined
- for general anti-avoidance rules, 245(3)
- for reportable transaction rules, 237.3(1)
- reporting required, 237.3(2)

**Award**

- legal expenses of collecting salary, etc.
- included in employee's income, 6(1)(j)
- personal injury
- election re capital gains, 81(5)
- income exempt, 81(1)(g.1), (g.2)

**Away-from-home expenses, *see also* Special work site, employment at; Travelling expenses**

- railway employees, 8(1)(e)
- transport employees, 8(1)(g)

**B****BAPA (Bilateral Advance Pricing Agreement), *see* Advance Pricing Agreement****BCS Group case overruled, *Tax Court of Canada Act* s. 17.1(1.1) [see 169(1) Notes at “Lawyer required”]****BDC Capital Inc.**

- prescribed not to be a financial institution, Reg. 9000(b)

**BEPS, *see* Base erosion and profit shifting, anti-avoidance rules****BHP Billiton-South32 spinoff, Reg. 5600(j)****BIL, *see* Business investment loss****BN, *see* Business Number****BP Canada case overruled, 237.5****Baby bonus, *see* Canada Child Benefit****Babysitting, *see* Child care expenses****Back-door butterfly, 88(1)(c)(vi), 88(1)(c.3), 88(1)(c.8)****Backman case overruled, 96(8)****Back-to-back loans**

- attribution rules, 74.5(6)
- loan by corporation to non-resident, 17(11.2)
- non-resident withholding tax, 212(3.1)–(3.81)
- shareholder loans, 15(2.16)–(2.192)
- thin capitalization rules, 18(6), (6.1)

**Back-to-back royalties**

- non-resident withholding tax, 212(3.9)–(3.94)

**Bad debt**

- change in control of corporation, limitation on deduction, 111(5.3)
- deductible, 20(1)(p)
- deemed disposition of, 50(1)(a)
- disposition of depreciable property, 20(4), (4.1)
- disposition of (former) eligible capital property, 20(4.2)
- insurer/moneylender
- inclusion in income, 12.4
- personal-use property, 50(2)
- recovered
- capital gain, 39(11)
- income, 12(1)(i), (i.1)
- restrictive covenant payment, 60(f)
- uncollectible proceeds of disposition, 20(4)–(4.2)
- where property seized by creditor, no deduction for principal, 79.1(8)

**Baker**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Balance**

- defined, for consequential reassessment, 152(4.4)
- transfer of, to different CRA account, 221.2

**Balance disorder**

- pressure pulse therapy device for, medical expense credit, Reg. 5700(z.4)

**Balance-due day**

- amalgamated corporation, 87(2)(oo.1)
- defined, 248(1)
- for CCUS credit and recovery tax, 211.94
- for trust's year-end triggered by change in beneficiaries, 251.2(7)
- payment of tax by, 153(2), 155(1)(b), 156(1)(b), 156.1(1)“net tax owing”(b), 157(1)

**Balance of annuitized voluntary contributions**

- defined, 60.2(2)

**Ballroom dancing relief (COVID), Reg. 8901.1(2)(b)(ix)(A)(V), *see also* Qualifying tourism or hospitality entity****Bank, *see also* Financial institution**

- account in foreign country, disclosure to CRA, 233.3
- additional taxes on, 123.6 [annual], 191.5 [2022 only]
- cannot make Canadian securities election, 39(5)(b)
- defined, *Interpretation Act* s. 35(1)
- exempt from Part IV tax, 186.1(b)
- FAPI credit to offset Part XIII tax, 125.21
- FAPI rule flexibility, 95(2.31), (2.43)–(2.45), (3.01)
- foreign, *see* Authorized foreign bank; Foreign bank
- interference with remittance of tax, 227(5.2)–(5.4) (1995 draft, abandoned)
- liabilities of, determination for debt forgiveness reserve, 61.3(1)(b)C(ii)(B)
- mark-to-market rules, 142.2–142.6
- non-resident account reporting, *see* Common Reporting Standard
- offshore, whether income is FAPI, 95(1)“investment business”(a)(i), 95(2.11)
- receipt of tax payments by, 229 [repealed]
- remittance of source withholdings by large employers, 153(1), (1.4), Reg. 110
- Requirement for Information, electronic delivery of, 231.2(1.1)



**Bank (cont'd)**

- reserves
- continuation of, on amalgamation, 87(2)(g.1)
- prescribed reserve amount, Reg. 8000(a), (a.1)
- sperm, medical expense credit, 118.2(2)(v)
- surtaxes on, 123.6 [annual], 191.5 [2022 only]
- taxable income earned in a province, Reg. 404

**Bank for International Settlements**

- no withholding tax on interest payable to, Reg. 806.1

**Bank or life insurer group member**

- defined
- for Canada Recovery Dividend (Part VI.2 tax), 191.5(1)
- for surtax on banks and life insurers, 123.6(1)
- surtax on, 123.6(2), 191.5(2)

**Banker's acceptances**

- included in capital for large corporations tax, 181.2(3)(d)
- interest taxable to holder, 12(1)(c)
- annual accrual, 12(4), (9)
- qualified investments for deferred income plans, Reg. 4900(1)(i.2)

**Bankruptcy**

- Act, *see Bankruptcy and Insolvency Act*
- "bankrupt" defined, 248(1)
- business income, effect on, 34.1(8)(b)
- corporation
- dividends paid to, effect on dividend refund, 129(1.1)
- general rules, 128(1)
- debt forgiveness rules inapplicable, 80(1)"forgiven amount" B(i)
- effect on Crown's priority for taxes withheld, 227(5)
- "estate of the bankrupt" defined, 248(1)
- individual
- Canada Child Benefit, 122.61(3.1)
- credits allowed, 118.95
- GST credit, 122.5(7)
- general rules, 128(2)
- minimum tax not applicable, 127.55
- tuition and education credit carryforward, 128(2)(f)(iv), 128(2)(g)(ii)
- legislation, *see Bankruptcy and Insolvency Act*
- receiver
- return to be filed by, 150(3)
- minimum tax carryover not applicable, 120.2(4)
- withholding tax, 227(5), (5.1)
- shares of corporation in, 50(1)
- trustee in, *see also* Legal representative
- clearance certificate, 159(2)
- deemed to be legal representative, 248(1)"legal representative"
- obligations of, 159
- return required by, 150(3)
- withholding tax, liability for, 227(5), (5.1)(f)

**Bankruptcy and Insolvency Act**

- charge registered under, 223(11.1)
- priority of garnishment order over, 224(1.2)

**Bare trust, 104(1), *see also* Agent**

- requirement to disclose details to CRA, 150(1.3), (1.31)

**Barrister and solicitor, *see* Lawyer****Bars relief (COVID), Reg. 8901.1(2)(b)(ii), *see also* Qualifying tourism or hospitality entity****Base erosion and profit shifting, anti-avoidance rules**

- action items (2015), 95 (proposed amendments)
- country-by-country (CbC) reporting, 233.8
- cross-border rules, Canada-U.S. Tax Treaty:Art. XXIX-A:2(e)
- FAPI, 95(2)(a.1)–(b)
- hybrid mismatch arrangements, *see* Hybrid mismatch arrangement
- interest expense deduction

- limited to 30% of EBITDA, 18.2, 18.21
- thin capitalization, 18(4)–(8)
- limitation on benefits, Canada-U.S. Tax Treaty:Art. XXIX-A
- mandatory disclosure rules, 237.3–237.5
- purpose test, MLI Art. 7(1)
- thin capitalization, 18(4)–(8)
- transfer pricing, 247

**Base level deduction**

- real property corporations, 18(2.2)–(2.5)

**Base percentage**

- defined, for COVID-19 Canada Emergency Wage Subsidy, 125.7(1)

**Base taxation year (for OAS clawback)**

- defined, 180.2(1)

**Base year**

- defined
- for corporate inclusion of partnership income, 34.3(1)
- for transitional rules for insurers (2023), 138(12), 142.51(1)

**Baseball players, *see* Athlete****Baseline remuneration**

- defined, for COVID-19 wage subsidy, 125.7(1)

**Basic activity of daily living**

- defined, 118.4(1)(c), (d)
- markedly restricted, disability credit, 118.3(1)

**Basic education, *see* Adult basic education****Basic herd**

- meaning of, 29(3)
- reduction in, 29(2)
- election re, 29(1)

**Basic oxygen furnace gas**

- defined, Reg. 1104(13)

**Bathtub**

- mechanical aid for getting into and out of, medical expense, Reg. 5700(g)

**Beament case overruled, 250(1)(b)****Bearer bond etc.**

- coupon encashment requiring ownership certificate, 234
- withholding tax on payments to non-resident, 215(2)

**Becoming a financial institution, 142.6(1)(a), (b)****Becoming non-resident, *see* Ceasing to be resident in Canada****Becoming resident in Canada, 128.1(1)**

- corporation
- deemed dividends, 128.1(1)(c.1), (c.2)
- effect on non-resident shareholder's cost, 52(8)
- foreign affiliate of Canadian resident, 128.1(1)(d)
- paid-up capital, effect on, 128.1(2), (3)
- deemed acquisition of property, 128.1(1)(c)
- deemed disposition of property, 128.1(1)(b)
- foreign affiliate, Reg. 5907(13)–(15)
- immigration trust, five-year non-taxability, *see* Immigration trust
- partner
- cost base of properties owned by partnership, 96(8)
- taxation year-end and new taxation year, 128.1(1)(a)

**Bed**

- hospital, medical expense, Reg. 5700(h)
- reservation fee, for foster person, exempt, 81(1)(h)
- rocking, medical expense, 118.2(2)(i)

**Bed & breakfast relief (COVID), Reg. 8901.1(2)(b)(i), *see also* Qualifying tourism or hospitality entity****Bed positioning device**

- disability supports deduction, 64(a)(ii)(S)

**Bees**

- keeping, constitutes farming, 248(1)"farming"

**Behind-the-counter drugs, Reg. 5701**

## Index

### **Belgium, *see also* Foreign government**

- film or video under treaty co-production, Reg. 1106(3)(f)
- stock exchange recognized, 262
- universities, gifts to, Reg. Sch. VIII, s. 5

### **“Beneficially interested” in a trust**

- meaning of, 248(25)

### **Beneficiary**

- amounts deemed not paid to, 104(13.1), (13.2)
- amounts deemed payable to, 104(24), (29)
- arm’s length from personal trust, deemed not to be, 251(1)
- capital cost allowance, deduction for, 104(16) [repealed]
- death of
  - separate return on, 104(23)(d)
- deemed income of, 104(27), (28)
- deferred profit sharing plan, under, 147(17)
  - when plan was employees’ profit sharing plan, 147(11)
- defined, 18(5), 94(1), 108(1), 122(3), 146.6(1), 248(13), 251.1(3), 251.2(1), Reg. 8500(1)
- disposing of property previously held by trust
  - reduction of loss, 107(6)
- emigration of, 128.1(10)“excluded right or interest”(j), (k)
- employees profit sharing plan, under, 144(6)–(8)
  - former, refund to, 144(9)
- foreign tax credit, 104(22)–(22.4)
- immigration of, 128.1(10)“excluded right or interest”(j), (k)
- income of, 108(5)
- income payable to, 104(13)
- non-resident
  - distribution of property to, 107(5)
    - instalment obligation not increased, 107(5.1)
    - security to postpone payment of tax, 220(4.6)–(4.63)
  - dividends received on behalf of, 82(1)(e)
  - estate income paid to, withholding tax, 212(1)(c)
  - limitation on deduction in computing income of trust, 104(7)
  - trust income paid to, withholding tax, 212(1)(c)
- non-taxable dividends, designation re, 104(20)
- preferred
  - defined, 108(1)
  - election re accumulating income, 104(14)
- qualifying environmental trust, credit for, 127.41
- registered education savings plan, under, 146.1(1)“beneficiary”
- rights or things transferred to, 70(3)
- share of pension etc. benefits received by estate, 104(27)–(28)
- superannuation or pension benefit, share of, 104(27)
- taxable capital gain, designation by trust, 104(21)–(21.7)
- taxable dividends received by trust, designation re, 104(19)
- trust, of
  - defined, 108(1)“beneficiary”
  - depreciable property acquired with government assistance, 13(7.2)
  - inducement payments or reimbursement received by, 12(2.1)
  - to be reported to CRA starting 2022, Reg. 204.2(1)(a)

### **Benefit**

- automobile available to shareholder, 15(5), (7)
- automobile operation, re, 6(1)(a)(iii), 6(2.2)
- conferred on person
  - amount included in income, 56(2), 246(1)
  - by charity, *see* Undue benefit
- conferred on shareholder, 15(1), (7), (9)
  - loan forgiven, 15(1.2)
- death, *see* Death benefit
- deferred profit sharing plan, under, 147(10)–(10.2)
  - defined, 248(1)
  - defined
    - Home Buyers’ Plan, 146.01(1)
    - labour requirements for ITCs, 127.46(1)
    - Lifelong Learning Plan, 146.02(1)

- policy reserves in insurance business, Reg. 1408(1)
- registered retirement savings plan, 146(1)“benefit”
- employee benefit plan, 6(1)(g)
- employment, related to, 6(1)(a)
  - automobile, 6(1)(e), (k), 6(2)
  - exclusions from income, 6(1)(a)(i)–(v)
  - GST included in benefit, 6(7)
  - group term life insurance, 6(1)(a)(i), 6(4), Reg. 2700–2704
  - housing loss, 6(19)–(22)
  - housing subsidy, 6(23)
  - loan to employee, 6(9)
  - loss in value of home on relocation, 6(19)–(22)
  - scholarship for employee’s relatives, 6(1)(a)(vi)
  - stock options, 7
- employment insurance, 6(1)(f)
- forgiveness of debt
  - owing by employee, 6(15), (15.1)
  - owing by shareholder, 15(1.2), (1.21)
- government assistance program, prescribed
  - overpayment repaid, deductible, 60(n)(v)
  - taxable, 56(1)(a)(vi), Reg. 5502
- group term life insurance premium, portion taxable, 6(4)
- indirect, 56(2)
- information returns, Reg. 200
- loan to employee, officer or personal services corporation, 80.4(1)
  - deemed interest, 80.5
- loan to personal services business
  - included in income, 12(1)(w)
- loan to shareholder, 80.4(2)
  - deemed shareholder benefit, 15(9)
- northern and isolated areas
  - credit, 110.7
  - prescribed northern zone and intermediate zone, Reg. 7303.1
- prescribed, *see* Prescribed benefit
- provision, *see* Benefit provision
- registered national arts service organization, from, 56(1)(z.1)
- registered retirement savings plan, under, 146(8)–(8.91)
  - defined, 146(1)“benefit”
- retirement savings, 146.3(5)
- shareholders’, taxable, 15(1), (7), (9)
- stock dividend paid, 15(1.1)
- superannuation or pension, 56(1)(a)
  - defined, 248(1)
- trust, estate, contract, etc., from, 12(1)(m), 105(1)
- unemployment insurance
  - repayment of, 110(1)(i)

### **Benefit on death**

- defined, Reg. 310, 1401(3)

### **Benefit provision**

- defined, Reg. 8500(1)

### **Benevolent or fraternal benefit society, *see also* Non-profit organization**

- exemption, 149(1)(k)
- limitation, 149(3), (4)

### **Bequest, *see also* Death of taxpayer**

- debt forgiveness rules do not apply, 80(2)(a)
- to charity, 149.1(1)“enduring property”(a)

### **Bermuda, *see also* Foreign government**

- stock exchange recognized, 262

### **Betting losses, Canada-U.S. Tax Treaty:Art. XXII:3**

### **Beverages**

- expenses for, *see* Entertainment expenses (and meals)

### **Bifurcating an appeal, 171(2)**

### **Bijuralism**

- legislation to apply to both common law and civil law, *Interpretation Act*, ss. 8.1, 8.2

**Bilateral convention**, *see* Tax treaty

**Bill, post-dated, sale of**, 20(1)(e), 248(1)“borrowed money”

**Billed-basis accounting**

- transition to accrual accounting for professionals 2017–20, 10(14.1), 34

**Biogas**

- defined, Reg. 1104(13)
- production equipment, capital cost allowance, Reg. Sch. II:Cl. 43.1(d)(xiii), 43.2(b)

**Bio-oil**

- defined, Reg. 1104(13)
- equipment, capital cost allowance, Reg. Sch. II:Cl. 43.1(d)(xi), 43.2(b)
- included in eligible waste fuel, Reg. 1104(13)“eligible waste fuel”

**Birth control services**

- defined, 149.1(1)
- disclosure required by charity, 149.1(27)–(30), Reg. 3703(d)

**Bison**, 80.3(1)“breeding animals”

**Bitumen development phase**

- defined, Reg. 1104(2)

**Bitumen mine development project**

- defined, 66.1(6)

**Bitumen upgrading development project**

- defined, 66.1(6)

**Bituminous sands**

- constitutes tar sands, 248(1)“tar sands”
- defined, 248(1)
- deposit, exploration for
  - excluded from CEE, 66.1(6)“Canadian exploration expense”(g), (g.2)
  - excluded from CRP, 66(15)“Canadian resource property”(b)(ii), (e), (f)
- determination of viscosity and density, Reg. 1107
- well for, is not oil or gas well, 248(1)“oil or gas well”

**Bituminous sands, included in definition of “mineral”**, 248(1)

**Bituminous sands equipment**

- defined, Reg. 1206(1)
- proceeds of disposition, 59(3.3)(c)

**Black liquor**, *see* Spent pulping liquor

**Blackburn Radio case overruled**, 152(4)(b)(iii)(B)

**Blast furnace gas**

- defined, Reg. 1104(13)

**Blended payment, interest and principal**, 16(1)

- paid to non-resident, 214(2)

**Blind person**, *see also* Mental or physical impairment

- Braille note-taker
  - disability supports deduction, 64(a)A(ii)(O)
  - medical expense credit, Reg. 5700(y)
- computer-operating aids
  - disability supports deduction, 64(a)A(ii)(C)
  - medical expense, Reg. 5700(o)
- deaf-blind intervening services
  - disability supports deduction, 64(a)A(ii)(M)
  - medical expense credit, 118.2(2)(1.44)
- devices to assist, business expense, 20(1)(rr)
- guide dog, expenses
  - disability supports deduction, 64(a)A(ii)(Y)
  - medical expense credit, 118.2(2)(l)
- parking paid by employer, not taxable benefit, 6(16)
- print-reading aids
  - disability supports deduction, 64(a)A(ii)(D), (Q)
  - medical expense credit, Reg. 5700(l), (1.1)
- reading services
  - disability supports deduction, 64(a)A(ii)(L)
  - medical expense credit, 118.2(2)(1.43)
- transportation paid by employer, not taxable benefit, 6(16)

**Bliss symbol board**

- disability supports deduction, 64(a)A(ii)(N)
- medical expense credit, Reg. 5700(x)

**Block of shares**

- defined, Reg. 4803(1)

**Block of units**

- defined, Reg. 4803(1)

**Blocked currency**

- FAPI reserve, 91(2)
- income in, postponement of tax, 161(6)

**Blocking deficits (FAPI)**

- anti-avoidance rules, Reg. 5905(7.1)–(7.7)

**Blood coagulation monitor**

- medical expense credit, Reg. 5700(s.1)

**Blood relationship**

- defined, 251(6)

**Blood sugar**

- measuring device for diabetics, medical expense, Reg. 5700(s)

**Board and lodging**

- railway employees, 8(1)(e)
- special work site, 6(6)
- transport employees, 8(1)(g)
- value of, includable in income, 6(1)(a)

**Board of trade**

- exemption, 149(1)(e), 149(2)
- information return, whether required, 149(12)

**Boat**

- cost over \$250,000, *see* Luxury Items Tax

**Boat harbour relief (COVID)**, Reg. 8901.1(2)(b)(ix)(A)(III), *see also* Qualifying tourism or hospitality entity

**Boilermaker**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Bond**, *see also* Debt obligation; Investment contract; Obligation; Specified debt obligation

- accrued interest
  - information return, Reg. 211
  - treatment of, 20(14)
- bearer, *see* Bearer bond etc.
- Canadian Government, 212(1)(b)(ii)
- conversion of, 51.1; ITAR 26(25)
- convertible, exchanged for share, 51
- cost base, additions to, 53(1)(g)
- coupon identification, 240(2)
- credit-related gains and losses, 142.4(7)B
- discount
  - deduction for, 20(1)(f)
  - limitation on deductibility of payments on, 18(1)(f)
  - when deemed to be interest, 16(3)
- expropriation assets for sale of foreign property, 80.1
- foreign corporation, eligible for RRSP investment, Reg. 4900(1)(p)
- foreign government, qualified investment for RRSP etc., 204“qualified investment”(c.1) (formerly Reg. 4900(1)(o))
- identical properties
  - disposition of, 47(2)
  - meaning, 248(12)
- income
  - defined, 248(1)
  - foreign affiliate, issued by, 95(5)
  - interest on, deemed dividend, 15(3)
  - non-resident corporation, 15(4)
- issued at discount, yield treated as interest, 16(3)
- predecessor corporation, of, 87(6), (7)
- premium, reserve, *see* Reserve: unamortized bond premium
- provincial, taxable at reduced rate, 212(6)–(8)
- purchase of on open market, by issuer, 39(3)

**Bond** (*cont'd*)

- reserve for unamortized premium, *see* Reserve: unamortized bond premium
- sale of, 20(21)
- small business, *see* Small business bond
- small business development, *see* Small business development bond
- stripped, cost of coupon excluded from income when sold, 12(9.1)
- transferred, interest on, 20(14)

**Bone marrow transplant**

- expenses of, tax credit for, 118.2(2)(1.1)

**Bonus**, *see also* Signing bonus

- cash, Canada Savings Bond, 12.1
- • information return, Reg. 220
- employment
- • unpaid, 78(4)
- • withholding of tax at source, 153(1)(a), Reg. 103

**Bonus interest payment**

- credit union, by
- • deduction, 137(2)
- • defined, 137(6)

**Bonus payments**

- employees, 5(1) (taxes as salary)

**Book**

- capital cost allowance for, Reg. Sch. II:Cl. 12(a)
- talking textbook, medical expense, *see* Talking textbooks

**Bookkeeping services**

- penalty for misrepresentation, 163.2(9)

**Books and records**, *see also* Documents

- destruction of, penalty, 239(1)
- inspections, 231.1
- outside Canada, 143.2(13), (14), 231.6
- political contributions, 230.1
- required to be kept, 230(1)
- • electronic records, 230(4.1), (4.2)
- • failure to keep, 230(3)
- • • offence and penalty, 238(1)
- • lawyers, 230(2.1)
- • registered Canadian amateur athletic association, 230(2)
- • registered charity, 230(2)
- • retention of, 230(4)–(8), Reg. 5800
- • • for CCUS credit, 26 years after last credit, 211.95
- transfer pricing, 247
- transfer pricing, for, contemporaneous, 247(4)

**Boot**, *see* Non-share consideration (boot)**Border residents**, *see* Commuter to United States**Borrowed money**, 20(2), (3)

- costs, capitalized, 21
- defined, 248(1)
- depreciable property, for, 21(3)
- • election to capitalize, 21(1)
- exploration/development, for, 21(4)
- extended meaning of, 20(2), (3)
- interest paid on, 20(1)(c)
- loss of source of income, 20.1(1)
- purposes used for, deemed, 20(2), 20(3), 20.1
- refinanced, 20.1(6)
- used to acquire partnership interest, 20.1(5)
- used to invest in RRSP, RDSP, RESP, PRPP or TFSA, no deduction for interest, 18(11)

**Borrower**

- defined, for interest deduction restrictions, 18.2(1)“exempt interest and financing expenses”

**Borrowing**

- allocations in proportion to
- • deduction, 137(2)

- • defined, 137(6)
- defined, for interest deduction restrictions, 18.2(1)“exempt interest and financing expenses”
- expense of, 20(1)(e)

**Borrowing party**

- defined, for upstream loan transitional rules, 39(2.1)

**Bosnia**

- Canadian Forces personnel and police serving in, no tax on income, 110(1)(f), Reg. 7500(a) [repealed]

**Botanical gardens relief (COVID)**, Reg. 8901.1(2)(b)(iv), *see also* Qualifying tourism or hospitality entity**Bottle deposits**

- taxable as income, 12(1)(a)(ii)
- • deduction when repaid, 20(1)(m.2)

**Bounced cheque**, *see* Cheque: dishonoured**Bounty payments**, *see* Informant payments (for leads on international tax evasion)**Bourse de Montréal Inc.**

- prescribed securities exchange investment, Reg. 9002.2(d)

**Bovine animals**

- breeding, 80.3(1)“breeding animals”
- inventory, valuation of, 28(1.2)

**Brace (limb or spinal), as medical expense**, 118.2(2)(i)**Brady bond**

- excluded from mark-to-market rules, 142.2(1)“mark-to-market property”(e), Reg. 6209(b)(i), 9002(1)(d)
- reserve in respect of, Reg. 8006“specified loan”

**Braille note-taker**

- disability supports deduction, 64(a)(ii)(O)
- medical expense credit, Reg. 5700(y)

**Braille printer**

- disability supports deduction, 64(a)(ii)(C)
- medical expense credit, Reg. 5700(o)

**Brambles-Recall spinoff**, Reg. 5600(i)**Branch advance**

- defined, 20.2(1)

**Branch financial statements**

- Canadian income of foreign bank calculated using, 115(1)(a)(ii)
- defined, 20.2(1)

**Branch interest tax**, 218.2**Branch tax**, 219

- exemption for first \$500,000 of profits, Canada-U.S. Tax Treaty:Art. X:6(d)
- investment allowance, Reg. 219(1)(j), 808
- non-resident investment or pension fund, exclusion, 115.2
- tax treaty dividend rate limitation to apply, 219.2

**Brant case overruled**, 224(1.4), 227(4.3)**Breakdown of marriage**, *see* Divorce and separation**Breakwater**

- capital cost allowance for, Reg. Sch. II:Cl. 3, Sch. II:Cl. 6

**Breast prosthesis**

- medical expense, Reg. 5700(j)

**Breeding animals/herd**

- defined, 80.3(1)

**Breeding bee stock**

- defined, 80.3(1)
- tax deferral in drought or flood regions, 80.3(4.1)

**Breeding bees**, *see also* Breeding bee stock

- defined, 80.3(1)

**Bribes**

- no deduction for, 67.5

**Bricklayer**

- apprenticeship job creation credit, 127(9)“investment tax credit”



**Bridge**

- capital cost, 13(7.5)(b), Reg. 1102(14.3)
- capital cost allowance for, Reg. Sch. II:Cl. 1(a)

**Bridging benefits**

- employment insurance income replacement benefits, 56(1)(r)(iv)
- pension income credit, 118(8.1)
- pensions, defined, Reg. 8500(1)

**Britain, see** United Kingdom**British Columbia, see also** Province

- Forestry Revitalization Trust, *see* Forestry Revitalization Trust
- labour-sponsored venture capital corporation of
  - prescribed, Reg. 6700(a)(vi), (x), Reg. 6700.1
- logging tax, credit for, 127(1), (2), Reg. 700
- Mackenzie, northern resident deduction, Reg. 7303.1(2)(a)
- northern, *see* Northern Canada
- tax rates, *see* introductory pages
- Vancouver, international banking centre until 2013, 33.1(3)

**British Commonwealth**

- defined, *Interpretation Act* 35(1)

**Broad participation retirement fund**

- defined, for Common Reporting Standard, 270(1)

**Broadcaster**

- prescribed person for Canadian film/video tax credit, Reg. 1106(7)

**Broadcasting**

- defined, *Interpretation Act* 35(1)
- royalties paid to U.S. resident, Canada-U.S. Tax Treaty:Art. XII:3(d)

**Broadcasting undertaking**

- foreign, defined, 19.1(4)
- limitation re advertising expenses, 19.1(1)

**Broker, see also** Registered securities dealer; Securities: dealer, trader or agent

- dividend received by
  - withholding tax, 153(4), (5)
- insurance, reserve for, 32(1)

**Brother**

- deemed not related on butterfly transaction, 55(5)(e)
- dependent, 118(6)(b)
- includes brother-in-law or in common-law, 252(2)(b)
- sharing of RESP assets, 204.9(5)(c)(ii)

**Buccini case overruled, 7(1.7)****Budget surplus**

- personal income tax cuts, 118(3.1)–(3.3) (Notes)

**Building**

- additions/alterations
  - capital cost allowance, Reg. Sch. II:Cl. 3, Sch. II:Cl. 6(i), Sch. II:Cl. 6(k)
- class of property acquired, Reg. 1102(19)
- disability-related
  - deductible, 20(1)(qq)
  - medical expense credit, 118.2(2)(1.2)
- capital cost allowance for, Reg. Sch. II:Cl. 1(q), Sch. II:Cl. 3, Sch. II:Cl. 6(a), Sch. II:Cl. 8
  - manufacturing or processing, used in, Reg. 1100(1)(a.1)
  - non-residential, additional allowance, *see* Eligible non-residential building
- construction, capitalization of soft costs, 18(3.1)–(3.7)
- deduction before available for use, 20(28), (29)
- mine, capital cost allowance, Reg. Sch. II:Cl. 10(g), Sch. II:Cl. 41
- multiple-unit residential, Reg. 1101(5b)
  - separate classes for capital cost allowance, Reg. 1101(5b)
- non-residential, *see* Eligible non-residential building
- proceeds of disposition allocated between land and, 13(21.1), 70(5)(d)
- rent paid before acquisition, deemed CCA, 13(5.2)

- rental properties, limitation on CCA, Reg. 1100(11)–(14.2)
- scientific research expenditures, limitations, 37(8)(d)(i), (ii), Reg. 2900(11)
- scientific research expenditures on, 37(8)(d)
- separate class
  - multiple-unit residential building (acquired by 1987), Reg. 1101(5b)
  - rental property costing over \$50,000, Reg. 1101(1ac)–(1ae)
  - where non-residential use, Reg. 1101(5b.1), *see* Eligible non-residential building
- separate class, where cost over \$50,000, Reg. 1101(1ac), (1ad), (5b)
- special-purpose, defined, Reg. 2903
- when available for use, 13(28)

**Bump**

- denial rule, 88(1)(c)(vi)
- of asset costs, on windup of corporation, 88(1)(d)
- amendment to bump designation, 88(1.8), (1.9)

**Burden of proof**

- on Minister
  - failure to report capital gain resulting in denial of exemption, 110.6(6)
  - penalty, 163(3)
- on taxpayer challenging assessment, 152(7)

**Burial services, see** Eligible funeral arrangement; Funeral services**Bursary, see** Scholarship**Bus and truck operators**

- allocation of income among provinces
  - corporation, Reg. 409
  - individual, Reg. 2604

**Bus driver**

- expenses, 8(1)(g)

**Buses (charter) relief (COVID), Reg. 8901.1(2)(b)(vii), see also** Qualifying tourism or hospitality entity**Business, see also** Adventure in the nature of trade; Business or property income

- adjustment time, defined, 14(5) [before 2017]
- carrying on in Canada
  - extended meaning of, 253
  - losses, *see* Non-capital loss; Loss(es)
  - non-residents, 2(3)
- cessation, *see* Ceasing to carry on business
- defined, 248(1)
- disposition of by proprietor, 25
- expansion, 44(1), (5)
- expenses, *see* Expenses
- farming or fishing, 28
- income from, *see also* Business or property income
  - defined, 9(1)
  - earned in a province, Reg. 2603
  - limitations, Reg. 2606
  - home office expenses, conditions for deductibility, 18(12)
  - more than one business, Reg. 2605
- limit, *see* Business limit
- losses, *see* Non-capital loss; Loss(es)
- more than one
  - income earned in a province, Reg. 2605
- profits, 9(1), Canada-U.S. Tax Treaty:Art. VII
- proprietor's income from, 11(1)
- separate, *see* Separate business
- small, *see* Small business corporation
- termination of, *see* Ceasing to carry on business
- transfer of, to corporation or spouse, 24(2)

**Business corporation, foreign, see** Foreign business corporation**Business Development Bank of Canada**

- prescribed not to be a financial institution, Reg. 9000(a)

## Index

### Business entity

- defined, for country-by-country reporting, 233.8(1)

### Business-income tax (foreign)

- deduction for, 126(2), (2.1)
- defined, 126(7)
- for trusts, 104(22.4)

### Business investment loss

- allowable, *see also* Allowable business investment loss
- carryforward, 111(1)(a), 111(8)“non-capital loss”
- deduction for, 3(d)
- bad debt, 50(1)(a)
- change of control of corporation, rules, 111(8)“net capital loss”C(b)
- deduction from, 39(9), (10)
- meaning, 39(1)(c)
- shares of bankrupt corporation, 50(1)(b), 50(1.1)

### Business limit

- anti-avoidance rule, 125(9)
- assignment of, to another corporation, 125(3.1), (3.2)
- defined, 125(2)–(5.1), 248(1)
- effect on enhanced investment tax credit, 127(10.2), 127.1(2)“qualifying corporation”
- large corporation, 125(5.1)(a)
- limits small business deduction, 125(1)(c)

### Business Number, *see also* Social insurance number

- defined, 248(1)
- disclosure to public, 241(9.3), (9.4)
- holder of, disclosure of information to other governments, 241(4)(l)
- other governments required to use to permit disclosure of information, 241(9.2)
- penalty for failure to provide, 162(6)
- provision of, to provinces and other government departments, 241(4)(l)
- regulations requiring provision of, 221(1)(d.1)
- requirement to provide, 237(1.1), (2)
- tax shelter information return, 237.1(7)

### Business or property income, 12

- accrued interest on debt obligation, 12(3), (4), (9)
- amounts received for services to be rendered etc., 12(1)(a), 12(2)
- automobile provided to partner, 12(1)(y)
- bad debts recovered, 12(1)(i), (i.1)
- benefits from estates, trusts, etc., 12(1)(m)
- deductions from
  - not allowed, 18
  - permitted, 20(1)
- dividends, 12(1)(j), (k)
- eligible capital amount to be included, 14(1) [before 2017]
- employee benefit plan
  - amounts received from, 12(1)(n.1)
- employee trust, amounts received, 12(1)(n)
- employees profit sharing plan, amounts received from, 12(1)(n)
- employment tax deduction, 12(1)(q)
- energy conversion grant, 12(1)(u)
- forfeited amounts under salary deferral arrangements, 12(1)(n.2)
- home insulation grant, 12(1)(u)
- inducement payments, 12(1)(x)
  - prescribed amount, Reg. 7300
  - received by beneficiary of trust, or partner, 12(2.1)
- insurance proceeds expended, 12(1)(f)
- interest, 12(1)(c)
- inventory adjustment, 12(1)(r)
- investment tax credit, 12(1)(t)
- life insurance policies, accumulating fund, 12.2
- partnership, 12(1)(l)
- payments based on production or use, 12(1)(g)
- personal services business

- loan from employer, 12(1)(w)
- reimbursement, 12(1)(x)
- prescribed amount, Reg. 7300
- received by beneficiary of trust, or partner, 12(2.1)
- reserves
  - certain goods and services, for, 12(1)(e)
  - doubtful debts, for, 12(1)(d)
  - guarantees etc., for, 12(1)(d.1)
  - quadrennial survey, for, 12(1)(h)
- retirement compensation arrangement, amounts received under, 12(1)(n.3)
- scientific research deduction, 12(1)(v)
- services rendered, amounts receivable for, 12(1)(b), 12(2)
- western grain stabilization payments, 12(1)(p)

### Business property, *see* Former business property

### Butterfly denial rules, 55(3.1)

### Butterfly transaction, 55(3)(b)

- back-door rule, 88(1)(c)(vi), 88(1)(c.3), 88(1)(c.8)
- capital gains exemption disallowed, 110.6(7)(a)
- definitions, 55(1)
- excluded from capital gains strip rules, 55(3)(b)
- exception for purchase butterfly, 55(1)“permitted exchange”, (3.1), (3.2)
- no acquisition of control on spin-off distribution, 256(7)(a)(i)(E)

### Buyback tax, *see* Stock buyback tax

### Buy-sell agreement

- tax indemnity does not trigger mandatory reporting rules, 237.3(1)“contractual protection”(a)(ii)(B)

## C

### CAE Inc. case overruled, 12(1)(x)(ix), 12(11)“excluded loan”, 13(7.1)(b.2), 127(9)“government assistance”

### CAI (Climate Action Incentive, now Canada Carbon Rebate), 122.8

### CAIS, *see* Canadian Agricultural Income Stabilization program

### CCA, *see* Capital cost allowance

### CCB, *see* Canada Child Benefit

### CCDE, *see* Cumulative Canadian development expense

### CCOGPE, *see* Cumulative Canadian oil and gas property expense

### CCPC, *see* Canadian-controlled private corporation

### CCPC rate reduction percentage

- defined, 123.4(1)

### CCRA (Canada Customs & Revenue Agency), *see* Canada Revenue Agency

### CCT, *see* Character conversion transaction

### CCTB [Canada Child Tax Benefit], *see* Canada Child Benefit

### CCUS, *see* Carbon capture, utilization and storage

### CCUS process

- defined, 127.44(1)
- Dept. of Natural Resources technical guide applies, 127.44(9)(f)
- for clean hydrogen tax credit, 127.44(1), 127.48(1)

### CCUS project

- defined, 127.44(1), Reg. 1104(2)
- qualified, *see* Qualified CCUS project

### CCUS refurbishment tax credit

- applied to generate tax credit, 127.44(2)(a)
- defined, 127.44(5)

### CCUS tax credit, 127.44

- allowed as refundable credit, 127.44(2)
- amalgamation, effect of, 87(2)(qq.1)
- apprenticeship requirements, 127.46(5), (7)
- climate risk disclosure report, *see* Climate risk disclosure report
- credit repayable (Part XII.7 tax), 211.92

- CCUS tax credit (*cont'd*)
- deducted from tax or refunded, 127.44(2)
  - deemed to be government assistance for ITC rules, 127(9)“government assistance”
  - defined, 127.44(1)
  - depreciable property acquired before change of control, 13(24), (25)
  - expenditures unpaid after 180 days, 127.44(12)
  - instalments reduced to reflect credit, 157(3)(e), 157(3.1)(c)
  - investment tax credit, 127.44(2)
  - knowledge sharing required, 211.93(1)(a)
  - labour requirements, 127.46(3), (6)
  - late filing, 127.44(17), 220(2.2)
  - non-government assistance reduces credit, 127.44(9)(a)(ii)
  - partnership, allocation to partners, 127.44(11)
  - • ACB of partnership interest, 53(1)(e)(viii), 53(2)(c)(vi.1)
  - • limited partner, rules, 96(2.1)(b)(ii), 127.44(11)
  - • unreasonable allocation, 127.47(2)
  - purpose of credit, 127.44(15)
  - recovery tax (Part XII.7), 211.92, *see also* Recovery tax (CCUS credit)
  - refundable credit, 127.44(2)
  - tax shelter investment, credit denied, 127.44(16)
  - windup, effect of, 88(1)(e.31)
- CD**, *see* Audio tapes or CDs; Capital dividend; Commencement day
- CDA**, *see* Capital dividend account
- CDCP**, *see* Canadian Dental Care Plan
- CDE**, *see* Canadian development expense
- CDS Innovations Inc.**
- website postings required by publicly traded partnerships, Reg. 229.1
  - website postings required by publicly traded trusts, Reg. 204.1
- CDSB**, *see* Canada Disability Savings Bond
- CDSG**, *see* Canada Disability Savings Grant
- CEC**, *see* Cumulative eligible capital (pre-2017)
- CEDC**, *see* Community Economic Development Corporation (Nova Scotia)
- CEDOE**, *see* Canadian exploration and development overhead expense
- CEE**, *see* Canadian exploration expense
- CEI**, *see* Canadian Entrepreneurs' Incentive
- CERB**, *see* Canada Emergency Response Benefit (CERB)
- CERS**, *see* Canada Emergency Rent Subsidy
- CESG**, *see* Canada Education Savings Grant
- CETC**, *see* Clean economy tax credit; Clean electricity tax credit (investment tax credit)
- CEWS**, *see* Canada Emergency Wage Subsidy (CEWS)
- CFA**, *see* Cash flow adjustment; Controlled foreign affiliate
- CFR carbon intensity**
- defined, for clean hydrogen tax credit, 127.48(1)
- CFVPC**, *see* Canadian film or video production certificate
- CH**, *see* Clean hydrogen
- CHITC (Clean hydrogen investment tax credit)**, *see* Clean hydrogen tax credit (investment tax credit)
- CHTC**, *see* Clean hydrogen tax credit (investment tax credit)
- CIF**, *see* Canadian investment fund
- CIDA**, *see* Canadian International Development Agency
- CMETC**, *see* Critical Mineral Exploration Tax Credit
- CNIL**, *see* Cumulative net investment loss
- COGPE**, *see* Canadian oil and gas property expense
- COIN**, *see* Canadian option interest note
- COVID-19**
- air quality improvement credit, 127.43
  - automobile operating expenses relief, 6(2.2)
  - automobile standby charge relief, 6(2.3)
  - Canada Emergency Rent Subsidy, 125.7(2.1)
  - Canada Emergency Wage Subsidy, 125.7(2) (*see* Canada Emergency Wage Subsidy (CEWS))
  - child care expense need not be to earn income, 63(3.1)(a)
  - deferred salary leave plan relief, Reg. 6801.1
  - disability supports deduction need not be to earn income, 64.01(a)
  - earned income for child-care and disability support includes COVID-19 support, 63(3.1)(b), 64.01(b)
  - emergency Child Tax Benefit for May 2020, 122.61(1.01)
  - emergency GST Credit for 2020, 122.5(3.001)
  - emergency wage subsidy for employers
    - • 10% (applied to source withholdings), 153(1.02)–(1.04)
    - • 75% (paid by CRA), 125.7 (*see* Canada Emergency Wage Subsidy (CEWS))
  - employee benefits, 6(1)(a) (Announced Administrative Change)
  - extension of deadline
    - • appeals and objections, *Time Limits and Other Periods Act* [see 152(3.1) Notes]
    - • for property rollover, 13(4.01), 44(1.01)
  - flow-through share rules extensions, 66(12.6001), (12.731), 211.91(2.1)
  - home office expenses, 8(13) (Announced Administrative Change)
  - lockdown support, 125.7(2.1)B
  - reduced minimum amount
    - • for RRIF, 146.3(1.4), (1.5)
    - • for variable benefits under pension plan, Reg. 8506(7.1)
  - registered pension plan relief
    - • borrowing permitted, Reg. 8502(i.1)
    - • eligible period of reduced pay, Reg. 8500(1.3)
    - • retroactive benefits for 2019, Reg. 8308(4.1)
    - • retroactive contributions for 2019, Reg. 8308(5.1)
    - • retroactive contributions for 2020–21, Reg. 8308(5.2), (5.3)
- CPI (Consumer Price Index) adjustment**, *see* Indexing (for inflation)
- CPP**, *see* Canada Pension Plan / Quebec Pension Plan
- CRA**, *see* Canada Revenue Agency
- CRB**, *see* Canada Recovery Benefit (CRB)
- CRCB**, *see* Canada Recovery Caregiving Benefit
- CRCE**, *see* Canadian renewable and conservation expense
- CRD**, *see* Climate risk disclosure report
- CRHP**, *see* Canada Recovery Hiring Program
- CRIC**
- defined [corporation resident in Canada], 15(2.11), 212.3(1), 219.1(2)(c)
- CRTC**, *see* Canadian Radio-television and Telecommunications Commission
- CSIS**, *see* Canadian Security Intelligence Service
- CSM**, *see* Contractual service margin
- CSOH**, *see* Pre-1972 capital surplus on hand
- CSST payment**, *see* Workers' compensation payment
- CTITC**, *see* Clean technology investment tax credit
- CTM investment tax credit (Clean technology manufacturing investment tax credit)**, 127.49
- allowed as refundable credit, 127.49(2)
  - amalgamation, effect of, 87(2)(qq.1)
  - amount of credit, 127.49(1)“CTM investment tax credit”, “specified percentage”
  - assistance reduces credit, 127.49(5)(c)
  - conversion of property to non-CTM use or sale, recapture, 127.49(11)–(18)
  - deadline for filing claim, 127.49(3), 220(2.2)
  - deducted from tax or refunded, 127.49(2), (6)
  - deemed to be government assistance for ITC rules, 127(9)“government assistance”
  - defined, 127.49(1)

## Index

CTM investment tax credit (Clean technology manufacturing investment tax credit) (*cont'd*)

- depreciable property acquired before change of control, 13(24), (25)
- disposition of property, recapture, 127.49(11)–(18)
- expenditures unpaid after 180 days, 127.49(9)
- export of property, recapture, 127.49(11)–(18)
- government assistance reduces credit, 127.49(5)(c)
- instalments reduced to reflect credit, 157(3)(e), 157(3.1)(c)
- investment tax credit, 127.49(2)
- late filing, 127.49(3), 220(2.2)
- partnership, allocation to partners, 127.49(8)
- • ACB of partnership interest, 53(1)(e)(xiii), 53(2)(c)(vi.3)
- • limited partners, rules, 96(2.1)(b)(ii), 127.47
- • recovery and recapture rules, 127.49(16)–(18)
- • unreasonable allocation, 127.47(2)
- payable to taxpayer, 127.49(2)
- purpose of credit, 127.49(19)
- refundable credit, 127.49(2)
- tax shelter investment, credit denied, 127.49(10)
- unpaid portion of purchase price after 180 days, 127.49(9)
- windup, effect of, 88(1)(e.31)

### CTM property

- defined, 127.49(1)
- exclusions from capital cost for purposes of credit, 127.49(5)

### CTM use

- defined, 127.49(1)

**CTMITC**, *see* CTM investment tax credit (Clean technology manufacturing investment tax credit)

**CTSP**, *see* Computer tax shelter property

**CUEC**, *see* Cumulative unused excess capacity

**CWLB**, *see* Canada Worker Lockdown Benefit

**CWB**, *see* Canada Workers Benefit; Canadian Wheat Board

### Cabinetmaker

- apprenticeship job creation credit, 127(9)“investment tax credit”

### Cable

- fibre optic, capital cost allowance, Reg. Sch. II:Cl. 42
- included in definition of “telecommunication”, *Interpretation Act* 35(1)
- systems interface equipment, Reg. Sch. II:Cl. 10(v)

**Caisse populaire**, *see* Credit union

### Calcium chloride

- extraction of, 248(1)“mineral resource”(d)(ii)
- included in definition of “mineral”, 248(1)

### Calculating currency

- defined, for FAPI rules, 95(1)

### Calculation period

- defined, 20.2(1)

### Calendar year

- defined, *Interpretation Act* 37(1)(a)
- taxation year described by reference to, 249(1.1)

**Cameco case overruled**, 231.1(1)(d)

### Camp, expenses of

- deductible as child care expenses, 63(3)“child care expense”
- not deductible, 18(1)(i)

**Campsites relief (COVID)**, Reg. 8901.1(2)(b)(x)–(xii), *see also* Qualifying tourism or hospitality entity

### Canada

- defined, 255, *Income Tax Conventions Interpretation Act* 5, *Interpretation Act* 35(1), Canada-U.S. Tax Treaty:Art. III:1(a)
- • application to continental shelf, *Interpretation Act* s. 8(2.2)
- • application to exclusive economic zone, 37(1.3), *Interpretation Act* s. 8(2.1)
- government of, *see* Government

- incorporated in, defined, 248(1)“corporation”, “corporation incorporated in Canada”
- resident of, *see* Resident of Canada

### Canada Business Corporations Act

- disclosure of corporate shareholders, *see* Individuals with Significant Control (of corporations)

### Canada Carbon Rebate, 122.8

- liability for refund of overpayment, 160.1(1.2)

### Canada Caregiver Credit (infirm adult dependant), 118(1)B(d)

**Canada Child Benefit**, 122.6–122.63, *see also* Universal Child Care Benefit (pre-July 2016)

- agreement with province to vary amount, 122.63
- amount of, 122.61(1)
- attribution rules inapplicable to amounts paid, 74.1(2)
- change in spousal status, notice to CRA required, 122.62(5)–(8)
- confidentiality of information, 241(4)(j.2)
- death of child, 122.62(9)–(12)
- definitions, 122.6
- eligible individual, 122.6, 122.62, Reg. 6300–6302
- not to be assigned, attached, garnished, etc., 122.61(4)
- overpayment of, 160.1(1)
- • no interest on, 160.1(1)(b), 160.1(3)
- part-year residents, 122.61(3)
- reversionary trust rules inapplicable to amounts put in trust, 75(3)(d)
- young child supplement, 122.61(1.2)

**Canada Child Tax Benefit**, *see* Canada Child Benefit

**Canada Customs and Revenue Agency**, *see* Canada Revenue Agency

**Canada Deposit Insurance Corporation**, *see also* Deposit insurance corporation

- bonds, etc. issued by
- • interest deemed not from Government of Canada, 212(15)
- subject to tax, 27(2), Reg. 7100

**Canada Disability Savings Act**, *see also* Registered disability savings plan (RDSP)

- amounts paid under, 146.4(4)(n)
- Canada Disability Savings Bond, 7
- Canada Disability Savings Grant, 6
- disclosure of information for administration of, 241(4)(d)(vii.5)
- repayment of RDSP amount under, deductible, 60(z)
- text of, 146.4 (Notes)

**Canada Disability Savings Bond**, *see* Canada Disability Savings Act

**Canada Disability Savings Grant**, *see* Canada Disability Savings Act

### Canada Education Savings Act

- disclosure of information for purposes of administration of, 241(4)(d)(vii.1)
- grant under, *see* Canada Education Savings Grant
- revocation of RESP for failure to comply with, 146.1(12.1)
- text of, 146.1 (Notes)

### Canada Education Savings Grant

- not a contribution to RESP, 146.1(1)“contribution”
- repayment of, deduction, 60(x)

### Canada Elections Act

- candidates and parties under
- • political contribution credit, 127(3)
- • records re monetary contributions, 230.1

### Canada Emergency Rent Subsidy, 125.7(2.1)

- amalgamation, effect of, 87(2)(g.6)
- assessment or determination of, 152(1)(b), 152(3.4)
- disclosure of claimant names to public, 241(3.5)
- lockdown support, 125.7(2.1)B
- penalty for amount overclaimed, 163(2)(i), 163(2.901)
- sale of business, effect of, 125.7(4.1), (4.2)



- Canada Emergency Rent Subsidy (*cont'd*)
- subsidy can be paid by CRA at any time, 164(1.6), (1.61)
- Canada Emergency Response Benefit (CERB)**, 56(1)(r) [Notes]
- disclosure by CRA for purposes of administration, 241(4)(d)(vii.6)
  - included in income, 56(1)(r)(iv), (iv.1)
  - repayment of, deductible, 60(n), (v.3)
- Canada Emergency Student Benefit (CESB)**, 56(1)(r) [Notes]
- repayment of, deductible, 60(n), (v.3)
  - taxable, 56(1)(r)(iv), (iv.1)
- Canada Emergency Wage Subsidy (CEWS)**, 125.7, Reg. 8901.1, 8901.2
- amalgamation, effect of, 87(2)(g.6)
  - assessment or determination of, 152(1)(b), 152(3.4)
  - cannot claim both CRHP and CEWS, 125.7(9.2)
  - disclosure of employer names to public, 241(3.5)
  - dividends paid, disqualifies company, 125.7(2.01)
  - penalty for amount overclaimed, 163(2)(i), 163(2.901)
  - repayment where public corp executive compensation too high, 125.7(14), (14.1)
  - sale of business, effect of, 125.7(4.1), (4.2)
  - subsidy can be paid by CRA at any time, 164(1.6), (1.61)
- Canada Employment and Immigration Commission**
- costs of appealing decision of, deductible, 60(o)
- Canada Employment Credit**, 118(10)
- Canada Employment Insurance Commission**
- employment insurance benefits, *see* Employment insurance
  - financial assistance from, taxable, 56(1)(r)
- Canada Gazette**
- regulations to be published in, 221(2)
- Canada Grain Act**, 76(5)
- cash purchase ticket under, 76(4)
- Canada Housing Benefit**, *see* Rental Housing Benefit Act
- Canada Mortgage and Housing Corporation**
- subject to tax, 27(2), Reg. 7100
- Canada–Newfoundland Atlantic Accord Act**
- communication of information for purposes of, 241(4)(d)(vi)
- Canada–Nova Scotia Offshore Petroleum Resources Accord**
- communication of information for purposes of, 241(4)(d)(vi)
- Canada Oil Substitution Program**, *see* Energy: conversion grant
- Canada Pension Plan / Quebec Pension Plan**
- amount payable by taxpayer under, collection of, 223(1)(c)
  - assignment of pension under, 56(2)
  - • excluded from attribution rules, 74.1(1)
  - benefits taxable
  - • election to pay tax attributable to earlier years, 56(8), 120.3
  - • information return required, Reg. 200(1)
  - • non-resident, 212(1)(h)(ii) [repealed], 217
  - • resident of Canada, 56(1)(a)(i)(B)
  - • withholding at source, 153(1)(b)
  - constitutes earned income for RRSP, 146(1)“earned income”(b.1)
  - contributions
  - • by employee, as employer, deduction for, 8(1)(l.1)
  - • collection of debt by US Internal Revenue Service, Canada-U.S. Tax Treaty:Art. XXVI-A:9
  - • credit for, 118.7
  - • enhanced, deduction for, 60(e.1)
  - • • payroll withholding reduced, Reg. 100(3)
  - • self-employed earnings
  - • • credit for half, 118.7
  - • • deduction for half, 60(e)
  - costs of appealing decision under
  - • deductible, 60(o)
  - • recovery of, income, 56(1)(l)(iii)
  - death benefit, taxable, 56(1)(a)(i)(F), 56(1)(a.1)
  - disability pension
  - • election to pay tax attributable to earlier years, 56(8), 120.3
  - • included in earned income
  - • • for RRSP purposes, 146(1)“earned income”(b.1)
  - • • for child care expenses, 63(3)“earned income”(d)
  - disclosure of confidential information for purposes of, 241(3)(b), 241(4)(a), 241(4)(e)(iii)
  - emigration of taxpayer, no deemed disposition, 128.1(10)“excluded right or interest”(g)(i)
  - employer’s source deductions, failure to remit, 227(9.1)
  - excluded from pension credit, 118(8)(b)
  - non-resident withholding tax, 212(1)(h)
  - • U.S. residents, Canada-U.S. Tax Treaty:Art. XVIII:5
  - repayment of overpayment under, deduction for, 60(n)
  - retirement pension under
  - • assignment of, not subject to attribution, 74.1(1)
  - • transfer of rights to pension under, 56(4)
- Canada Pension Plan Investment Board**
- prescribed to own shares of pension investment corporations, Reg. 4802(1)(c.1)
- Canada Recovery Benefit (CRB)**, 56(1)(r) [Notes]
- disclosure of taxpayer information for administration of, 241(4)(d)(vii.7)–(vii.9)
  - included in income, 56(1)(r)(iv), (iv.1)
  - • withholding of tax at source, Reg. 100(1)“remuneration”(h), 103(4.1), 103(6)(h)
  - repayment required
  - • calculation and assessment of, *Canada Recovery Benefits Act* s. 8(2)–(4)
  - • deductible, 60(v.2)
- Canada Recovery Caregiving Benefit**, 56(1)(r) [Notes]
- disclosure of taxpayer information for administration of, 241(4)(d)(vii.7)–(vii.9)
  - included in income, 56(1)(r)(iv.1)(D)
  - • withholding of tax at source, Reg. 100(1)“remuneration”(h), 103(4.1), 103(6)(h)
  - repayment of, deductible, 60(n), (v.3)
- Canada Recovery Dividend (surtax on banks and life insurers for 2022)**, 191.5(2)
- administrative provisions, 191.6
  - allocation of \$1 billion deduction, 191.5(5)–(7)
  - amalgamation, effect of, 87(2)(xx)
  - interest on unpaid portion, 161(1)
  - multiple taxation years in 2020, 2021 or 2022, 191.5(3), (4)
  - return required, 191.5(8)
  - tax payable over 5 years, 191.5(9)
- Canada Recovery Hiring Program**, 125.7(2.2)
- cannot claim both CRHP and CEWS, 125.7(9.2)
- Canada Recovery Sickness Benefit**, 56(1)(r) [Notes]
- disclosure of taxpayer information for administration of, 241(4)(d)(vii.7)–(vii.9)
  - included in income, 56(1)(r)(iv), (iv.1)
  - • withholding of tax at source, Reg. 100(1)“remuneration”(h), 103(4.1), 103(6)(h)
  - repayment of, deductible, 60(n), (v.3)
- Canada Revenue Agency**
- account numbers, *see* Business Number
  - audit, *see* Audit
  - collection action, *see* Collection of tax
  - created, *Canada Revenue Agency Act* 4(1)
  - delegation of powers to officials of, 220(2.01)
  - employees of, 220(2), (2.01)
  - fairness package, *see* Taxpayer relief
  - informant program, *see* Informant payments (for leads on international tax evasion)
  - official of, interference with, 231.51
  - operations of, 220(1)
  - procedures not followed, assessment still valid, 166
  - refund payable by, *see* Refund

Canada Revenue Agency (*cont'd*)

- staff, discipline of, communication of information for, 241(4)(h), 241(4.1)
- tax withheld, held in trust for, 227(4)–(4.2)
- taxpayer relief, *see* Taxpayer relief
- transfers between tax accounts, 221.2
- waiver of interest and penalty, 220(3.1)

**Canada Safeway case overruled**, 12(1)(x)(iv)**Canada Savings Bond**

- cash bonus on, 12.1
- • information return, Reg. 220

**Canada Shipping Act**, *see also* Vessel

- quadrennial survey under, reserve for, 20(1)(o), Reg. 3600
- vessel, defined under, 13(21)

**Canada Student Financial Assistance Act**

- interest paid under, credit for, 118.62
- loan forgiven to doctor or nurse practising in remote region, no tax, Reg. 7300(c)

**Canada Student Loans Act**

- interest paid under, credit for, 118.62
- loan forgiven to doctor or nurse practising in remote region, no tax, Reg. 7300(c)

**Canada Training Credit**, 122.91

- assessment of, 152(1)(b)
- reduces tuition credit, 118.5(1.2)

**Canada–U.K. Tax Convention**, *see* Table of Contents**Canada–U.S. auto pact**

- payments received, income, 56(1)(a)(v)

**Canada–U.S. Tax Convention**

- prescribed provision for elections, Reg. 7400(1)
- text, *see* Table of Contents

**Canada Worker Lockdown Benefit**

- disclosure of taxpayer information for administration of, 241(4)(d)(vii.7)–(vii.9)
- included in income, 56(1)(r)(iv.1)(D.1)
- • withholding of tax at source, Reg. 100(1)“remuneration”(h), 103(4.1), 103(6)(h)
- repayment of, deductible, 60(n)

**Canada Workers Benefit (former Working Income Tax Benefit)**, 122.7

- advance payment, 122.7(7)
- credit on tax return, 122.7(2), (3)

**Canadian**

- defined, for Canadian film credit certificate, Reg. 1106(1)“Canadian”

**Canadian affiliate**

- of foreign bank, defined, 142.7(1)

**Canadian Agricultural Income Stabilization program**

- replaces NISA, 248(1)“net income stabilization account”(Notes)

**Canadian Airlines International Limited**

- rescue package, *see* Fuel tax rebate

**Canadian amateur athletic association**, *see also* Registered

- Canadian amateur athletic association
- business activities of, 149.1(6.01)
- defined, 149.1(1)
- political activities of, 149.1(6.201)
- refusal to register
  - • appeal from, 172(3)(a), 180
- registered, *see* Registered Canadian amateur athletic association
- registration
  - • refusal by Minister
  - • • deemed, 172(4)(a)
- resources of, devoted to amateur athletics, 149.1(6.1)

**Canadian art**, *see also* Cultural property

- whether CCA allowed, Reg. 1102(1)(e)

**Canadian assets (of financial institution)**

- defined, 181(2), 190(1.1), Reg. 8600, 8603

**Canadian banking business**

- defined, 248(1)

**Canadian Broadcasting Corporation**

- subject to tax, 27(2), Reg. 7100

**Canadian benefits**

- defined, 217(1)

**Canadian business property**

- defined, Reg. 2400(1)

**Canadian citizen**

- CRA cannot collect U.S. tax from, Canada-U.S. Tax Treaty:Art. XXVI-A:8(a)
- meaning of, 19(5.1)
- ownership of Canadian newspaper for advertising expenses, 19(5)“Canadian newspaper”(a)

**Canadian Coast Guard Auxiliary**

- volunteers, tax credit, 118.07

**Canadian Commercial Corporation**

- contract payment from, investment tax credit, Reg. 4606

**Canadian-controlled private corporation**

- corporation becoming
  - • deemed year-end, 249(3.1)
  - • general rate income pool addition, 89(4)
- corporation ceasing to be
  - • deemed year-end, 249(3.1)
  - • low rate income pool addition, 89(8)
- defined, 125(7), 248(1)
- dividend refund, 129(1), (3)(a)
- due date for balance of tax, 248(1)“balance-due day”(d)(i)
- employee stock options in, 7(1.1)
- existing since before 1972, ITAR 50
- gain on shares of, capital gains exemption, 110.6(2.1)
- instalments quarterly, 157(1.1)–(1.5)
- investment tax credit
  - • additional credit, 127(10.1)
  - • refund of credit, 127.1
- loss on share or debt of, 39(1)(c)
- reassessment deadline 3 years, 152(3.1)
- small, *see* Small-CCPC
- small business deduction, 125(1)

**Canadian corporation**

- corporation ceasing to be, tax on, 219.1
- defined, 89(1)“Canadian corporation”
- taxable, defined, 89(1)“taxable Canadian corporation”
- winding-up of, 88(1)
- • rules, 88(2)

**Canadian Cultural Property Export Review Board**, *see also* Cultural property

- communication of information to, 241(4)(d)(xii)
- determination of cultural property, 39(1)(a)(i.1), 110.1(1)(c), 118.1(1)“total cultural gifts”
- determination of value of cultural property, 118.1(10), (11)
  - • appeal of determination, *Cultural Property Export and Import Act* 33.1
  - • determination applies for 2 years, 118.1(10.1)

**Canadian currency year**

- defined, for functional currency rules, 261(1)

**Canadian Dental Care Plan**, *see also* Dental Benefit Act

- benefit taxable with offsetting deduction, 56(1)(u), 110(1)(f)
- CRA can share taxpayer info for purposes of administration, 241(4)(d)(xx), (xx.1)

**Canadian development expense**, *see also* Resource expenses

- borrowed money
  - • capitalization of interest, 21(2), (4)
  - • • reassessment, 21(5)

**Canadian development expense** (*cont'd*)

- conversion to Canadian exploration expense on renunciation before 2019, 66(12.601), (12.602)
- cumulative
  - amount to be included in income, 66.2(1)
  - deduction for, 66.2(2)
    - short taxation year, 66(13.1)
  - deemed, 66.2(8)
  - defined, 66.2(5)
  - partner's share, 66.2(6), (7)
  - successored, deduction for, 66.7(4)
- defined, 66.2(5)
- designation re
  - where not made, 66.5(1)
- flow-through of, to shareholder, 66(12.62)
- minimum tax, 127.52(1)(e), (e.1) [to be repealed]
- partnership, of
  - election to exclude, 66.2(5) "Canadian development expense" (f)
- prescribed, Reg. 1218
- reclassified as Canadian exploration expense, 66.7(9)
  - expenses for preceding years, 66.1(9)
  - "restricted expense" defined, 66.1(6)
  - successor corporation, 66.7(9)
- renunciation of, 66(12.601) [before 2019], (12.62), (12.73)
  - adjustment, statement to be filed re, 66(12.73)
- conversion to Canadian exploration expense before 2019, 66(12.601), (12.602)
  - effect of, 66(12.63)
  - excessive, penalty for, 163(2.2)
  - form to be filed by corporation, 66(12.7)
    - late filing, 66(12.74), (12.75)
  - partnership, return to be filed, 66(12.69)
    - late filing, 66(12.74), (12.75)
  - restriction on, 66(12.67), (12.71)
  - successor corporation, rules, 66.7(3)
  - application, 66.6(1)

**Canadian Emergency Business Account**

- forgivable loan, taxable, 12(1)(x)(iv)

**Canadian Entrepreneurs' Incentive**, 110.63

- amount of deduction, 110.63(2)

**Canadian equity property**

- defined, Reg. 2400(1)

**Canadian exploration and development expenses**, *see also* Exploration and development expenses

- borrowed money
  - interest capitalized, 21(2), (4)
    - reassessment, 21(5)
- computation of, 66(12)
- deduction for, 66(1)–(3)
- defined, 66(15)
- limitations of, 66(12.1)
- principal-business corporation, 66(1)
- successor corporation, rules, 66.7(1)
  - application, 66.6(1)
- taxpayers other than principal-business corporations, 66(3)
- unitized oil or gas field, 66(12.2), (12.3)

**Canadian exploration and development overhead expense**, Reg. 1206(1)**Canadian exploration expense**, *see also* Exploration and development expenses; Resource expenses

- borrowed money
  - capitalization of interest, 21(2), (4)
    - reassessment, 21(5)
- certificate re oil/gas well ceasing to be valid, 66.1(10)
- cumulative
  - amount included in, income, 66.1(1)
  - deduction for, 66.1(3)

- deduction from income, 66.1(2), (3)
- defined, 66.1(6)
- other than principal-business corporation
  - deduction from income, 66.1(3)
  - partner's share, 66.1(7)
- principal-business corporation
  - deduction from income, 66.1(2)
- trust of, reduced by investment tax credit, 127(12.3)
- defined, 66.1(6)
- flow-through of, to shareholder, 66(12.6)
- expenses in first 60 days of year, 66(12.66)
- minimum tax, 127.52(1)(e), (e.1) [to be repealed]
- prescribed, Reg. 1217
- reclassification of Canadian development expense as, 66.7(9)
  - "restricted expense" defined, 66.1(6)
  - "specified purpose" defined, 66.1(6)
- renunciation of, 66(12.6)
  - adjustment, statement to be filed, 66(12.73)
  - effect of, 66(12.61)
  - excessive, penalty for, 163(2.2)
  - form to be filed by corporation, 66(12.7)
    - late filing, 66(12.74), (12.75)
  - non-arm's length partnership, 66(17)
  - partnership, return to be filed, 66(12.69)
    - late filing, 66(12.74), (12.75)
  - restriction on, 66(12.67), (12.71)
  - successor corporation, rules, 66.7(3)
  - application, 66.6(1)

**Canadian field processing**

- defined, 248(1)
- excluded from manufacturing and processing
  - for Class 29 CCA, Reg. 1104(9)(k)
- ineligible for M&P credit, 125.1(3) "manufacturing or processing" (k)
- property for use in, investment tax credit, 127(9) "qualified property" (c)(ix)
- property used for, capital cost allowance, Reg. Sch. II:Cl. 29(a)(ii), Sch. II:Cl. 41(c), (d)

**Canadian film or video production**

- capital cost allowance offsetting income from, Reg. 1100(1)(m)
- defined, 125.4(1), Reg. 1106(4)
- separate CCA class, Reg. 1101(5k.1), Reg. Sch. II:Cl. 10(x)

**Canadian film or video production certificate**

- defined, 125.4(1)
- disclosure of information to public, 241(3.3)
- revocation of, 125.4(6)
- tax credit where issued, 125.4(3)

**Canadian film or video tax credit**, 125.4, *see also* Canadian film or video production; Film or video production services credit

- amalgamation of corporations, 87(2)(j.94)
- prescribed person, Reg. 1106(7)
- refund of credit before assessment, 164(1)(a)(ii)
- tax shelter investment excluded, 125.4(4)

**Canadian financial institution**

- defined, for Common Reporting Standard, 270(1)

**Canadian Forces and veterans**

- allowances not income, 6(1)(b)(ii), (iii)
- clothing allowance exempt, 81(1)(d.1)
- death benefit exempt, 81(1)(d.1)
- detention benefit exempt, 81(1)(d.1)
- disability award exempt, 81(1)(d.1)
- earnings loss benefit taxable, 6(1)(f.1)
- high-risk missions, income exemption, 110(1)(f)(v)
  - no source withholding, Reg. 102(6)
- income support benefit exempt, 81(1)(d.1)
- members deemed resident in Canada, 250(1)(b), 250(2)
- pension income credit, 118(3)(B)(b)(ii)

## Index

- Canadian Forces and veterans (*cont'd*)
  - pension income splitting, 60.03(1)“eligible pension income”(c)
  - permanent impairment allowance taxable, 6(1)(f.1)
  - service-related injuries, payments exempt, 81(1)(d.2)
  - supplementary retirement benefit taxable, 6(1)(f.1)
  - travelling and separation allowances, not income, 6(1)(b)(ii)
- Canadian government film agency**
  - defined, Reg. 1106(1)
  - disclosure of tax information to, 241(4)(d)(xv)
  - prescribed person for Canadian film/video tax credit, Reg. 1106(10)(d)
- Canadian group member**
  - defined, for alternative interest-deduction restrictions, 18.21(1)
- Canadian Heritage, Department of**, *see also* Minister of Canadian Heritage
  - allocation of points to determine if film or video production is Canadian, Reg. 1106(5)
  - disclosure of information re cultural property to, 241(4)(d)(xii)
- Canadian Home Insulation Program**, *see* Home insulation grant
- Canadian indebtedness**
  - defined, for FAPI of banks, 95(2.43)
- Canadian International Development Agency**
  - prescribed international development assistance program
    - defined, Reg. 3400
    - person working on deemed resident in Canada, 250(1)(d)
- Canadian investment fund**
  - defined, Reg. 2400(1)
- Canadian investment income**
  - defined, 129(4) [repealed]
- Canadian investment property**
  - defined, Reg. 2400(1)
- Canadian investor**
  - defined, 115.2(1)
- Canadian labour expenditure**
  - defined, for film/video production services credit, 125.5(1)
  - qualified, *see* Qualified Canadian labour expenditure
- Canadian life investment income, defined**, 211.1(3)
- Canadian manufacturing and processing profits**
  - calculation of, Reg. Part LII
  - defined, 125.1(3)
- Canadian National Railway**, *see* Railway
- Canadian newspaper**
  - defined, 19(5)
- Canadian oil and gas exploration expense**, Reg. 1206(1)
- Canadian oil and gas property expense**, *see also* Exploration and development expenses; Resource expenses
  - borrowed money
    - interest capitalized, 21(2), (4)
    - reassessment, 21(5)
  - cumulative
    - deduction for, 66.4(2)
    - defined, 66.4(5)
    - recovery of costs, 66.4(1)
    - short taxation year, 66(13.1)
    - successored, deduction for, 66.7(5)
  - defined, 66.4(5)
  - disposition, defined, 66.4(5)“disposition” and “proceeds of disposition”
  - flow-through of, to shareholder, 66(12.64)
  - minimum tax, 127.52(1)(e), (e.1) [to be repealed]
  - partnership, of
    - election to exclude, 66.4(5)“Canadian oil and gas property expense”(b)
    - partner’s share, 66.4(6), (7)
  - proceeds of disposition, defined, 66.4(5)“disposition” and “proceeds of disposition”
  - renunciation of, 66(12.64)
    - adjustment, statement to be filed re, 66(12.73)
    - effect of, 66(12.65)
    - excessive, penalty for, 163(2.2)
    - form to be filed by corporation, 66(12.7)
    - late filing, 66(12.74), (12.75)
    - partnership, return to be filed, 66(12.69)
    - late filing, 66(12.74), (12.75)
    - restriction on, 66(12.67), (12.71)
    - successor corporation, rules, 66.7(5)
    - application, 66.6(2)
    - unitized oil or gas field, 66(12.5)
- Canadian option interest note**
  - prepaid interest not deductible, 18(9.2)–(9.8)
- Canadian ordinary income**
  - defined, for hybrid mismatch arrangement rules, 18.4(1), 18.4(8)
- Canadian outstanding premiums**
  - defined [repealed], Reg. 2400(1)
- Canadian Pacific Ltd. case overruled**, 20.3
- Canadian partnership**, *see also* Canadian resident partnership
  - defined, 102(1), 248(1)
  - eligible, defined, 80(1)
- Canadian premiums**
  - defined, Reg. 8600
- Canadian property**, *see also* Foreign property
  - mutual fund investment, *see* Canadian property mutual fund investment
  - taxable, *see* Taxable Canadian property
- Canadian property mutual fund investment**
  - defined, 218.3(1)
- Canadian property mutual fund loss**
  - defined, 218.3(1)
- Canadian Radio-television and Telecommunications Commission**
  - disclosure of information to, 241(4)(d)(xvi)
- Canadian real, immovable or resource property**
  - defined, 248(1)
- Canadian renewable and conservation expense**
  - capital cost allowance disallowed, Reg. 1102(1)(a.1)
  - defined, 66.1(6), Reg. 1219
  - included in CEE, 66.1(6)“Canadian exploration expense”(g.1)
- Canadian reserve liabilities**
  - of financial institution, defined, 181(2), 190(1)
  - of insurer, Reg. 2400(1)
  - Large Corporations Tax, Reg. 8600
- Canadian resident partnership**, *see also* Canadian partnership
  - defined, 248(1)
  - taxation year of, 249(1)(a)
- Canadian resource expenses**
  - reduction of, on change of control, 66.7(12)
- Canadian resource profits**
  - defined, Reg. 5202
- Canadian resource property**
  - acquisition from exempt person, 66.6
  - amalgamation — partnership property, 66.7(10)(j), 66.7(10.1)
  - amount designated re
    - “outlay” or “expense”, 66(15)“outlay” or “expense”
  - constitutes taxable Canadian property for certain purposes, 248(1)“taxable Canadian property”(n)(i)
  - defined, 66(15)
  - disposition of
    - by non-resident
      - certificate, 116(5.2)
      - purchaser liable for tax, 116(5.2)
      - rules, 116(5.1)



**Canadian resource property (*cont'd*)**

- • • treaty-protected property, 116(5.01), (5.02)
- • effect on successor rules, 66.7(14)
- • no capital gain, 39(1)(a)(ii)
- • no capital loss, 39(1)(b)(ii)
- “eligible property” for transfer to corporation by shareholder, 85(1.1)(c)
- in corporation, share is taxable Canadian property, 248(1)“taxable Canadian property”(e)(i)(B), (ii)(B)
- in partnership, constitutes taxable Canadian property, 248(1)“taxable Canadian property”(g)(ii)
- non-resident’s income earned on, 115(4)
- non-successor acquisitions, 66.7(16)
- original owner, defined, 66(15)
- predecessor owner, defined, 66(15)
- production from, defined, 66(15)
- refund or rebate of Crown royalties, 12(1)(x.2)
- reserve amount, defined, 66(15)
- rules for trusts, 104(5.2)
- successor rules, 66.7(14)

**Canadian security**

- defined, 39(6)
- disposition of, 39(5)
- • election re, 39(4)
- owned by partnership, 39(4.1)

**Canadian Security Intelligence Service**

- provision of charity information to, for security purposes, 241(9), (9.1)

**Canadian service provider**

- defined, re non-resident investment or pension fund, 115.2(1)

**Canadian tax**

- defined, Canada-U.S. Tax Treaty:Art. III:1(a)

**Canadian tax results**

- defined, for functional currency rules, 261(1)

**Canadian Venture Exchange**

- prescribed securities exchange investment, Reg. 9002.2(e)
- prescribed stock exchange, 262

**Canadian Vessel Construction Assistance Act**

- conversion cost deemed separate class, 13(17)
- deduction under, deemed depreciation, 13(13)
- disposition of deposit under, 13(19), (20)

**Canadian waters**

- defined, *Interpretation Act* 35(1)

**Canadian Wheat Board**

- defined, 135.2(1)
- Farmers’ Trust, 135.2(1)“eligible trust”
- • unit of, ineligible for RRSP and other registered plans, 135.2(4)(f), (g)
- paid-up capital on issuing shares to trust, 135.2(3)(c)
- tax consequences of privatization, 135.2

**Canadian Wheat Board Act, 76(5)****Canadian Wheat Board continuance**

- defined, 135.2(1)

**Canals**

- capital cost allowance, Reg. Sch. II:Cl. 1(b)

**Cancellation of interest, penalty or tax, *see* Waiver****Cancellation of lease, *see* Lease cancellation payment****Canoes**

- capital cost allowance, Reg. Sch. II:Cl. 7

**Canterra Energy Ltd. case overruled, 257****Capacity test**

- for shareholder loans, 15(2.4)(e)

**Cape Breton**

- defined, 127(9)
- Development Corporation, subject to tax, 27(2), Reg. 7100

**Capital**

- contribution of, addition to adjusted cost base, 53(1)(c)
- cost, *see* Capital cost; Capital cost allowance
- cost of, defined, Reg. 5202, 5203, 5204
- deemed contribution of, 53(1.1)
- defined
  - • for financial institutions tax, 190.13
  - • for large corporations tax, 181.2(3), 181.3(3)
- element, *see* Capital element
- expenditure, not deductible, 18(1)(b)
- • depreciation, *see* Capital cost allowance
- • disability-related building modifications, deductible, 20(1)(qq)
- • disability-related devices or equipment, 20(1)(rr)
- • goodwill, deduction for, 20(1)(b)
- • landscaping, deduction for, 20(1)(aa)
- • pre-production mining expenditure, whether excluded, 66.1(6.2)
- • scientific research and experimental development, deductible, 37
- • site investigation fees, deductible, 20(1)(dd)
- financial institutions’, tax on, 190–190.211
- gains, *see* Capital gain
- income and, combined, 16(1), (4), (5)
- losses, *see* Capital loss
- outlay or loss, not deductible, 18(1)(b)
- property, *see* Capital property
- reorganization of, exchange of shares, 86(1); ITAR 26(27)
- stock, *see* Capital stock
- tax, *see* Capital tax
- thin, 18(4)–(8)

**Capital cost**

- allowance, *see* Capital cost allowance
- deemed, 13(7)–(7.4)
- • depreciable property acquired with government assistance, 13(7.1), (7.2)
- • on death, 70(13)
- • reduction due to debt forgiveness, 13(7.1)(g), 80(5)
- leased property acquired, 13(5.1)
- manufacturing and processing property
- • deemed, 13(10)
- tax shelter investment, 143.2(6)
- undepreciated, *see* Undepreciated capital cost

**Capital cost allowance, *see also* Depreciable property**

- accelerated investment incentive property (2018–2027), *see* Accelerated investment incentive property
- access road (forest), Reg. Sch. II:Cl. 10(p)
- acquisition year rules, Reg. 1100(2)–(2.4)
- • non-arm’s length exception, Reg. 1102(20)
- additional allowances
  - • Canadian vessel, Reg. 1100(1)(v)
  - • certified productions, Reg. 1100(1)(l)
  - • Class 13, Reg. 1100(1)(b)
  - • Class 14, Reg. 1100(1)(c)
  - • Class 19, Reg. 1100(1)(n), (o)
  - • Class 20, Reg. 1100(1)(p)
  - • Class 21, Reg. 1100(1)(q)
  - • Class 28, Reg. 1100(1)(w)
  - • Class 35, Reg. 1100(1)(za.1)
  - • Class 38, Reg. 1100(1)(zd)
  - • Class 39, Reg. 1100(1)(ze)
  - • Class 40, Reg. 1100(1)(zf)
  - • Class 41, Reg. 1100(1)(y)
  - • Class 43 (after 2025), Reg. 1100(2)A(d)
  - • Class 43.1, Reg. 1100(2)A(b)
  - • Class 43.2, Reg. 1100(2)A(c)
  - • Class 53, Reg. 1100(2)A(d)
  - • Class 54, Reg. 1100(2)A(e)
  - • Class 55, Reg. 1100(2)A(f)

## Index

- Capital cost allowance (*cont'd*)
  - • Class 56, Reg. 1100(2)A(e)
  - • electric cars, Reg. 1100(2)A(e), (f)
  - • fishing vessels, Reg. 1100(1)(i)
  - • grain storage facilities, Reg. 1100(1)(sb)
  - • railway cars, Reg. 1100(1)(z), (z.1a)
  - • railway track, Reg. 1100(1)(za), (za.1), (zb)
  - • railway trestles, Reg. 1100(1)(za.2)
  - • zero-emission vehicles, Reg. 1100(2)A(e), (f)
  - additions and alterations, *see also* building (*below*)
  - advertising sign, Reg. Sch. II:Cl. 11
  - aircraft, Reg. Sch. II:Cl. 9, Sch. II:Cl. 16
  - • employee's, 8(1)(j), 13(11), Reg. 1100(6)
  - airplane hangar, Reg. Sch. II:Cl. 6
  - airplane runway, Reg. Sch. II:Cl. 1(g), Sch. II:Cl. 17(c)
  - • for mine, Reg. Sch. II:Cl. 10(l)(ii)
  - amount deductible, 20(1)(a), Reg. Parts Part XI, XVII
  - amusement parks, property used in connection with, Reg. 1103(2b), 1104(12), Reg. Sch. II:Cl. 37
  - • defined, Reg. 1104(12)
  - apparel for rental, Reg. Sch. II:Cl. 12(k)
  - automobile, Reg. 1102(1)(h)
  - • definitions, Reg. 1102(11)
  - • employee's, 8(1)(j)(ii), 13(11), Reg. 1100(6)
  - • exclusion, Reg. 1102(1)(h)
  - • general, Reg. 1102(11)–(13), Reg. Sch. II:Cl. 10(a)
  - • short-term rental or leasing, for, Reg. Sch. II:Cl. 16
  - automotive equipment, Reg. Sch. II:Cl. 10(a)
  - available-for-use rule, 13(26)–(32), 20(28), (29), Reg. 1100(2)
  - beneficiary of trust, deduction for, 104(16), (17.1), (17.2) [repealed]
  - biogas production equipment, Reg. Sch. II:Cl. 43.1(d)(xiii), Sch. II:Cl. 43.2(b)
  - bio-oil equipment, Reg. Sch. II:Cl. 43.1(d)(xi), Sch. II:Cl. 43.2(b)
  - book (library), Reg. Sch. II:Cl. 12(a)
  - breakwater, Reg. Sch. II:Cl. 3, Sch. II:Cl. 6
  - bridge, Reg. Sch. II:Cl. 1(a)
  - building, Reg. Sch. II:Cl. 1(q), Sch. II:Cl. 3, Sch. II:Cl. 6(a), Sch. II:Cl. 8
    - • addition/alteration, Reg. 1102(19), Reg. Sch. II:Cl. 3(g), Sch. II:Cl. 3(k), Sch. II:Cl. 6(i), Sch. II:Cl. 6(k)
    - • additional allowance for use in manufacturing or processing, Reg. 1100(1)(a.1)
    - • additional allowance for non-residential use, Reg. 1100(1)(a.2)
    - • separate class where cost over \$50,000, Reg. 1101(1ac), (1ad), (5b)
  - cable system interface equipment, Reg. Sch. II:Cl. 10(v)
  - Canadian film or video production, Reg. 1100(1)(m), Reg. Sch. II:Cl. 10(x)
    - • separate class, Reg. 1101(5k.1)
  - canal, Reg. Sch. II:Cl. 1(b)
  - canoe, Reg. Sch. II:Cl. 7
  - carbon dioxide pipeline, Reg. Sch. II:Cl. 49(b)
  - catalyst, Reg. Sch. II:Cl. 26
  - catch-all class, Reg. Sch. II:Cl. 8
  - certified Class 34 properties, Reg. 1104(11)
  - certified films and video tapes, Reg. 1100(21)–(23)
  - certified production, Reg. Sch. II:Cl. 10(w), Sch. II:Cl. 12(n)
    - • separate classes, Reg. 1101(5k), (5l)
  - chinaware, Reg. Sch. II:Cl. 12(b)
  - Class 38 property
    - • separate class, election, Reg. 1101(5l)
  - classes of depreciable property, Reg. Sch. II
    - • inclusions in, Reg. 1103
    - • prescribed, Reg. 1105
    - • separate, Reg. 1101
    - • transfers between, Reg. 1103
  - coin-operated game, Reg. Sch. II:Cl. 16(f)
  - combustion turbine, Reg. 1101(5t), Reg. Sch. II:Cl. 17(a.1), Sch. II:Cl. 48
  - compression equipment, Reg. Sch. II:Cl. 7(j), (k)
  - computer, *see* Computer: capital cost allowance
  - computer software, Reg. Sch. II:Cl. 12(o)
  - • limitation where tax shelter investment, Reg. 1100(20.1)
  - concession, Reg. Sch. II:Cl. 14
  - contractor's movable equipment, Reg. Sch. II:Cl. 10(h), Sch. II:Cl. 22, Sch. II:Cl. 38
  - culvert, Reg. Sch. II:Cl. 1(c)
  - cutlery, Reg. Sch. II:Cl. 12(b)
  - cutting rights, Reg. 1100(1)(e)
  - cutting/shaping part in machine, Reg. Sch. II:Cl. 12(j)
  - dam, Reg. Sch. II:Cl. 1(d)
    - • for mine, Reg. Sch. II:Cl. 10(l)
  - data cable, Reg. Sch. II:Cl. 42(b)
  - data communication equipment, Reg. Sch. II:Cl. 3
  - data network infrastructure equipment, Reg. Sch. II:Cl. 46
  - deductions allowed, Reg. 1100
  - deemed depreciable property, separate classes, Reg. 1101(5g), Reg. Sch. II:Cl. 36
  - definitions, Reg. 1104
  - dental instruments (small), Reg. Sch. II:Cl. 12(e)
  - die, etc., Reg. Sch. II:Cl. 12(d)
  - distribution equipment, Reg. Sch. II:Cl. 47
  - district energy equipment, Reg. Sch. II:Cl. 43.1(a)(iii.1), Sch. II:Cl. 43.1(d)(xv)
  - dock, Reg. Sch. II:Cl. 3
    - • for mine, Reg. Sch. II:Cl. 10(l)
  - drilling vessels, Reg. 1100(1)(va)
  - drive-in theatre property, Reg. Sch. II:Cl. 10(q)
  - earth-moving equipment, Reg. Sch. II:Cl. 22, Sch. II:Cl. 38
    - • separate class, election, Reg. 1101(5l)
  - electric cars, Reg. 1100(1)(a)(xl), (xli), Reg. 1100(2)A(e), (f)
  - electric vehicle charging station, Reg. Sch. II:Cl. 43.1(d)(xvii)
  - electrical energy storage property, Reg. Sch. II:Cl. 43.1(d)(xviii)
  - electrical generating equipment, Reg. 1100(1)(t), (ta), Reg. Sch. II:Cl. 1(k), Sch. II:Cl. 1(m), Sch. II:Cl. 2(a), Sch. II:Cl. 8(g), Sch. II:Cl. 9(e), Sch. II:Cl. 9(f), Sch. II:Cl. 17(a.1), Sch. II:Cl. 29, Sch. II:Cl. 41, Sch. II:Cl. 43.1, Sch. II:Cl. 43.2
    - • electric energy producer/distributor, Reg. Sch. II:Cl. 2(c), Sch. II:Cl. 8(f), Sch. II:Cl. 9(a)
    - • used for mining, Reg. 1102(8)–(9.2), Reg. Sch. II:Cl. 10(r)
  - electronic data-processing equipment, *see* Computer: capital cost allowance
  - eligible capital property after 2016, Reg. Sch. II:Cl. 14.1
  - eligible liquefaction facility
    - • building, Reg. 1100(1)(a.3), Sch. II:Cl. 1(q)
    - • equipment, Reg. 1100(1)(yb), Sch. II:Cl. 47
  - employee's automobile or aircraft, 8(1)(j)(ii), 13(11), Reg. 1100(6)
  - fast writeoff, *see also* additional allowances (*above*)
  - • year of acquisition, Reg. 1100(2)
  - fence, Reg. Sch. II:Cl. 6
    - • in amusement park, Reg. Sch. II:Cl. 37
  - fibre-optic cable, Reg. Sch. II:Cl. 42(a)
  - 50% rule, Reg. 1100(2)–(2.4)
    - • non-arm's length exception, Reg. 1102(20)
  - film production, *see* Canadian film or video production
  - films and video tapes, Reg. 1100(21)–(23), 1104(2), (10)
  - first-year rule, Reg. 1100(2)–(2.4)
  - fishing vessels, Reg. 1100(1)(i)
    - • separate classes, Reg. 1101(2)
  - fixed location fuel cell systems or equipment, Reg. Sch. II:Cl. 43.1(a)(ii.1), Sch. II:Cl. 43.1(d)(xii), Sch. II:Cl. 43.2(b)
  - franchise, Reg. 1100(1)(c), 1100(9), Reg. Sch. II:Cl. 14
  - fuel upgrading equipment, Reg. Sch. II:Cl. 43.1(d)(ix), Sch. II:Cl. 43.2(b)

## Index

### Capital cost allowance (*cont'd*)

- gas manufacturing/distributing equipment, Reg. Sch. II:Cl. 1(n), Sch. II:Cl. 2(d)
- general-purpose electronic data processing equipment, Reg. Sch. II:Cl. 10(f), Sch. II:Cl. 45, Sch. II:Cl. 50
- generating equipment, Reg. 1100(1)(t), (ta), Reg. Sch. II:Cl. 1(k), Sch. II:Cl. 1(m), Sch. II:Cl. 2(a), Sch. II:Cl. 2(c), Sch. II:Cl. 8(f), Sch. II:Cl. 8(g), Sch. II:Cl. 9(a), Sch. II:Cl. 9(e), Sch. II:Cl. 9(f), Sch. II:Cl. 29
- geothermal energy project, Reg. Sch. II:Cl. 43.1(d)(vii)
- goodwill after 2016, Reg. Sch. II:Cl. 14.1
- grain storage facilities, Reg. 1100(1)(sb)
- greenhouse, Reg. Sch. II:Cl. 6
- ground source heat pump system, Reg. Sch. II:Cl. 43.1(d)(i), Sch. II:Cl. 43.2(b)
- half-year rule, Reg. 1100(2)–(2.4)
- harness, Reg. Sch. II:Cl. 10(c)
- heat production/distribution equipment, Reg. Sch. II:Cl. 1(p), Sch. II:Cl. 2(f)
- heat recovery equipment, Reg. Sch. II:Cl. 43.1
- heavy water, Reg. Sch. II:Cl. 26
- immediate expensing (2021–2024), Reg. 1100(0.1)–(0.3), 1104(3.1)–(3.6)
- industrial mineral mines, Reg. 1100(1)(g), Reg. Sch. V
- jetty, Reg. Sch. II:Cl. 1(e), Sch. II:Cl. 3
- jig, Reg. Sch. II:Cl. 12(d)
- kiln, Reg. Sch. II:Cl. 8
- kitchen utensils, Reg. Sch. II:Cl. 12(c)
- land excluded, Reg. 1102(2)
- last, Reg. Sch. II:Cl. 12(d)
- lease option agreements, separate classes, Reg. 1101(5)
- leased properties
  - buildings on, Reg. 1102(5)
  - improvements to, Reg. 1102(4)
- leasehold interest, Reg. 1100(1)(b), 1102(4)–(6), Reg. Sch. II:Cl. 13, Reg. Sch. III
  - separate classes, Reg. 1101(5h)
- leasing properties, Reg. 1100(15)–(20)
  - non-arm's length exception, Reg. 1102(20)
  - separate classes, 1101(5c)
- licence, Reg. Sch. II:Cl. 14
- linen, Reg. Sch. II:Cl. 12(g)
- liquefied natural gas facility, Reg. Sch. II:Cl. 47(b)
- LNG facility, *see* eligible liquefaction facility (above)
- locomotive, Reg. Sch. II:Cl. 6, 7(i)
- logging equipment, Reg. Sch. II:Cl. 10(o)
- machinery/equipment, Reg. Sch. II:Cl. 8, Sch. II:Cl. 29, Sch. II:Cl. 43
- manufacturing/processing business, Reg. 1102(15), (16)
  - excluded activities, Reg. 1104(9)
  - property used in, Reg. Sch. II:Cl. 29, Sch. II:Cl. 43, Sch. II:Cl. 53
- marine railway, Reg. Sch. II:Cl. 7
- medical instruments, Reg. Sch. II:Cl. 12(e)
- mine buildings, Reg. Sch. II:Cl. 10(g), Sch. II:Cl. 41
- mine equipment etc., Reg. Sch. II:Cl. 10(k), Sch. II:Cl. 10(l), Sch. II:Cl. 10(m), Sch. II:Cl. 41
- mine property, Reg. 1100(1)(w), (x), 1100A, Reg. Sch. II:Cl. 28, Sch. II:Cl. 41
- mine shaft etc., Reg. Sch. II:Cl. 12(f)
- mining, definitions, Reg. 1104(5)–(8)
- misclassified property, 13(6)
- mold, Reg. Sch. II:Cl. 12(d)
- mole, Reg. Sch. II:Cl. 1(f), Sch. II:Cl. 3
- motion picture film, Reg. Sch. II:Cl. 10(s)
- multiple-unit residential buildings, Reg. Sch. II
  - separate classes, Reg. 1101(5b)
- natural gas distribution pipeline, Reg. Sch. II:Cl. 51
- network equipment, Reg. Sch. II:Cl. 46
- non-residents, Reg. 1102(3)
  - offshore drilling vessels
    - additional allowance, Reg. 1100(1)(va)
    - separate classes, Reg. 1101(2b)
  - oil or gas well equipment, Reg. Sch. II:Cl. 10(j), Sch. II:Cl. 41
  - oil refinery property, Reg. Sch. II:Cl. 10(u), Sch. II:Cl. 41
  - oil storage tank, Reg. Sch. II:Cl. 6, Sch. II:Cl. 29
  - outdoor advertising structures, Reg. Sch. II:Cl. 8(l), Sch. II:Cl. 11
    - separate class, election, Reg. 1101(5l)
  - overburden removal cost, Reg. Sch. II:Cl. 12(q)
  - parking area, Reg. Sch. II:Cl. 1(g)
    - for mine, Reg. Sch. II:Cl. 10(l)
  - partnership property, excluded, Reg. 1102(1a)
  - patent, Reg. 1100(1)(c), 1100(9), Reg. Sch. II:Cl. 14, Sch. II:Cl. 44
  - pattern, Reg. Sch. II:Cl. 12(d)
  - photovoltaic equipment, Reg. Sch. II:Cl. 43.1(d)(vi), Sch. II:Cl. 43.1(d)(xiii), Sch. II:Cl. 43.2(b)
  - pinball machine, Reg. Sch. II:Cl. 16(f)
  - pipeline, Reg. Sch. II:Cl. 1(l), Sch. II:Cl. 2(b), Sch. II:Cl. 49
    - for mine, Reg. Sch. II:Cl. 10(l)
    - separate classes, Reg. 1101(5i), (5j)
  - pollution control equipment, Reg. 1100(1)(t)
  - prescribed classes of depreciable property, Reg. 1105
  - property acquired by transfer, amalgamation or winding-up, Reg. 1102(14), (14.1)
    - non-arm's length exception, Reg. 1102(20)
  - property acquired in the year, Reg. 1100(2)–(2.4)
    - non-arm's length exception, Reg. 1102(20)
  - property not included in classes, Reg. 1102
  - pumping equipment, Reg. Sch. II:Cl. 7(j), Sch. II:Cl. 7(k)
  - purpose-built rental housing, Reg. 1100(1)(a)(i), 1100(1)(a.4)
  - radar equipment, Reg. Sch. II:Cl. 9
  - radio communication equipment, Reg. Sch. II:Cl. 8, Sch. II:Cl. 9
  - rail suspension device, Reg. Sch. II:Cl. 7(h)(i), Sch. II:Cl. 35(b)
  - railway cars, Reg. 1100(1)(z), (z.1a), Reg. Sch. II:Cl. 7(h)(ii), Sch. II:Cl. 35
    - separate classes, Reg. 1101(5d)–(5d.2)
  - railway locomotive, Reg. Sch. II:Cl. 6(j), Sch. II:Cl. 7(i), Sch. II:Cl. 10(y)
  - railway property, Reg. 1100(1)(zc)
  - railway sidings, Reg. 1100(8)
  - railway system, Reg. Sch. II:Cl. 4
  - railway tank car, Reg. Sch. II:Cl. 6
  - railway track, Reg. 1100(1)(za.1), (zb), Reg. Sch. II:Cl. 1(h)
    - for mine, Reg. Sch. II:Cl. 10(m), Sch. II:Cl. 41
    - separate classes, Reg. 1101(5e), (5e.1)
  - railway traffic control equipment, Reg. Sch. II:Cl. 1(i)
  - rapid transit car, Reg. Sch. II:Cl. 8
  - rates for various classes of property, Reg. 1100(1)
  - recapture, 13(1); ITAR 20(2)
    - passenger vehicle, 13(2)
    - R&D expenditures previously deducted, 37(6)
    - rollover where property replaced, 13(4), (4.1)
    - vessels, 13(13), (15), (16)
  - reclassification of property, 13(5)
  - recreational property, Reg. 1102(17)
  - regulations, Reg. Part XI
  - rental housing, Reg. 1100(1)(a)(i), 1100(1)(a.4)
  - rental properties, Reg. 1100(11)–(14.2)
    - non-arm's length exception, Reg. 1102(20)
    - separate class for each, Reg. 1101(1ac)–(1ae)
  - residential rental unit, Reg. 1100(1)(a)(i), 1100(1)(a.4)
  - revocation of certificates (Class 34 properties), Reg. 1104(11)
  - river improvements, Reg. 1102(7)
  - roadway, Reg. Sch. II:Cl. 1(g), Sch. II:Cl. 17
    - for mine, Reg. Sch. II:Cl. 10(l)

## Index

### Capital cost allowance (*cont'd*)

- roller skating rink floor, Reg. Sch. II:Cl. 10(i)
- rowboat, Reg. Sch. II:Cl. 7
- rules re property, Reg. 1102
- runway, *see* airplane runway (*above*)
- scale, metric, for retail use, Reg. Sch. II:Cl. 12(p)
- scow, Reg. Sch. II:Cl. 7
- separate classes, *see* Separate classes for capital cost allowance
- shares, no CCA allowed, 18(1)(y)
- sidewalk, Reg. Sch. II:Cl. 1(g)
- sleigh, Reg. Sch. II:Cl. 10(d)
- software, *see* computer software (*above*)
- solar heating equipment, Reg. Sch. II:Cl. 43.1(d)(i), Sch. II:Cl. 43.2(b)
- stable equipment, Reg. Sch. II:Cl. 10(c)
- storage area, Reg. Sch. II:Cl. 1(g)
- • for mine, Reg. Sch. II:Cl. 10(l)
- subway, Reg. Sch. II:Cl. 1(j)
- systems software, Reg. 1104(2), Reg. Sch. II:Cl. 10(f), Sch. II:Cl. 29
- tableware, Reg. Sch. II:Cl. 12(b)
- tangible capital property not elsewhere specified, Reg. Sch. II:Cl. 8(i)
- tank (oil or water), Reg. Sch. II:Cl. 8
- taxation year less than 12 months, Reg. 1100(3)
- taxicab, Reg. Sch. II:Cl. 16
- telecommunication spacecraft, Reg. Sch. II:Cl. 10(f.2), Sch. II:Cl. 30(a)
- • separate classes, Reg. 1101(5a)
- telephone cable, Reg. Sch. II:Cl. 42(b)
- telephone/telegraph equipment, Reg. Sch. II:Cl. 3, Sch. II:Cl. 17
- telephone/telegraph system, Reg. Sch. II:Cl. 17
- television commercial, Reg. Sch. II:Cl. 12(m)
- terminal loss, 20(16)
- • limitation re franchise or licence exchanged, 20(16.1)(b)
- • limitation re passenger vehicles, 20(16.1)(a)
- tidal energy, electricity generation equipment, Reg. Sch. II:Cl. 43.1(d)(xiv), Sch. II:Cl. 43.2
- timber cutting/clearing equipment etc., Reg. Sch. II:Cl. 10(n), Sch. II:Cl. 15
- timber limits and cutting rights, Reg. 1100(1)(e)
- • separate classes, Reg. 1101(3)
- timber resource property, Reg. Sch. II:Cl. 33
- tools
- • portable, for rental, Reg. Sch. II:Cl. 10(b), Sch. II:Cl. 29
- • small, Reg. Sch. II:Cl. 12(h)
- “total depreciation” defined, 13(21)
- townsite costs for mine, Reg. 1102(18) [repealed], Reg. Sch. II:Cl. 10(l)
- trailer, Reg. Sch. II:Cl. 10(e)
- tramways, Reg. Sch. II:Cl. 4
- transferred property, 13(5)
- transmission equipment, Reg. Sch. II:Cl. 47
- trestles, Reg. 1100(1)(za.2), (zb), Reg. Sch. II:Cl. 3
- • separate classes, Reg. 1101(5e.2), (5f)
- tunnel, Reg. Sch. II:Cl. 1(j)
- undepreciated capital cost, defined, 13(21)
- underground storage cost, Reg. Sch. II:Cl. 10(f.1), Sch. II:Cl. 41
- uniforms, Reg. Sch. II:Cl. 12(k)
- vat, Reg. Sch. II:Cl. 8
- vehicle charging station, Reg. Sch. II:Cl. 43.1(d)(xvii)
- vessels, Reg. 1101(2)–(2b), Reg. Sch. II:Cl. 7
- • certified, Reg. 1100(1)(v), 1101(2a)
- • separate classes, Reg. 1101(2)–(2b)
- video game, Reg. Sch. II:Cl. 16(f)
- videotape, Reg. Sch. II:Cl. 10(s), Sch. II:Cl. 12(l), Sch. II:Cl. 12(m)
- videotape cassette for rental, Reg. Sch. II:Cl. 12(r)

- wagon, Reg. Sch. II:Cl. 10(d)
- waste-fuelled thermal energy system, Reg. Sch. II:Cl. 43.1(d)(ix), Sch. II:Cl. 43.2(b)
- water distributing equipment, Reg. Sch. II:Cl. 1(o), Sch. II:Cl. 10(e)
- water storage tank, Reg. Sch. II:Cl. 6, Sch. II:Cl. 29
- wave energy, electricity generation equipment, Reg. Sch. II:Cl. 43.1(d)(xiv), Sch. II:Cl. 43.2
- wharf, Reg. Sch. II:Cl. 3, Sch. II:Cl. 6
- • for mine, Reg. Sch. II:Cl. 10(l)
- windmill, Reg. Sch. II:Cl. 3
- woods assets, Reg. Sch. IV
- zero-emission vehicles, Reg. 1100(1)(a)(xl), (xli), Reg. 1100(2)A(e), (f)

### Capital deduction

- for financial institutions tax
- • deducted in computing amount subject to tax, 190.1(1)
- • defined, 190.15
- for large corporations tax, defined, 181.5

### Capital dividend, 83(2)

- account, *see* Capital dividend account
- amalgamation, on, 87(2)(x)(ii)
- election to treat dividend as, 83(2), (2.2)–(2.4)
- • form and manner of making, Reg. 2101
- • where not available, 83(2.1)
- paid to non-resident, 212(2)(b)
- • through trust, 212(1)(c)(ii)
- private corporation, Reg. 2101

### Capital dividend account

- amalgamation, on, 87(2)(z.1)
- corporation ceasing to be exempt, 89(1.2)
- defined, 89(1)–(1.4)
- “designated property” defined, 89(1)
- dividend payable before May 7, 1974, ITAR 32.1(4)
- gift by corporation, 89(1)“capital dividend account”(a)(i)(A)
- life insurance proceeds
- • after May 23, 1985, 89(1)“capital dividend account”(d)
- • before May 24, 1985, 89(1)“capital dividend account”(e)
- • exclusion from anti-avoidance rule, 83(2.3)
- net capital loss carryover, 89(1.3)
- payment out of, *see* Capital dividend
- prescribed labour-sponsored venture capital corporation, of, deemed nil, 131(11)(e)
- transition for 2024, 89(1.4)
- where control acquired, 89(1.1)

### Capital element

- annuity, of, deductible, 60(a)
- blended payment, 16(1), (4), (5); 20(1)(k) [repealed]

### Capital gain, *see also* Capital gains and losses

- allocation of
- • credit union, by, 137(5.1), (5.2)
- convertible property, 51
- deduction, *see* Capital gains deduction
- deemed
- • capital gains stripping, 55(2)–(5)
- • debt forgiveness, 80(12)
- • negative adjusted cost base, 40(3)
- • • of passive partnership interest, 40(3.1)
- defined, 39(1)(a), 40(1)(a)
- dividend instead of, on disposition of share of foreign affiliate, 93(1)
- donation of publicly traded shares, 38(a.1)
- • partnership interests exchangeable for, 38(a.3)
- exchanges of property, 44
- failure to report, 110.6(6)
- foreign affiliate, of
- • election re, Reg. 5902
- half taxed before June 25, 2024, 38(a) [before 2024 amendment]



**Capital gain** (*cont'd*)

- income, 3
- income-splitting tax, 120.4(4), (5)
- life insurer's pre-1969 property, 138(11.2)
- listed personal property
  - taxable net gain, 41
- non-resident, 115(1)(b)
  - prorating for gains before May 1995, 40(9)
- not included in income from property, 9(3)
- principal residence
  - exemption, 40(2)(b)
  - farmer's, 40(2)(c)
- recovery of bad debt, 39(11)
- reserve, *see* Reserve: capital gain
- rollover, *see* Rollover
- shares or exchangeable partnership interests, donation of, 38(a.1), (a.3)
- specified, deductions for, 126(5.1)
- split income, 120.4(4), (5)
- stripping, 55(2)–(5)
- taxable, *see also* Capital gains inclusion rate (changed as of 2024)
  - beneficiary's, designated by trust, 104(21.2)
  - defined, 38(a), 248(1)
  - definitions, 54
  - excluded from income of certain exempt organizations, 149(2)
  - foreign affiliate, of, 95(2)(f)
  - insurer's, 138(2)(b), 142
  - net, of trust, 104(21.3)
  - partnership, of, 96(1.7)
  - trust's, designation to beneficiary, 104(21)
- taxed
  - defined, 130(3)
- treaty rules, Canada-U.S. Tax Treaty: Art. XIII
- two-thirds taxed after June 24, 2024, 38(a), *see also* Capital gains inclusion rate (changed as of 2024)

**Capital gains and losses**, *see also* Capital gain; Capital loss

- adjusted cost base of property owned on Dec. 31/71, ITAR 26(3), (4)
- application of subdivision c, ITAR 26(1)
- becoming resident, on, 128.1(1)(b)
- ceasing to be resident, on, 128.1(4)(b)
- deemed, from property transferred to spouse, 74.2(2)
- deemed acquisition or disposal of property, 45
- disposition after June 18/71 where not at arm's length, ITAR 26(5)
- disposition before 1972, ITAR 26(5)
- disposition subject to warranty, 42
- disposition to corporation controlling or controlled by taxpayer, 40(2)(a)(ii)
- dividend in kind, cost of, 52(2)
- election re cost of property owned on Dec. 31/71, ITAR 26(7)
- employees profit sharing plan, allocated under, 144(4)–(4.2)
- exempt person, of, 40(2)(a)(i)
- fair market value of securities, ITAR 26(11)
- foreign affiliate, of, 95(2)(f)
- foreign exchange, 39(1.1), (2)
- identical properties, 47
- "listed-personal-property loss" defined, 41(3)
- lottery prize, 40(2)(f)
- meaning of, 39(1)
- negative adjusted cost base deemed gain, 40(3), (3.1)
- non-resident taxpayer, 40(2)(a)(i)
- options, *see* Option
- partial dispositions, 43
- personal-use property, 46
  - corporation, 46(4)
- prizes, 52(4)

- property whose value included in income, cost of, 52(1)
- purchase of bond etc. by issuer, 39(3)
- reacquired property, ITAR 26(6)
- rollover, *see* Rollover
- stock dividends, 52(3)
- Valuation Day, ITAR 24, 25

**Capital gains deduction**, 110.6

- allowable business investment loss, interaction, with, 39(9), 110.6(1) "annual gains limit" B(b), 110.6(1) "cumulative gains limit" (b)
- anti-avoidance rules, 110.6(7)–(11)
- beneficiary of trust, 104(21.2)
- definitions, 110.6(1)
- determination of income while not resident, 110.6(13)
- double-dipping restriction, *see* Cumulative net investment loss
- election to trigger gain before corporation goes public, 48.1
- election to trigger gain on Feb. 22/94, 110.6(19)–(30); ITAR 26(29)
  - depreciable capital property
    - cost, 13(7)(e.1)
    - no recapture, 13(21) "undepreciated capital cost" F
  - excessive, 14(9) [before 2017], 110.6(19)(a)(ii)(C)(II), 110.6(22)(a)B, 110.6(28)
  - non-qualifying real property, 110.6(21)
  - option, 40(3.2)
  - partnership interest, 110.6(23)
  - penalty for late election, 110.6(29)
  - principal residence, 40(2)(b)A, D, 40(7.1)
  - shares from employee stock option, 110.6(19)(a)(i)(A)B
  - employee ownership trust, transfer of shares to, 110.6(2)
  - failure to report gains, 110.6(6)
  - indexing to inflation, 117.1(1)
  - individual deemed resident in Canada, 110.6(5)
  - interest expense, effect of, *see* Cumulative net investment loss
  - maximum, 110.6(4)
  - non-qualifying real property, defined, 110.6(1)
  - other property, 110.6(3)
  - partnership look-through rule, 110.6(14)(d.1)
  - prescribed shares, Reg. 6205
  - qualified farm or fishing property, 110.6(2)
  - qualified small business corporation shares, 110.6(2.1)
  - specified capital gains, 126(5.1)
  - spousal trust, of, 110.6(12)
  - where amount deemed proceeds of disposition rather than dividend, 183.1(7)
  - where not permitted, 110.6(7), (8), (11)
  - 2024 transition, 110.6(2.01)–(2.04)

**Capital gains dividend**

- investment corporation, Reg. 2104
- mortgage investment corporation, 130.1(4), Reg. 2104.1
- mutual fund corporation, 131(1)–(1.4), Reg. 2104
  - on taxable Canadian property, deemed dividend to non-resident, 131(5.1), (5.2)

**Capital gains dividend account**

- mutual fund corporation, 131(6) "capital gains dividend account"

**Capital gains exemption**, *see also* Capital gains deduction

- principal residence, *see* Principal residence
- transfer of shares to employee ownership trust, 110.6(1)

**Capital gains inclusion rate (changed as of 2024)**

- depreciable property, change in use election for individual, 13(7.7)
- reduction for first \$250,000 for individual, 38.01, 111.2
- transition for June 25, 2024
  - capital gains exemption, 110.6(2.01)–(2.04)
  - gains flowed through trust, 104(21.4)–(21.7)
  - mortgage investment corporation, 130.1(4.2)–(4.5)
  - mutual fund corporation, 131(1.5)–(1.9)
  - partners, 96(1.72)

## Index

Capital gains inclusion rate (changed as of 2024) (*cont'd*)

- segregated fund, 138.1(3.1), (3.2)
- two-thirds instead of one-half, 38(a)

**Capital gains pool [repealed]**, 149.1(1)

**Capital gains redemptions**

- mutual fund corporation, 131(6)“capital gains redemptions”
- mutual fund trust, of, 132(1)
- defined, 132(4)

**Capital gains refund**

- investment corporation, 130(2)
- mutual fund corporation, to, 131(2), (3)
- interest on, 131(3.1)
- on taxable Canadian property, deemed dividend to non-resident, 131(5.1), (5.2)
- mutual fund trust, to, 132(1), (2)
- interest on, 132(2.1)
- on taxable Canadian property, deemed dividend to non-resident, 132(5.1), (5.2)

**Capital gains stripping**

- anti-avoidance rules, 55(2), (3.1)
- exemption for butterfly transaction, 55(3)(b)
- exclusion for cross-border purchase butterfly, 55(3.1)

**Capital interest (in a trust)**, *see* Trust (or estate): capital interest in

**Capital loss**, *see also* Capital gains and losses; Net capital loss

- allowable
- defined, 38(b)
- foreign affiliate, of, 95(2)(f)
- partnership, of, 96(1.7)
- bad debt, 50(1)
- personal-use property, 50(2)
- deduction for, 3
- defined, 39(1)(b)
- disposition of bond, etc., by corporation, 40(2)(d)
- disposition of debt, limitations on, 40(2)(e.1), (e.2), 40(2)(g)(ii)
- disposition of property to affiliated person, 40(3.3), (3.4)
- disposition of property to person controlling or controlled by corporate taxpayer, 40(3.3), (3.4)
- foreign affiliate, of, *see* Foreign accrual capital loss
- labour-sponsored venture capital corporation, disposition of shares of, 40(2)(i)
- net, *see* Net capital loss
- not included in loss from property, 9(3)
- personal-use property, 40(2)(g)(iii)
- pre-1986 balance, defined, 111(8)
- reassessment, 152(6)(a)
- restricted, 40(2), *see also* Stop-loss rules
- scientific research tax credit, unused, 39(8)
- shares of bankrupt corporation, 50(1)
- shares of controlled corporation, disposition of, 40(2)(h)
- shares of foreign affiliate, disposition of, 93(2)–(2.3), (4)
- stock savings plan, disposition of shares of, 40(2)(i)
- stop-loss rules, *see* Stop-loss rules
- superficial, 40(2)(g)(i), 54“superficial loss”
- unused share-purchase tax credit, 39(7)
- venture capital corporation, disposition of shares of, 40(2)(i)
- warranty, outlay or expense under, 42

**Capital property**, *see also* Disposition; Property

- adjusted cost base of, *see* Adjusted cost base
- amalgamation, on, 53(6), 87(2)(e)
- certain shares deemed to be, 54.2
- deceased taxpayer's, 70(5)
- fair market value, 70(5.3)
- defined, 54, 248(1); ITAR 26(12)“capital property”
- depreciable, *see* Depreciable property
- donation of, election for reduced proceeds of disposition
- corporation, 110.1(2.1), (3)
- individual, 118.1(5.4), (6)

- eligible, *see* Eligible capital property
- “eligible property” for transfer to corporation by shareholder, 85(1.1)(a)
- non-depreciable
- change of control of corporation, 111(4)(c)–(e)
- share
- loss on, 112(3)
- transfer of, to corporation, ITAR 26(5.2)

**Capital setoff adjustment**, *see* Transfer pricing capital setoff adjustment

**Capital stock**

- “class” interpretation, 248(6)
- tax-deferred preferred series, Reg. 2107

**Capital surplus**, *see* Pre-1972 capital surplus on hand

**Capital tax**

- defined, re insurance reserves, Reg. 1408(1)
- financial institutions tax, Part VI (190–190.24)
- Large Corporations Tax, Part I.3 (181–181.8)
- provincial, deductibility of, 18
- treaty restrictions, Canada-U.S. Tax Treaty:Art. XXIII

**Capitalization, thin**, 18(4)–(8)

**Capitalization of interest**

- election, 21

**Captioning services**

- disability supports deduction, 64(a)A(ii)(A)
- medical expense credit, 118.2(2)(1.4)

**Captured carbon**

- defined, 127.44(1), Reg. 1104(2)
- for clean hydrogen tax credit, 127.44(1), 127.48(1)

**Car**, *see* Automobile; Passenger vehicle

**Carbon capture, utilization and storage**

- capital cost allowance for expenditures, Reg. Sch. II:Cl. 59, 60
- investment tax credit, 127.44, *see also* CCUS tax credit

**Carbon credits**, *see* Emissions allowance

**Carbon dioxide equivalent**

- defined, for clean hydrogen tax credit, 127.48(1)

**Carbon dioxide transmission pipeline**

- capital cost allowance, Reg. Sch. II:Cl. 49(b)

**Carbon intensity**

- change in, recapture of clean hydrogen credit, 127.48(18)–(24)
- defined, 127.48(1), (6)

**Carbon tax refunds**

- to farmers, 127.42
- to individuals generally (Canada Carbon Rebate), 122.8
- to small businesses, 127.421

**Career retraining**, *see* Job retraining

**Caregiver**

- caregiver benefit paid to Canadian Forces member or veteran, exempt, 81(1)(d.1)(vii)(F)
- tax credit, 118(1)B(d)

**Caribbean Development Bank**

- bonds of, qualified investment for RRSP etc., 204“qualified investment”(c.1) (formerly Reg. 4900(1)(l)(iv))

**Carpenter**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Carrier**

- defined, 146.3(1)“carrier”
- for RRIF, Reg. 215(1)

**Carryback**, *see also* Carryforward

- charitable donations, from year of death, 118.1(4)
- disbursement excess of charity, 149.1(20)
- effect on interest payable, 161(7), 164(5), (5.1)
- foreign accrual capital loss, Reg. 5903.1(1)(b)
- interest deduction restrictions, 18.2(1)“cumulative unused excess capacity”(b), 18.2(4)

**Carryback** (*cont'd*)

- investment tax credit, unused, 127(5)(a), 127(9)“investment tax credit”(c)
- losses, 111(1)
  - after amalgamation, 87(2.11)
  - after emigration, against gains deemed on emigration, 128.1(8)
  - amendment to earlier return, 152(6)(c)
  - employee life and health trust, 111(7.3)
  - foreign accrual property, 152(6.1), Reg. 5903(1)(b)
  - from estate, to taxpayer's year of death, 164(6)
  - mutual fund investment of non-resident, 218.3(6)
  - RRIF, in, after death, 146.3(6.3), (6.4)
  - RRSP, in, after death, 146(8.92), (8.93)
  - RRIF losses after death, 146.3(6.3), (6.4)
  - RRSP losses after death, 146(8.92), (8.93)

**Carryforward**

- business losses, 111(1)(a)
- Canadian life investment losses (Part XII.3 tax), 211.1(2)
- capital losses (net capital losses)
  - against capital gains, 111(1)(b), 111(1.1)
  - against other income in year of death, 111(2)
  - defined, 111(8)“net capital loss”
  - pre-1986, against other income, 111(1.1)
- charitable donations
  - corporation, 110(1)
  - credit, 118.1(1)“total charitable gifts”
  - deduction to corporation, 110.1(1)(a)
  - first-time donor credit, 118.1(3.1)
  - individual, 118.1(1)
- deposit insurance corporation, losses of, 137.1(11)(a)
- disbursement excess of charity, 149.1(20)
- ecological donations, 110.1(1)(d)(iii), 118.1(1)“total ecological gifts”(c)
- education credit, 118.61
- emigration deemed gains, 128.1(8)
- employee life and health trust losses, 111(7.3)
- expense, against reimbursement or assistance, 12(2.2)
- FAPI, foreign taxes against, 91(4)
- farm land disposed of by partnership, loss on, 101
- farm losses, 111(1)(d)
  - restricted, 111(1)(c)
- foreign accrual capital loss, 5903.1(1)(a)
- foreign accrual property loss, Reg. 5903(1)(a)
- foreign affiliate's forgiven debt, 95(1)“foreign accrual property income”A.2, G
- foreign bank's Canadian affiliate's losses, 142.7(12)
- foreign tax credits, unused, 126(2)(a), 126(2.3), 126(7)“unused foreign tax credit”
- gifts to charity
  - credit, 118.1(1)“total charitable gifts”
  - deduction to corporation, 110.1(1)(a)
- home office expenses, undeducted, 8(13)(c), 18(12)(c)
- interest deduction restrictions, 111(1)(a.1), 111(8)“restricted interest and financing expense”
- interest paid on purchase of shares, 20(1)(q)(ii)
- interest paid on student loan, 118.62:B
- investment tax credit, 127(9)“investment tax credit”(c)–(h)
- legal fees to obtain retiring allowance or pension benefit, 60(o.1)(i)
- limited partnership losses, 111(1)(e)
- listed personal property losses, 41(2)(b)
- loss restrictions on change in control, *see* Control of corporation: change of
- minimum tax, 120.2(1)
- moving expenses, 62(1)(b), (c)
- mutual fund losses of non-resident, 218.3(3)
- net capital losses, *see* Capital loss
- non-capital losses, 111(1)(a), 111(8)“non-capital loss”

- non-deductible home office expenses, 8(13)(c), 18(12)(c)
- patronage dividends, 135(2.1)
- pre-1986 capital losses, 111(1.1)
- RRSP contributions not yet deducted, 146(5)(a)
- RRSP deduction room, 146(1)“RRSP deduction limit”, “unused RRSP deduction room”
- reduction of balances on debt forgiveness, 80(3), (4)
- refundable dividend tax on hand, 129(4)“eligible refundable dividend tax on hand”(b), 129(4)“non-eligible refundable dividend tax on hand”(c)
- repayment of support payments, 60(c.2)
- research and development expenses, 37(1)
  - partnership, disallowed, 96(1)(e.1)
- restricted farm losses, 111(1)(c)
- scientific research expenses, 37(1)
- student loan interest credit, 118.62:B
- surtax credit, unused
  - against Part VI tax, 190.1(3)(b)
- tuition credit, 118.61

**Carrying charges**

- interest accrued on bond, 20(14)
- interest paid, *see* Interest (monetary): deductible
- safety deposit box rental, 9(1)

**Carrying on business in Canada**

- extended meaning of, 253
- non-Canadian corporations
  - additional tax, 219
  - non-resident, 115(1)(a)
  - liability for tax on, 2(3)(b)
- part-year resident, 114

**Carrying value (of property)**

- defined
  - for notifiable-transaction rules, 237.4(15)
  - for reportable-transaction rules, 237.3(8.2)
  - for small business investment capital gain rollover, 44.1(1)
  - for taxation of insurers, Reg. 2400(2)
  - for uncertain-tax-treatment rules, 237.5(9)

**Carryover of losses**, *see* Carryback; Carryforward**Carve-out arrangements**

- resource properties acquired from tax-exempt person, 66.6

**Carved-out income**

- deduction under Part I, 66(14.6)
- defined, 209(1)
- partnership deemed person, 209(6)
- tax on, 209(2)
  - payment, 209(4)
  - return, 209(3)

**Carved-out property**

- defined, 209(1)
- definitions, 209(1)
- exclusions from, Reg. 7600
- prescribed property, Reg. 7600

**Cash**

- defined, for international electronic funds transfer reporting, 244.1

**Cash flow adjustment**

- insurance corporation, Reg. 2412

**Cash method of computing income**

- becoming non-resident, on, 28(4), (4.1)
- COVID-19 Canada Emergency Wage Subsidy qualification, 125.7(4)(e)
- changing from, 28(3)
- defined, 28(1), 248(1)
- farming or fishing business, 28(1)–(3)
- non-resident ceasing to carry on business in Canada, 28(4), (4.1)

**Cash-out of employee stock option**, 7(1)(b.1), (d.1)

**Cash purchase ticket**

- grain, for
- • when amount included in income, 76(4)

**Cash register, electronic**, *see* Electronic cash register**Cash surrender value**

- of insurance policy, defined, 148(9), Reg. 310, 1408(1)

**Cash value**

- defined, for Common Reporting Standard, 270(1)

**Cash value insurance contract**

- defined, for Common Reporting Standard, 270(1)

**Casino**

- defined, for international electronic funds transfer reporting, 244.1

**Casinos relief (COVID)**, Reg. 8901.1(2)(b)(xviii), *see also* Qualifying tourism or hospitality entity**Catalyst**

- capital cost allowance for, Reg. Sch. II:Cl. 26

**Catch**

- defined, Reg. 105.1(1)

**Catheters and related products**

- medical expense credit, 118.2(2)(i.1)

**Cattle**

- basic herd maintained since 1971, deduction, 29
- breeding, 80.3(1)“breeding animals”
- dairy farming, 248(1)“farming”
- exhibiting and raising, 248(1)“farming”
- inventory, valuation of, 28(1.2)

**Ceasing to act as agent of beneficiary**

- constitutes disposition, 248(1)“disposition”(b)(v)

**Ceasing to be a financial institution**, 142.6(1)(a), (c)**Ceasing to be qualifying environmental trust**, 107.3(3)**Ceasing to be resident in Canada**, *see also* Former resident

- attribution rule, application to deemed disposition, 74.2(3)
- corporation, *see* Continuance outside Canada
- deemed disposition of property, 128.1(4)(b)
- • election for, 128.1(4)(d)
- • instalment obligation not increased, 128.1(5)
- • returning former resident, 128.1(6), (7)
- • stock option income excluded, 7(1.6)
- demand for payment of taxes owing, 226(1)
- departure tax, 128.1(4)
- • additional tax on corporations, 219.1(1), 219.3
- • security for, 220(4.5)–(4.54)
- employee life and health trust, 128.1(4)(b.1)
- farmer or fisherman, 28(4), (4.1)
- fiscal period end, 128.1(4)(a.1)
- foreign tax credit after emigration, 126(2.21)
- • trust beneficiary, 126(2.22)
- Home Buyers’ Plan income inclusion, 146.01(5)
- information return, 128.1(9)
- Lifelong Learning Plan income inclusion, 146.02(5)
- loss after emigration, 128.1(8)
- moving to United Kingdom, Canada–U.K. Tax Convention Art. 13:9
- moving to the United States, Canada–U.S. Tax Treaty:Art. XIII:6
- payment of tax
- • election to defer, 220(4.5)–(4.54), Reg. 1301
- post-emigration loss, 128.1(8)
- reporting of assets, 128.1(9)
- rollovers of shares after emigration ignored, 128.3
- security for departure tax, 220(4.5)–(4.54)
- seizure of goods and chattels for non-payment of tax, 226(2)
- to pursue research under grant, 115(2)(b.1)
- trust, deemed, 94(5)–(5.2)
- trust deemed to dispose of property on transferor’s emigration, 104(4)(a.3)

**Ceasing to carry on business**, *see also* Death of taxpayer; Sale: business, of; Winding-up

- accounts receivable, 28(5)
- business income of individual, effect on, 34.1(8)(a)
- disposition of depreciable property after, 13(8), 20(16.3)
- farming business, 28(4), (5)
- general rules, 22–25
- information returns to be filed, Reg. 205(2)
- non-resident, 10(12), (14)
- subsequent transactions
- • repayment of assistance, deduction relating to pre-2017 eligible capital expenditure, 20(1)(hh.1)
- • sale of inventory, 23(1)

**Ceasing to use inventory in business**

- non-resident, 10(12), (14)

**Ceasing to use property in Canadian business**

- non-resident financial institution, 142.6(1.1)

**Celiac disease patients, medical expense credit for gluten-free food costs**, 118.2(2)(r)**Cemetery arrangements**, *see* Eligible funeral arrangement; Funeral services**Cemetery care trust**

- defined, 148.1(1), 248(1)
- emigration of individual, no deemed disposition, 128.1(10)“excluded right or interest”(e)(iii)
- excluded from various trust rules, 108(1)“trust”(e.1)
- rollover to new trust, 248(1)“disposition”(f)(vi)

**Cemetery services**

- defined, 248(1)
- provision of under eligible funeral arrangements, 148.1(2)(b)(i)

**Central bank**

- defined, for Common Reporting Standard, 270(1)

**Central paymaster**

- provincial allocation of corporate income, Reg. 402.1

**Certificate**

- accredited film or video production, 125.5(1), (6)
- amount payable, re, 223(2)
- • application of, 223(1)
- • charge on land, 223(5), (6)
- • costs, 223(4)
- • registration in Court, 223(3)
- • • binding under provincial laws, 223(8)
- • • proceedings re, 223(7)
- • • sale of property, 223(9)
- • sale of property
- • • application by Minister for Federal Court order, 223(11)
- • • requirements re documentation, 223(10)
- • total amount, “prescribed rate” sufficient details, 223(12)
- before distribution of estate etc., 159(2)
- failure to obtain, 159(3)
- Canadian film or video production, 125.4(1)
- change of ownership, Reg. 502
- clearance, 159(2), (3)
- dispositions of property by non-resident, 116(2), (4), (5.2)
- ecologically sensitive land, 110.1(1)(d), 118.1(1)“total ecological gifts”
- employer’s, re employees’ expenses, 8(10)
- fair market value of ecological gift, 118.1(10.5)
- oil/gas well, re, 66.1(6)“Canadian exploration expense”(d)(iv)
- • ceasing to be valid, 66.1(10)
- ownership, 234, Reg. 207
- participation, Canadian Wheat Board, 161(5)

**Certificate of completion**

- defined, for Canadian film/video credit, Reg. 1106(1)

**Certification deadline**

- defined, Reg. 1106(1)“certificate of completion”

**Certification fee paid to bank**, 20(1)(i) [repealed]



**Certifiable past service event**

- defined, Reg. 8300(1)

**Certified feature film [repealed]**

- defined, Reg. 1104(2)

**Certified production (pre-1996)**

- capital cost allowance, Reg. 1100(21)–(23), Reg. Sch. II:Cl. 10(w), Sch. II:Cl. 12(n)
- add-back for minimum tax purposes, 127.52(1)(c)
- additional, Reg. 1100(1)(l)
- separate class, Reg. 1101(5k), (5l)
- defined, Reg. 1104(2)
- information returns, Reg. 225

**Certified property, defined, 127(9)****Chamber of commerce**

- exemption, 149(1)(e), 149(2)
- information return, whether required, 149(12)

**Change in use**

- capital property, 45
- depreciable property, 13(7)(a), (b)
- property of insurer, 138(11.3), (11.31)
- research property, changed to commercial use, 127(27), (29)

**Change of address**

- cost of, deduction, 62(3)(h)

**Change of control**

- corporation, *see* Control of corporation: change of
- trust, 251.2, *see* Loss restriction event

**Character conversion transaction, *see* Derivative forward agreement****Charging provisions, *see* Liability for tax****Charging station for electric vehicles**

- capital cost allowance, Reg. Sch. II:Cl. 43.1(d)(xvii)

**Charitable activities**

- charity must devote all resources to, 149.1(1)“charitable organization”(a)
- defined, 149.1(1)

**Charitable donations/gifts, *see* Gifts and donations (charitable)****Charitable foundation, *see also* Charity; Private foundation; Public foundation; Registered charity**

- charitable purposes of, 149.1(6.1)
- corporation controlled by, 149.1(12)
- defined, 149.1(1), Reg. 3700
- disbursement quota, *see* Disbursement quota (of charity)
- political activities of, 149.1(6.1)
- self-dealing rules, 149.1(1)“divestment obligation percentage”, (4)(c)
- transfer of property
- tax on, 188(3), (4)
- value of property, determination of, Reg. 3702

**Charitable organization, *see also* Charity; Registered charity**

- business activities of, 149.1(6)
- penalty for carrying on unrelated business, 188.1(1)(b), 188.1(2)(b)
- revocation for carrying on unrelated business, 149.1(2)(a)
- charitable activities of, 149.1(6.2)
- defined, 149.1(1)
- designation of registered charity as, 149.1(6.3)
- outside Canada that federal government has donated to
- donation to, 149.1(1)“qualified donee”(a)(v)
- by corporation, deduction, 110.1(1)(a)
- by individual, tax credit, 118.1(1)“total charitable gifts”
- political activities of, 149.1(6.2)
- registration of, *see* Registered charity
- resources of, devoted to charitable activity, 149.1(6)
- deemed, 149.1(10)
- U.S. resident, Canada-U.S. Tax Treaty:Art. XXI
- universities outside Canada, Reg. 3503, Reg. Sch. VIII
- volunteers operating business, 149.1(1)“related business”

**Charities Registration (Security Information) Act**

- revocation of charity’s registration, 168(3)
- no appeal, 172(3.1)
- taxpayer information provided for enforcement, 241(4)(f.1)
- use of information by RCMP, CSIS or FINTRAC, 241(9), (9.1)
- text of, 168(3) (Notes)

**Charity, *see also* Registered charity**

- administration and management expenses not charitable activities, 149.1(1.1)(d)
- associated
- designation of, by Minister, 149.1(7)
- charitable purposes, defined, 149.1(1)
- defined, 149.1(1)“charity”
- designated as beneficiary of insurance policy, 118.1(5.2)(a)
- disbursement quota, *see* Disbursement quota (of charity)
- disclosure of information by CRA, 149.1(15), 241(3.2)
- disposal of ecologically sensitive land, tax on, 207.31
- donations to, *see* Gifts and donations (charitable)
- exemption, 149(1)(f)
- foreign, *see* Foreign charity
- gifts received, 149.1(12)(b)
- grants to outside organizations that are not charities, 149.1(1)“qualifying disbursement”
- disclosure on public information return, Reg. 3703
- permitted, 149.1(1)“charitable organization”(a.1), 149.1(1)“charitable purposes”, 149.1(2)(b), (c), (3)(b), (b.1), (4)(b), (b.1), (4.1)(d), (21)
- loan to donor, 118.1(16)
- political activities, 149.1(1.1)
- specified gifts, 149.1(1.1)
- terrorism support, *see* Charities Registration (Security Information) Act

**Charity trusts, employees’**

- receipts, Reg. 3502

**Chartered accountant, *see* Accountant****Chattels**

- seizure of, for unpaid tax, 225

**Cheque**

- dishonoured
- penalty for, 220(3.8); *Financial Administration Act* s. 155.1(2)(a)
- restarts 10-year collection limitation, 222(6)(c)

**Chief source of income**

- determination by Minister, 31

**Child, *see also* Age; Dependant; Intergenerational transfers; Income-splitting tax; Minor**

- adopted, 252(1)
- defined, *see* extended meaning of (*below*)
- dependent, 118(6)(a)
- credit for, 118(1)B(d), (e)
- disability benefit, 122.61(1)M
- disposition of property to, 40(1.1)
- extended meaning of, 70(10), 75.1(2), 110.6(1), 252(1); ITAR 20(1.11), 26(20)
- family farm or fishing corporation transferred to, 70(9.3), (9.31)
- farm or fishing property transferred to, 44(1.1), 70(9), (9.01); ITAR 26(18), (19)
- from spouse’s trust, 70(9.1), (9.11)
- financially dependent
- meaning of, 146(1.1)
- rollover of benefits paid to on taxpayer’s death
- from RPP, 60(1)(v)(B.01)
- from RRSP, 146(1)“refund of premiums”(b)
- income-splitting tax, 120.4
- infirm, credit, 118(1)B(d), (e)
- kiddie tax, 120.4, *see also* Income-splitting tax

**Child** (*cont'd*)

- killed or missing due to crime, *see* Parent (human): compensation for child
- maintenance payments for, *see* Support payments (spousal or child)
- property transferred to
  - gain or loss deemed to be transferor's, 75.1
- support of, deemed, 56(6), (7)

**Child Benefit**, *see* Canada Child Benefit**Child care expenses**, 63

- cross-border commuter, 63(4)
- deduction for, 63(1), 63(2.2), 64.1
- defined, 63(3)
- "earned income" defined, 63(3) "earned income"
- eligible child, 63(3) "eligible child"
- residents absent from Canada
  - deduction, 64.1
- school or university, attendance at, 63(2.2)
- supporting person, 63(3) "supporting person"
- taxpayer's income vs. supporting person's income, 63(2), (2.1)

**Child care space amount**

- defined, 127(9)

**Child care space creation**

- investment tax credit, 127(9) "investment tax credit" (a.5)
- recapture if not kept for 5 years, 127(27.1)–(27.12)

**Child Disability Benefit**, 122.61(1)M**Child fitness tax credit**, *see* Children's Fitness Credit (pre-2017)**Child support**, *see* Support payments (spousal or child)**Child support amount**

- defined, 56.1(4), 60.1(4)
- whether deductible, 60(b), 60.1
- whether taxable, 56(1)(b), 56.1

**Child Tax Benefit**, *see* Canada Child Benefit**Child tax credit (pre-2015)**, 118(1)B(b.1)**Children's Arts Tax Credit (pre-2017)**, 118.031, Reg. 9401**Children's Fitness Credit (pre-2017)**, 122.8**China**, *see also* Foreign government

- universities, gifts to, Reg. Sch. VIII, s. 14

**Chinaware**

- capital cost allowance for, Reg. Sch. II:Cl. 12(b)

**Chiropractor**, *see* Professional practice**Chitalia case overruled**, 146.01(2)(b) exception**Chose in action, as property**, 248(1)**Christmas party exemption**

- to meal and entertainment restriction, 67.1(2)(f)

**Chrysler Canada Incorporated**

- payments to, exception to employee life and health trust rules, Reg. 9500

**Church**, *see also* Charity

- clergy employed by, deduction re residence, 8(1)(c)

**Citizen**, *see* Canadian citizen**Civil Air Search and Rescue Association**

- volunteers, tax credit, 118.07

**Civil law**

- equally authoritative to common law, *Interpretation Act* 8.1, 8.2

**Civil marriage**, *see* Same-sex marriage**Civilian War Pensions and Allowances Act**

- pension under, exempt, 81(1)(d)

**Claim liability**

- defined (insurance policy reserves) [repealed], Reg. 1408(1)

**Claim preparer (SR&ED claim)**

- defined, 162(5.3)
- penalty for not disclosing, 162(5.1)
- requirement to disclose fees of, 37(11)(b)

**Claim preparer information (SR&ED claim)**

- defined, 162(5.3)
- penalty for not disclosing, 162(5.1)
- requirement to disclose, 37(11)(b)

**Claim year**

- defined, 152(6.1)(b)

**Claims, unpaid**, *see* Insurance corporation: reserve: unpaid claims; Insurance corporation: unpaid claims reserve adjustment**Class of animal**

- defined, Reg. 1802(5)

**Class of beneficiaries**

- defined, for employee life and health trusts, 144.1(1)

**Class of shares**

- includes series, 248(6)

**Classes of property**, *see* Capital cost allowance**Classification society**

- defined, Reg. 3600(2)

**Clawback**

- capital cost allowance, *see* Recapture
- deduction from income for, 60(w)
- disposition of labour-sponsored funds share, 211.8(1)
- old age security, 180.2
- unemployment benefits, deduction, 60(v.1)

**Clean ammonia**

- defined, for clean hydrogen tax credit, 127.48(1)

**Clean ammonia equipment**

- defined, for clean hydrogen tax credit, 127.48(1)

**Clean economy allocation provision**

- defined, 127.47(1)

**Clean economy expenditure**

- defined, 127.47(1)

**Clean economy provision**

- defined, 127.47(1)

**Clean economy tax credit**

- defined, 127.47(1)

**Clean electricity property (for clean electricity credit)**

- defined, 127.491(1), (34)–(37)
  - Dept. of Natural Resources technical guide applies, 127.491(37)
  - disqualified if local environmental laws not complied with, 127.491(34)
  - reasonable efforts to comply with emission and energy requirements, 127.491(35)
  - separate projects for discrete phases, 127.491(36)

**Clean electricity tax credit (investment tax credit)**, 127.491

- allowed as refundable credit, 127.491(2)
- amalgamation, effect of, 87(2)(qq.1)
- amount of credit, 127.491(1) "clean electricity investment tax credit", "specified percentage"
- assistance reduces credit, 127.491(10)(c), 127.491(14)
- conversion to ineligible use, export or sale, recapture, 127.491(17)–(19)
- deadline for filing claim, 127.491(7), 220(2.2)
- deducted from tax or refunded, 127.491(2)–(4), (11)
- deemed to be government assistance for ITC rules, 127.491(1) "government assistance"
- defined, 127.491(1)
- depreciable property acquired before change of control, 13(24), (25)
- disposition of property, recapture, 127.491(17)–(19)
- expenditures unpaid after 180 days, 127.491(15)
- export of property, recapture, 127.491(17)–(19)
- government assistance reduces credit, 127.491(10)(c), 127.491(14)
- instalments reduced to reflect credit, 157(3)(e), 157(3.1)(c)
- investment tax credit, 127.491(2)

**Clean electricity tax credit (investment tax credit) (*cont'd*)**

- late filing, 127.491(7), 220(2.2)
- partnership, allocation to partners, 127.491(13)
- • ACB of partnership interest, 53(1)(e)(xiii), 53(2)(c)(vi.5)
- • limited partners, rules, 96(2.1)(b)(ii), 127.47
- • recovery and recapture rules, 127.491(24)–(28)
- • unreasonable allocation, 127.47(2)
- payable to claimant, 127.491(2)–(4)
- purpose of credit, 127.491(38)
- refundable credit, 127.491(2)
- tax shelter investment, credit denied, 127.491(16)
- unpaid portion of purchase price after 180 days, 127.491(15)
- who can claim, 127.491(1)“qualifying entity”
- windup, effect of, 88(1)(e.31)

**Clean energy investments, Reg. Sch. II:Cl. 43.1****Clean hydrogen**

- defined, for clean hydrogen tax credit, 127.48(1)
- investment tax credit, 127.48, *see also* Clean hydrogen tax credit (investment tax credit)

**Clean hydrogen project**

- defined, for clean hydrogen tax credit, 127.48(1)

**Clean hydrogen project plan**

- defined, for clean hydrogen tax credit, 127.48(1)

**Clean hydrogen tax credit (investment tax credit), 127.48**

- allowed as refundable credit, 127.48(2)
- amalgamation, effect of, 87(2)(qq.1)
- amount of credit, 127.48(1)“clean hydrogen investment tax credit”, “specified percentage”
- assistance reduces credit, 127.48(10)(c)
- change in carbon intensity, recapture of credit, 127.48(18)–(24)
- conversion of property to non-hydrogen use or sale, recapture, 127.48(18)–(24)
- deadline for filing claim, 127.48(4), 220(2.2)
- deducted from tax or refunded, 127.48(2), (3)
- deemed to be government assistance for ITC rules, 127(9)“government assistance”
- defined, 127.48(1)
- depreciable property acquired before change of control, 13(24), (25)
- disposition of property, recapture, 127.48(21)–(24)
- expenditures unpaid after 180 days, 127.48(13)
- export of property, recapture, 127.48(21)–(22)
- government assistance reduces credit, 127.48(10)(c)
- instalments reduced to reflect credit, 157(3)(e), 157(3.1)(c)
- investment tax credit, 127.48(2)
- late filing, 127.48(4), 220(2.2)
- partnership, allocation to partners, 127.48(12)
- • ACB of partnership interest, 53(1)(e)(xiii), 53(2)(c)(vi.3)
- • limited partners, rules, 96(2.1)(b)(ii), 127.47
- • recovery and recapture rules, 127.48(25)–(28)
- • unreasonable allocation, 127.47(2)
- payable to taxpayer, 127.48(2)
- purpose of credit, 127.48(31)
- refundable credit, 127.48(2)
- tax shelter investment, credit denied, 127.48(14)
- unpaid portion of purchase price after 180 days, 127.48(13)
- windup, effect of, 88(1)(e.31)

**Clean technology investment tax credit, 127.45**

- allowed as refundable credit, 127.45(2)
- amalgamation, effect of, 87(2)(qq.1)
- apprenticeship requirements, 127.46(5), (7)
- amount of credit, 127.45(1)“clean technology investment tax credit”
- assistance reduces credit, 127.45(5)(b)
- conversion of property to non-clean use, recapture, 127.45(11)–(14)
- deadline for filing claim, 127.45(3), 220(2.2)
- deducted from tax or refunded, 127.45(2), (6)

- deemed to be government assistance for ITC rules, 127(9)“government assistance”
- defined, 127.45(1)
- depreciable property acquired before change of control, 13(24), (25)
- disposition of property, recapture, 127.45(11)–(14)
- export of property, recapture, 127.45(11)–(14)
- government assistance reduces credit, 127.45(5)(b)
- instalments reduced to reflect credit, 157(3)(e), 157(3.1)(c)
- investment tax credit, 127.45(2)
- labour requirements, 127.46(3), (6)
- late filing, 127.45(3), 220(2.2)
- partnership, allocation to partners, 127.45(8), 127.47
- • ACB of partnership interest, 53(1)(e)(xiii), 53(2)(c)(vi.2)
- • limited partners, rules, 96(2.1)(b)(ii), 127.47
- • unreasonable allocation, 127.47(2)
- payable to taxpayer, 127.45(2)
- purpose of credit, 127.45(19)
- refundable credit, 127.45(2)
- tax shelter investment, credit denied, 127.45(10)
- unpaid portion of purchase price after 180 days, 127.45(9)
- windup, effect of, 88(1)(e.31)

**Clean technology manufacturing, *see* CTM investment tax credit (Clean technology manufacturing investment tax credit)****Clean technology property**

- defined, for clean technology investment tax credit, 127.45(1)

**Clear days**

- calculation of, *Interpretation Act* 27(1)

**Clearance certificate, 159(2)**

- failure to obtain, 159(3)

**Clearing or levelling farm land**

- cost deductible, 30

**Clergy**

- allowance received by, deduction, 6(1)(b)(vi)
- residence, expense deductible, 8(1)(c)
- • employer’s certificate required, 8(10)
- travelling allowance not taxable, 6(1)(b)(vi)

**Clerical or secretarial services**

- no liability for penalty for misrepresentation, 163.2(9)
- no liability for penalty for section 160 avoidance planning, 160.01(3)
- no requirement to report reportable transaction, 237.3(4)

**Client**

- defined, for international electronic funds transfer reporting, 244.1
- privilege, *see* Solicitor-client privilege

**Climate Action Incentive, *see* Canada Carbon Rebate****Climate risk disclosure report**

- requirement to publish if claiming CCUS tax credit, 211.93(1)(b)
- • contents of, 211.93(1)(b)(i), (ii)
- • penalty for failure to publish, 211.93(5)
- • publication on company’s website, 211.93(2)

**Closing business, *see* Ceasing to carry on business****Closely held corporation**

- defined, for non-resident trust rules, 94(1)

**Club**

- country club, no COVID extended tourism relief, Reg. 8901.1(2)(b)(ix)(B)
- dues, no deduction, 18(1)(l)(ii)
- exemption for, 149(1)(l), 149(2)
- • deemed a trust, 149(5)
- information return required, 149(12)

**Coaching services, *see* Job coaching services****Coal, *see also* Mineral resource**

- flow-through shares eliminated after March 2023, 66(12.6)(b.2)
- included in definition of “mineral”, 248(1)

**Coal** (*cont'd*)

- mine, allocation of depletion allowance, 65(3)

**Coal mine operator**

- defined, Reg. 1104(2), 1206(1)
- services rendered by, Reg. 1104(6.1), 1204(3)(c)

**Cobalt**, *see* Critical mineral**Cod fishermen**, *see* Fishing: compensation programs**Cogeneration**

- energy systems, Reg. Sch. II:Cl. 43.1(c)(i)

**Cohabiting spouse or common-law partner**

- death of, notice to CRA required, 122.62(5)(a)
- defined, 122.5(1), 122.6, 122.7(1), 122.8(1)
- person becoming, notice to CRA required, 122.62(7)(a)
- separation from, notice to CRA required, 122.62(6)(a)

**Collateralized preferred shares**

- restriction on dividend deductibility, 112(2.4)

**Collection agreement**

- application of payments under, 228

**Collection-commencement day**

- defined, 225.1(1)

**Collection of tax**, 222–229

- acquisition of tax debtor's property, 224.2
- by Internal Revenue Service, Canada-U.S. Tax Treaty:Art. XXVI-A
- debt to Her Majesty, as, 222(2)
- deduction or set-off, by, 224.1
- garnishment, 224
- in jeopardy, 164(1.2)–(1.31)
- • • • proceedings, 225.2
- • • • judge's powers, 225.2(11), (12)
- • • • judicial review of authorization, 225.2(8)–(11)
- • • • no appeal therefrom, 225.2(13)
- interference with official, 231.51
- limitation period, 10 years, 222
- payment of moneys seized from tax debtor, 224.3
- requirement to disclose information, 231.2(1)
- requirement to provide foreign-based document, 231.6(1)
- restricted while objection or appeal underway, 225.1
- seizure of chattels, 225
- taxpayer leaving Canada or defaulting, 226

**College**, *see* Tuition fees; University**Collins case overruled**, 143.4**Colostomy pads, as medical expense**, 118.2(2)(i)**Combustion turbine**

- capital cost allowance, Reg. Sch. II:Cl. 48

**Comfort letters**, *see* Table of Comfort Letters**Commencement**

- defined, *Interpretation Act* 35(1)

**Commencement day**

- child support not deductible or taxable if agreement made or varied after, 56(1)(b)B, 60.1(b)B
- defined, 56.1(4), 60.1(4)

**Commercial debt obligation**, *see also* Commercial obligation

- deemed issued where amount designated following debt forgiveness, 80.03(7)(b)(i)
- defined, 80(1), 80.01(1), 80.02(1), 80.03(1)(a), 80.04(1)
- exchanged for other commercial debt obligation, 80(2)(h)
- issued by partner, 80(2)(n)
- issued by partnership, 80(15)
- joint liability for, allocation, 80(2)(o)
- settled by deceased's estate, 80(2)(p), (q)

**Commercial obligation**, *see also* Commercial debt obligation

- debt forgiveness
- • • defined, 80(1), 80.01(1), 80.02(1), 80.03(1)(a), 80.04(1)
- • • disposition of in exchange for another issued by same person, 40(2)(e.2)

- • • addition to adjusted cost base, 53(1)(f.12)
- foreign tax credit
- • defined, 126(7)

**Commercial traveller**, *see* Salesperson**Commission**

- mutual fund, limited partnership financing, 18.1
- unearned, reserve for, 32
- withholding tax, 153(1)(g), Reg. 102(2), (5)

**Commission agent**

- deductions, 8(1)(f)
- • automobile or aircraft costs, 8(1)(j), 8(9), 13(11)
- • certificate of employer, 8(10)

**Commissioner of Revenue**

- appointed, *Canada Revenue Agency Act* s. 25
- authorized to exercise powers of Minister, 220(1)

**Commitment time**

- defined, 20.3(1)“weak currency debt”

**Committee, return by**, *see also* Legal representative

- deemed to be legal representative, 248(1)“legal representative”
- obligations of, 159
- return required by, 150(3)

**Common carrier**

- railway assets, capital cost allowance, Reg. 1100(1)(z.1c), 1101(5d.2), Reg. Sch. II:Cl. 35

**Common law**

- equally authoritative to civil law, *Interpretation Act* 8.1, 8.2

**Common-law partner**, *see also* Spouse

- defined, 248(1)
- transfer of property to, 160(1)

**Common-law spouse**, *see* Common-law partner**Common question**

- appeal of one taxpayer binding on others, 174

**Common Reporting Standard**, 270–281

- definitions, 270(1)
- financial institution due-diligence requirements, 272–277
- financial institutions required to report non-residents' accounts, 271, 278
- • • excluded accounts, 270(1)“excluded account”, Reg. 9006
- prescribed excluded accounts, Reg. 9006
- prescribed non-reporting financial institutions, Reg. 9005

**Common share**, *see also* Share

- consideration for property transferred to corporation, 85(1)(h)
- defined
- • for small business investment capital gain rollover, 44.1(1)
- • generally, 248(1)

**Commonwealth**

- defined, *Interpretation Act* 35(1)

**Communal organization**

- definitions, 143(4)
- election to allocate gifts to members, 143(3.1)
- rollover to new trust, 248(1)“disposition”(f)(vi)
- rules re, 143(1)
- specification of member of family, effect of, 143(5)
- taxable income, election re, 143(2), (3)

**Communication of information (by CRA)**, 241

- Canada Child Benefit, 241(4)(j.2); Reg. 6500
- charities and RCAAAs, regarding, 149.1(15), 241(3.2)
- offence of unauthorized use or disclosure, 239(2.2)–(2.22)
- police officer, to, 241(4)(p)
- prohibition against, 241(1), (2)
- statistical purposes, 241(1)(d)(ix), 241(4)(e)(x), 241(4)(o)

**Community Development bonds, eligible for RRSP investment**, Reg. 4900(1)(i.1)



**Community Economic Development Corporation (Nova Scotia)**

- qualified investment for deferred income plans, Reg. 4900(1)(i.11)

**Community Heroes benefit**

- tax-free benefit to families, 81(1)(j)

**Commutation of annuity**

- direct transfer to RRIF, 147.4(5)
- payment on, source withholding, 153(1)(f)

**Commutation of benefits, pension plan**, Reg. 8503(2)(m), (n), 8503(2.1)

- insolvent employer
- • rollover to RRSP, 146(5.2), (5.201)
- • transfer to another RPP, Reg. 8517(3)–(3.02)

**Commuter to United States**

- charitable gifts, 118.1(9)
- child care expenses, 63(4)
- retirement plan contributions, Canada-U.S. Tax Treaty:Art. XVIII:14
- tuition credit, 118.5(1)(c)
- • transfer of, to supporting person, 118.9(1)

**Compact discs**, *see* Audio tapes or CDs**Companies' Creditors Arrangement Act**

- provisions override third-party garnishment, 224(1.2)

**Company**, *see also* Corporation

- defined, Canada-U.S. Tax Treaty:Art. III:1(f)

**Compensation**

- capital property, for, 54“proceeds of disposition”
- certain payments exempt, 81(1)(d)
- cod fisherman *see* Fishing: compensation programs
- defined for RPP purposes, 147.1(1), Reg. 8507
- depreciable property, for, 13(21)“proceeds of disposition”
- from Federal Republic of Germany, exempt, 81(1)(g)
- limits pension contribution, 147.1(8), (9)
- payment, *see* Securities lending arrangement: compensation payment
- taxable, 5, 6, 9
- to customer or client, trust income exempt, 149(1)(w)

**Compete, agreement not to**, *see* Restrictive covenant (or non-competition payment)**Competent authority**

- agreement based on tax treaty deemed valid, 115.1
- arbitration of disputes, Canada-U.S. Tax Treaty:Art. XXVI:6
- defined, Canada-U.S. Tax Treaty:Art. III:1(g); Canada-U.K. Tax Treaty:Art. 3:1(f)
- exchange of information, Canada-U.S. Tax Treaty:Art. XXVII
- mutual agreement procedure, Canada-U.S. Tax Treaty:Art. XXVI

**Complaint**, *see* Information or complaint**Complete period of reduced services**

- defined, Reg. 8300(1)

**Completion**

- defined, Reg. 1104(2)
- of a specified oil sands mine development project, defined, 66.1(6)
- of a specified development phase of a taxpayer's oil sands project, defined, Reg. 1104(2)

**Completion date (for qualifying home under Home Buyers' Plan)**

- defined, 146.01(1)

**Compliance order**, *see also* Notice of non-compliance

- after conviction of offence, 238(2)
- compliance with audit or demand, 231.7
- • penalty of 10% of each year's federal tax if issued, 231.7(6), (7)
- • • assessment of penalty, no deadline, 231.7(9)
- • time contesting, not to count for reassessment clock, 231.8(1)(d)

**Compliance period**

- defined
- • for clean electricity credit, 127.491(1)
- • for clean hydrogen tax credit, 127.48(1)

**Compound interest**

- deduction for, 20(1)(d)
- late payments and refunds, 248(11)

**Compression equipment**

- capital cost allowance, Reg. Sch. II:Cl. 7(j), Sch. II:Cl. 7(k)

**Computation of income, 3**

- amalgamation, on, 87(2)(c)
- deductions, *see* Deductions in computing income; Deductions in computing income from business or property; Deductions in computing income from office or employment
- insurance corporation, 138(1)–(6), (9)
- limitation re inclusions and deductions, 248(28)
- non-resident insurer, 138(11.91)
- • where insurance business transferred, 138(11.92)

**Computation of tax**, Reg. Part I

- corporations, 123–125.1
- deductions, *see* Deductions in computing tax
- individuals, 117–122.91
- • rates, 117(2)
- Part I
- • non-resident individual, 118.94

**Computer**

- accounting records kept on, retention requirement, 230(4.1)
- • exemption, 230(4.2)
- capital cost allowance
- • general, Reg. Sch. II:Cl. 50
- • “general-purpose electronic data processing equipment” defined, Reg. 1104(2)
- • manufacturing and processing equipment, Reg. Sch. II:Cl. 29
- • network equipment, *see* Data network infrastructure equipment
- • separate class for each property, Reg. 1101(5p)
- excluded from apprentice vehicle mechanics' deduction, 8(6)(b)(iv)
- excluded from tradesperson's tools deduction, 8(6.1)(d)
- filing by, *see* Electronic filing
- software, *see* Software

**Computer cart**

- disability supports deduction, 64(a)A(ii)(T)

**Computer-operating aids for blind person**

- disability supports deduction, 64(a)A(ii)(C)
- medical expense credit, Reg. 5700(o)

**Computer software**, *see also* Software

- defined, Reg. 1104(2)

**Computer software tax shelter property [repealed]**, *see* Computer tax shelter property**Computer tax shelter property**

- CCA claims limited to income from property, Reg. 1100(20.1)
- defined, Reg. 1100(20.2)
- excluded from leasing property rules, Reg. 1100(17)(b)
- separate class, Reg. 1101(5r)

**Concentrated solar energy equipment**

- defined, for clean technology investment tax credit, 127.45(1)

**Concerts relief (COVID)**, Reg. 8901.1(2)(b)(iv), *see also* Qualifying tourism or hospitality entity**Concession**

- capital cost allowance, Reg. 1100(1)(c), 1100(9), Reg. Sch. II:Cl. 14
- exchange of, election, 13(4.2), (4.3)

**Concessional loan**, *see* Excluded loan

**Concrete finisher**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Conditional sale, repossession,** *see* Surrender: of property to creditor

**Conditions**

- defined, for transfer pricing rules, 247(1.4)

**Condominium,** *see* Home

**Condominium corporation,** 149(1)(l)

**Confederation Life failure**

- group disability insurance top-up payments, 6(17), (18)
- reimbursement payment to employer, 8(1)(n.1)

**Confidential protection**

- defined, for reportable transaction rules, 237.3(1)

**Confidentiality,** *see* Communication of information (by CRA); Solicitor-client privilege

**Congregation,** *see* Communal organization

**Connected,** *see also* Connected person

- contributor, *see* Connected contributor
- defined
  - for Part IV tax, 186(4)
  - extended definition applies to other provisions, 186(7)
  - for registered pension plans, Reg. 8500(3)
  - for shareholder loans, 15(2.1)
- partnership, *see* Connected partnership
- person, *see* Connected person
- shareholder, *see* Connected shareholder

**Connected affiliate**

- defined, for foreign affiliate dumping rules, 212.3(16)(b)(ii)

**Connected contributor**

- defined, 94(1)

**Connected partnership**

- defined
- for FAPI stub-period rules, 91(1.3)

**Connected person**

- defined
- for deferred income plan qualified investments, Reg. 4901(2)
- for FAPI stub-period rules, 91(1.3)
- for straddle transaction rules, 18(17)“offsetting position”

**Connected person or partnership**

- defined, for upstream loan rules, 90(4)

**Connected shareholder**

- defined, Reg. 4901(2)–(2.2)

**Conservation,** *see* Energy: conservation property

**Conservation of the environment,** *see* Ecological gifts

**Consequence of the death of an individual**

- meaning of, 248(8)

**Consideration,** *see also* Inadequate consideration

- defined, for digital platform operator reporting rules, 282(1)
- unreasonable
  - from non-resident, 247
  - rent, royalty, etc.
    - non-resident, paid by, 247
    - non-resident, paid to, 247
- whether trust interest acquired for consideration, 108(7)

**Consolidated financial statements**

- defined
- for alternative interest-deduction restrictions, 18.21(1), (4)
- for country-by-country reporting, 233.8(1)
- for stock option limits, 110(0.1), 233.8(1)
- for uncertain-tax-treatment rules, 237.5(1)

**Consolidated group**

- defined, for alternative interest-deduction restrictions, 18.21(1), (4)
- anti-avoidance rule, 18.21(6)

- of foreign affiliates, surplus calculations, Reg. 5907(1.1)

**Consolidated net surplus rules**

- transitional (for FAPI), 92(1.2)–(1.5)

**Consolidation (of shares)**

- effect on stock option rules, 110(1.5)

**Consolidation accounting method**

- prohibited for debt forgiveness reserve, 61.3(1)(b)C(i)
- prohibited for purposes of Act, 248(24)

**Consoltex Inc. case overruled,** 127(27)

**Constituent entity**

- defined, for country-by-country reporting, 233.8(1)

**Constitutionality of Income Tax Act,** 2(1) (Notes)

**Construction activities**

- defined, Reg. 238(1)
- information return required, Reg. 238(2)

**Construction and completion knowledge sharing report**

- requirement to publish for CCUS credit, 211.92(1)“knowledge sharing report”(a), 211.92(1)(a)

**Construction contracts**

- information return, Reg. 238

**Construction electrician**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Construction equipment**

- “qualified” defined, 127(9)

**Construction job site**

- travel to, by tradesperson or apprentice, deduction, 8(1)(q.1)

**Construction of building**

- home for disabled person, medical expense, 118.2(2)(1.21)
- soft costs, rules, 18(3.1)–(3.7), 20(29)

**Construction work camp**

- deduction for meals at, 67.1(2)(e.1)
- exemption for board, lodging and transportation, 6(6)

**Constructive receipts**

- indirect payments, 56(2)

**Consul,** *see* Diplomat

**Consumer goods or services**

- defined, 135(4), Reg. 4901(2)

**Consumer Price Index**

- defined, Reg. 8500(1)

**Consumer Price Index adjustment,** *see* Indexing (for inflation)

**Consumer’s Gas case overruled,** 12(1)(x)

**Contact information**

- defined, re disclosure of taxpayer information, 241(10)
- disclosure of, 241(4)(l)

**Containers**

- deposit received for, income, 12(1)(a)(ii)
- repayment of, deductible, 20(1)(m.2)
- reserve for, deductible, 20(1)(m)(iv)

**Contemplated shareholder**

- defined, for shareholder-benefit rules, 15(1.4)(a)

**Contemporaneous documentation**

- required for transfer pricing audit purposes, 247(4)

**Contiguous zone**

- defined, *Interpretation Act* 35(1)

**Continental Bank of Canada case overruled re Crown raising new issue on appeal,** 152(9)

**Continental shelf**

- application of legislation to, *Interpretation Act* 8(2.2)
- defined, *Interpretation Act* 35(1)

**Contingency funds,** Reg. 3202

**Contingent amount**

- defined, 143.4(1)
- excluded from expenditures, 143.4(2)

**Contingent liability**

- limitation on deductibility, 18(1)(e), 143.4(2)

**Continuance outside Canada**, 219.1, 250(5.1)

- treaty rule, Canada-U.S. Tax Treaty:Art. IV:3

**Continuity**

- previous version of Act, ITAR 75, 77

**“Contra” interest**

- on instalment payments, 161(2.2)

**Contract**

- annuity, *see* Annuity contract
- employment, consideration for entering into, 6(3)
- investment, *see* Investment contract
- life annuity, 148(10)
- payments under, combined income and capital, 16(1)
- pension plan, under, 254
- person employed to negotiate
  - expenses incurred, deduction, 8(1)(f)
  - certificate of employer, 8(10)
- rectification of, 169(1) (Notes)

**Contract payment**

- by federal government or Crown corporation, information return, Reg. 237
- defined, 127(9), (25)
- included in income, 9(1), 12(1)(x)
- paid, not counted as qualifying for ITC, 127(18)
- prescribed amount, Reg. 4606

**Contract to provide information to CRA**, *see* Informant payments (for leads on international tax evasion)**Contractors’ movable equipment**, Reg. Sch. II:Cl. 10(h), Sch. II:Cl. 22, Sch. II:Cl. 38**Contractual protection**

- defined, for reportable transaction rules, 237.3(1)

**Contractual service margin**

- defined
  - for determining insurer’s capital, 138(12), 181(2), Reg. 8600
  - for insurers’ IFRS transition rules, 138(12), Reg. 2400(1)
  - for insurers’ policy reserves, Reg. 1408(1)
  - for Part VI tax on financial institutions, 190(1)

**Contravene**

- defined, *Interpretation Act* s. 35(1)

**Contributed property****Contributed surplus**

- addition to adjusted cost base, 53(1)(c)
- calculation of, 84(10), (11)
- conversion into paid-up capital
  - amalgamations, 87(2)(y)
  - no dividend deemed, 84(1)(c.1)–(c.3)
  - restrictions, 84(10)

**Contribution**

- charitable, *see* Gifts and donations (charitable)
- defined
  - for non-resident trusts, 94(1), 94(2)(s)–(u)
  - for political contributions, Reg. 2002(1)
- political, *see* Political contribution
- to RESP, defined to exclude CESG, 146.1(1)

**Contributor**

- defined
  - for affiliated-person rules, 251.1(3)
  - for non-resident trusts, 94(1)
  - re disposition to trust, 107.4(1)

**Control of corporation**, 112(6)(b), 256(1.2), *see also* Associated corporations

- 75% of value counting as control, 256.1
- acquired after beginning of year, investment tax credit, 127(9.2)
- acquired before end of year, investment tax credit, 127(9.1)
- acquisition of, *see also* change of (below)

- because of death, effect on windup, 88(1)(d.3)
- deemed time of, 256(9)
- exceptions, 256(7)(a)
- amalgamation deemed not acquisition of, 88(4)
- certain shares excluded from fair market valuations, 256(1.6)
- change of, *see also* Loss restriction event
- adjusted cost base of non-depreciable capital property, 53(2)(b.2)
- adventure in the nature of trade, inventory writedown, 10(10)
- application of unused surtax credit, 190.1(6)
- bad debts non-deductible, 111(5.3)
- business investment losses, 111(8)“net capital loss”C(b)
- Canadian resource expenses, reduction of, 66.7(12)
- Canadian resource property acquired within 12 months, 66(11.4), (11.5)
- capital dividend account set to zero, 89(1.1)
- change in trustees of trust controlling corporation, 256(7)(i)
- charitable donations, 110.1(1.2)
- debt forgiveness rules, 80(1)“relevant loss balance”(d), (e)
- deductions for previously disallowed pregnant losses, 13(21.2)(e)(iii)(D), 14(12)(f) [before 2017], 18(15)(b)(iii), 40(3.4)(b)(iii)
- deemed year-end, 249(4)
- depreciable property acquired in 12-month period, 13(24), (25)
- election re cost of capital property, 111(4)(e)
- exploration and development expenses, 66(11.4), (11.5)
- foreign affiliates owned by corporation, Reg. 5905(5.2)
- foreign currency debt, gain or loss, 40(10), (11), 111(12), (13)
- foreign resource property acquired within 12 months, 66(11.4), (11.5)
- inventory writedown for adventure in the nature of trade, 10(10)
- investment tax credit, 127(9.1), (9.2)
- loss carryover rules, 111(4)–(5.5)
- anti-avoidance provision, 111(5.5)(b)
- losses, deductibility, 111(5)–(5.4)
- meaning of, 256(6)–(9), 256.1
- NISA Fund No. 2 deemed paid out, 12(10.4)
- net capital loss non-deductible, 111(4)
- non-depreciable capital property, rules re, 111(4)(c)–(e)
- non-successor acquisitions of resource properties, 66.7(15)
- resource expenses, 66.7(10), (11)
- scientific research and experimental development expenses, 37(1)(h), 37(6.1)
- superficial loss rule inapplicable, 54“superficial loss”(f)
- windup, 88(1)(c.3), (c.6)
- within 12 months of incorporation, 66(11.5)
- corporation without share capital, 256(8.1)
- deemed not acquired, 256(7)
- defined
  - directly or indirectly, 256(5.1)
  - for associated corporation rules, 256(6)
  - for Part IV tax, 186(2)
  - for stop-loss rules, 112(6)(b)
  - in fact, 256(5.1)
  - option, by, 251(5)(b)
  - related groups, by, 251(5)(a)
  - specified class of shares, defined, 256(1.1)

**Controlled corporation**, *see also* Corporation

- meaning, 256(5.1)

**“Controlled, directly or indirectly”**

- meaning, 256(5.1)

**Controlled foreign affiliate**, *see also* Foreign affiliate

- defined, 95(1), 248(1), Reg. 5907(1)
- for loan by corporation to non-resident, 17(15)
- non-resident trust deemed to be, 94.2(2)

**Controlled foreign affiliate (*cont'd*)**

- eligible, *see* Eligible controlled foreign affiliate
- income earned by, taxed, 91(1), *see also* Foreign accrual property income
- payment to, for services, constitutes FAPI, 95(2)(b)

**Controlled foreign company tax regime**

- defined, for hybrid mismatch arrangement rules, 18.4(1)

**Controlling individual**

- of RRSP, RRIF, TFSA, RESP or RDSP, defined, 207.01(1)
- tax on, 207.04(1), 207.05(1)

**Controlling persons**

- defined, for Common Reporting Standard, 270(1)

**Convention, *see* Tax treaty****Convention expenses**

- deductible, 20(10)
- • where fee includes meals, 67.1(3)
- disallowed as R&D expense, Reg. 2902(a)(i)(F)
- held in United States, Canada-U.S. Tax Treaty, Canada-U.S. Tax Treaty:Art. XXV:8

**Convention organizer relief (COVID), Reg.**

- 8901.1(2)(b)(xx)(A), *see also* Qualifying tourism or hospitality entity

**Convention refugee, *see* Refugee****Conventional lands**

- defined, 1206(1)

**Conversion**

- benefit, *see* Conversion benefit
- bond, deemed cost of, 51.1
- debt into debt (commercial debt obligation), 80(2)(h)
- debt into shares, 51, 80(2)(g), (g.1)
- provincial life insurance corporation to mutual, 139
- shares into other shares, 86(1)
- vessel, of
- • defined, 13(21)“appropriate minister”, “conversion” and “conversion cost”

**Conversion benefit**

- defined, for insurance demutualization, 139.1(1)
- flow-through by employer to employee, 139.1(16)
- taxable, *see* Taxable conversion benefit

**Conversion cost**

- vessel, of
- • deemed separate class, 13(14), (17)
- • defined, 13(21)“appropriate minister”, “conversion” and “conversion cost”

**Convertible debenture, *see* Convertible property****Convertible obligation, 51.1****Convertible property, 51; ITAR 26(24)**

- benefit conferred on non-arm's length person, 51(2)
- “gift portion” of, 51(2)

**Cook**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Cooling-off period**

- three years, labour-sponsored funds tax credit, 127.4(3)

**Cooperative corporation, 135, 136**

- investment tax credit, 127(6)
- paid-up capital of, 89(1)“paid-up capital”(b)
- patronage dividends, 135
- • deduction, 20(1)(u)
- • non-resident, to, 212(1)(g)
- scientific research tax credit, 127.3(5)
- share of, meaning, 248(1)“share”

**Coopers & Lybrand case overruled, 227(5)****Copper, *see* Critical mineral****Copy of document**

- can be used in court proceedings, 231.5, 244(9)

**Copyright**

- owner, *see* Copyright owner
- royalties paid to non-resident, exempt, 212(1)(d)(vi), 212(9)(b)
- • paid to U.K. resident, Canada-U.K. tax treaty Art. 12:3(a)
- • paid to U.S. resident, Canada-U.S. Tax Treaty:Art. XII:3(a)

**Copyright owner**

- defined, for film credit CCA rules, Reg. 1106(1), (12)
- effect on availability of film credit, Reg. 1106(1)“excluded production”(a)(iii)(A)

**Coronavirus, *see* COVID-19****Corporate distributions tax, 183.1****Corporate emigration, 219.1****Corporate information**

- defined, re disclosure of taxpayer information, 241(10)
- disclosure of, 241(4)(l)

**Corporate officers**

- accountability of, 242
- loans to, 80.4(1)

**Corporate partnerships**

- small business deduction, 125(6)

**Corporate surplus, *see* Surplus stripping****Corporate surtax (before 2008), 123.2****Corporate tax reduction, *see* Corporation: tax rate****Corporation**

- acquiring depreciable property
- • change of control in 12-month period, 13(24), (25)
- acquisition of control, *see* Control of corporation: change of
- acquisition of own shares, deemed dividend, 84(3)
- additional tax on excessive election, 184
- airline, taxable income earned in a province, Reg. 407
- allowance, re investment in property in Canada, 219(1)(j), Reg. 808
- amalgamation of, *see* Amalgamation
- annuity contract, interest in, 12.2
- appropriations of property by shareholders, 15(1), 69(4)
- • inadequate considerations, 69(5)
- appropriations to shareholders
- • on winding-up, deemed dividend, 84(2), (6)
- assets disposed of to, for shares
- • shares deemed capital property, 54.2
- associated, *see* Associated corporations
- bankrupt
- • exempt from Part IV tax, 186.1
- • rules applicable, 128(1)
- becoming or ceasing to be exempt, 149(10)
- • superficial loss rule inapplicable, 54“superficial loss”(g)
- becoming resident in Canada, 128.1(1)
- benefit conferred on shareholder, 15(1), (7)
- • deemed, 15(9)
- bus operators, taxable income earned in a province, Reg. 409
- buying back shares for excessive amounts
- • excess deemed dividend substitute, 183.1(3), (4)
- • “Canadian”
- • defined, 89(1)
- • “taxable” defined, 89(1)“taxable Canadian corporation”
- • winding-up of, rules, 88(2)
- Canadian-controlled private, defined, 125(7)
- cancellation of shares, 84(3), (6)
- ceasing to be resident in Canada, 128.1(4)
- change of control, *see* Control of corporation: change of
- charitable donations deduction, 110.1
- connected, 186(4)
- consolidation accounting method, prohibited, 248(24)
- continuance outside Canada, 219.1, 250(5.1)
- control of, *see* Control of corporation
- controlled, 186(2)
- • capital loss on property transferred to, 40(3.3), (3.4)



## Index

### Corporation (*cont'd*)

- • charitable foundation, by, 149.1(12)
- • disposition of shares of
  - • • amalgamation, 87(2)(kk)
- • exchanges of property, 44(7)
- • share for share exchange, 85.1(2)(b)
- • shares of, disposition of, 40(2)(h)
- cooperative, *see* Cooperative corporation
- Crown, *see* Crown corporation
- deduction from tax, *see* Deductions in computing tax
- deemed member of partnership, 125(6.1)
- deemed not resident, 250(5)
- deemed resident in Canada, 250(4)
- defined, 248(1), *Interpretation Act* s. 35(1)
- director of, *see* Director (of corporation)
- distributions, tax payable on, 183.1(2)
  - • exceptions, 183.1(6)
- divided business, Reg. 412
- dividend received by, 112
  - • dividend rental arrangements, no deduction allowed, 112(2.3)
  - • short-term preferred share, on, 112(2.3)
  - • where no deduction permitted, 112(2.1)–(2.9)
- emigration of, 219.1
- execution of documents, 236
- exempt, *see* Exempt corporation; Exemptions
- family farm or fishing, *see* Family farm or fishing corporation/partnership
- farm loss
  - • carryforward rules where control changed, 111(5)–(5.3)
- fiscal period of, 249.1(1)(a), 249.1(1)(b)(iii)
- foreign business corporation, *see* Foreign business corporation
- gifts made by
  - • capital property, election for lower proceeds, 110.1(2.1), (3)
  - • charitable, 110.1(1)(a)
  - • deduction for, 110.1(1)
  - • institution, to, 110.1(1)(c)
  - • partnership, by, 110.1(4)
  - • proof of, 110.1(2)
- grain elevator operators
  - • taxable income earned in a province, Reg. 408
- housing
  - • exemption, 149(1)(i), (n)
- immigration of, 128.1
- income of, defined, 125(7)“income of the corporation for the year from an active business”
- incorporated in Canada, defined, 248(1)“corporation”, “corporation incorporated in Canada”
- indirect payment to person paid through intermediary as proceeds of disposition of property, 183.1(5)
- information return
  - • by private corporation, under Part IV, 187(1)
- instalment payment of tax, 157(1), Reg. 5301
  - • “first instalment base” defined, 161(9)(b)
  - • insufficient, 161(2)
    - • • limitation, 161(4.1)
  - • “second instalment base” defined, 161(9)(b)
- insurance, *see* Insurance corporation
- interest
  - • accrued, 12(3)
  - • deduction by certain corporations, 18(4)–(8)
- investment, *see* Investment corporation
- issue of stock rights, 15(1)(c)
- joint exploration, *see* Joint exploration corporation
- large, tax on, *see* Large corporations tax (Part I.3)
- life insurance, *see* Life insurance corporation; Life insurer
- life insurance policy, interest in, 12.2
- loan by
  - • non-resident, from, 90(6)–(15)
  - • non-resident, to, 17
  - • persons connected with shareholder, to, 15(2)
  - • shareholder, to, 15(2)
    - • • between non-residents, 15(2.2)
    - • • from foreign affiliates, 90(6)–(15)
  - • wholly-owned subsidiary, to, 218
- loan to, attribution rules, 74.4
- manufacturing and processing, 125.1
- member of non-resident-controlled partnership
  - • specified partnership income deemed nil, 125(6.2)
- mortgage investment, 130.1
- municipal, exempt, 149(1)(d.5)
- mutual
  - • provincial life insurance corporation converted into, 139
- mutual fund, *see* Mutual fund corporation
- mutual insurance, exemption, 149(1)(m)
- net capital loss non-deductible if change in control of, 111(4)
- 90% or more owned subsidiary
  - • winding-up of, 88(1)
- non-arm’s length non-resident, transactions with
  - • extended reassessment period, 152(4)(b)(iii)
  - • return required, 233.1
  - • • offences and penalties, 162(10)
- non-capital loss
  - • carryforward rules where control changed, 111(5)–(5.4)
- non-profit
  - • exemption, 149(2)
  - • for scientific research and development
    - • • annual information return, 149(7)
    - • • exemption, 149(1)(j)
- non-resident, Reg. Part VIII
  - • branch tax, 219
  - • carrying on business in Canada, additional tax, 219
    - • • limitations on, 219.2
  - • taxable income earned in a province, Reg. 413
- officer of, prosecution for offence of corporation, 242
- paid-up capital, *see* Paid-up capital
- partner
  - • inclusion of income from partnership, 96(1)
  - • inclusion of stub-period income from partnership, 34.2(2)
- patronage dividend
  - • deduction, 135
- paying dividends on taxable preferred shares
  - • tax payable, 191.1(1)
- payment of tax, 157
  - • instalments, 157(1)
    - • • where instalments not required, 157(2.1)
- payments to shareholders or prospective shareholders, 15(1), (7)
- pension, exempt, 149(1)(o.1), (o.2)
- personal-use property of, 46(4)
- pipeline operators, taxable income earned in a province, Reg. 411
- powers vested in, *Interpretation Act* s. 21(1)
- predecessor, *see* Predecessor corporation
- preferred-rate amount
  - • credit union, 137(4.3)
- private, *see* Private corporation
- professional, *see* Professional corporation
- property appropriated to shareholder or prospective shareholder, 15(1), (7)
- provincial, exempt, 149(1)(d)–(d.4)
- provincial life insurance, converted into mutual, 139
- qualified small business, share of
  - • capital gains deduction, 110.6(2.1)
  - • defined, 110.6(1)
  - • related person, 110.6(14)
  - • rules re, 110.6(14)
- railway, *see also* Railway

## Index

### Corporation (*cont'd*)

- rates of tax, *see* Rates of tax
- real property rental etc.
- base level deduction, 18(2)(f), 18(2.2)
- receiving dividends on taxable preferred shares
- tax payable, 187.2
- redemption of shares, 40(3.6), 84(3), (6)
- reduction of paid-up capital, deemed dividend, 84(4), (4.1)
- related to another, 251(3)
  - deemed, on amalgamation, 251(3.1), (3.2)
  - transfer of liability for Part VI.1 tax, 191.3
  - where deemed not, 112(2.9)
- reorganization of business, *see* Reorganization
- residence of, 250(5)
  - corporate emigration, 219.1
  - extended meaning, 250(4)
- returns
  - to be filed, 150(1)(a), (e)
  - where none filed, 150(1)(e)
- rules applicable to, 123–125.1
- scientific research and development (non-profit)
  - annual information return, 149(7)
  - exemption, 149(1)(j)
  - rules as to income, 149(9)
- share-for-share exchange
  - computation of paid-up capital, 85.1(2.1)
- ship operators, taxable income earned in a province, Reg. 410
- small business deduction, 125
- small business investment, Reg. 5101(1)
  - exempt, 149(1)(o.3)
- spouse or minor, for
  - property transferred or loaned to
    - amalgamation, corporation continued on, 87(2)(j.7)
- status of certain corporations, ITAR 50, Reg. Part XLVIII
- “stop-loss” rule, 112(3)–(7)
- subject, 186
  - deemed private corporation, 186(5)
- subsidiary, *see* Subsidiary
- successor, *see* Successor corporation
- surtax (before 2008), 123.2
- tax abatement, 124
- tax on excessive capital dividend or capital gains dividend election, 184, 185
- tax on excessive eligible dividend designation, 185.1, 185.2
- tax rate, 123
  - abatements, 124
  - manufacturing or processing, 125.1
  - reductions (general), 123.4
  - small business deduction, 125
  - surtax (before 2008), 123.2
- taxable Canadian, defined, 89(1) “taxable Canadian corporation”
- taxable income earned in a province, Reg. Part IV
  - divided businesses, Reg. 412
- taxation year of, 249(1)(a), 249(3)
- thinly capitalized
  - interest not deductible, 18(4)–(6)
- transactions with non-resident, non-arm’s length persons
  - extended reassessment period, 152(4)(b)(iii)
  - information return, 233.1
  - offences and penalties re, 162(10)
- transfer of property to
  - attribution rules, 74.4
  - partnership, from, 85(2)
  - shareholder, from, 85(1)
    - eligible property, 85(1.1)
- truck operators, taxable income earned in a province, Reg. 409
- trust and loan, taxable income earned in a province, Reg. 405

- when “controlled”, 112(6)(b)
- wholly-owned subsidiary
  - defined, 248(1)
- without share capital, whether control acquired, 256(8.1)
- winding-up of
  - distribution deemed dividend, 84(2), (6)

### Corporation payment

- for acting services
- deferred payment by corporation to actor, 115(2.2)
- defined, 212(5.2)

### Corporeal property

- defined,
- *Quebec Civil Code*, art. 906 (energy)

### Corrections officer

- pension accrual to retire early, *see* Public safety occupation

### Corruption of public officials

- no deduction for, 67.5

### Cosmetic surgery

- disallowed as medical expense, 118.2(2.1)

### Cost, *see also* Adjusted cost base; Capital cost; Rollover

- acquisition, of
  - capitalized interest, 21
  - land, 18(2), (3.1)
    - included in inventory, 10(1.1)
  - non-arm’s length transaction, 69(1)(a), (c)
  - property owned Dec. 31/71, ITAR 26(3), (4)
  - taxpayer becoming resident of Canada, ITAR 26(10)
- amount, *see* Cost amount
- borrowed money, of, capitalized interest, 21
- depreciable property, 13(7.1)
- emissions allowance, of, 27.1(2)
- farm or fishing property transferred to child
  - *inter vivos*, 73(3.1)(e)
  - on death, 70(9.01)(b)(ii)
- gift, of, 69(1)(c)
- property after immigrating to Canada, 128.1(1)(c)
- property received from partnership, 98(3), (5)
- property seized for non-payment of debt, 79.1(6)
- property whose value included in income, 52
- share of corporation that becomes resident in Canada, 52(8)
- tax shelter investment, 143.2(6)

### Cost amount, *see also* Adjusted cost base

- defined
- for capital interest in a trust, 108(1)
- generally, 248(1)
- stock dividend, 52(3)

### Cost base of property, *see also* Adjusted cost base

- additions to, 53(1)
- adjustments to, 53
- deductions from, 53(2)
- “relevant” to foreign affiliate, 95(4)

### Cost of capital

- defined, 125.2(1), Reg. 5202, 5203(1), 5204

### Cost of labour

- defined, 125.2(1), Reg. 5202, 5203(1), 5204

### Cost of manufacturing and processing capital

- defined, Reg. 5202, 5204

### Cost of manufacturing and processing labour

- defined, Reg. 5202, 5204

### Cost of the particular property

- meaning of, for ITC recapture rules, 127(32)

### Costs, *see* Court: costs; Legal costs

### Costumes

- capital cost allowance for, Reg. Sch. II:Cl. 12(k)

### Counselling services

- investment, *see* Investment counselling fees

- Counselling services (*cont'd*)
- value of, not included in employee's income, 6(1)(a)(iv)
- Counterparty**
- affiliated, 112(2.32)(a)
  - affiliated specified, 112(2.32)(b)(ii)(A)(II)
  - meaning of, for synthetic equity arrangements, 112(2.34), 248(1)“synthetic equity arrangement”(a)(i)
  - specified, 112(2.32)(b)(ii)(A)(I)
- Countervailing duties**, *see* Anti-dumping duties or countervailing duties
- Countries**, *see* Prescribed countries
- Country club**, *see* Club
- Country-by-country report**
- defined, 233.8(3)
- Country-by-country reporting**, 233.8
- filing obligation, 233.8(3)
  - penalty for non-compliance, 162(7)(a)
- Country-specific foreign expenses**
- defined, for resource expenses of limited partner, 66.8(1)(a)(i)(D)
- Coupons**
- cashed for non-resident, tax and statement required, 215(2), 234
  - identification of, 240(2)
  - ownership certificate required, 234
  - stripped bond, *see* Stripped bond
- Court**, *see also* Judge
- appeal to, *see* Appeal; Tax Court of Canada
  - compliance orders
    - after conviction of an offence, 238(2)
    - re audit or demand for information, *see* Compliance order
  - costs
    - awarded against taxpayer, treated as debt owing, 222.1
- Court order for compliance**, *see* Compliance order
- Covenant**
- amount receivable for, on sale of property, 42
  - ecologically sensitive land, value when donated, 110.1(5), 118.1(12)
  - valuation applies for capital gains purposes, 43(2)
- Coverage**
- under life insurance policy, defined, Reg. 310, 1401(3)
- Covered entity**
- defined, for stock buyback tax, 183.3(1)
- Covered worker**
- defined, for labour requirements for ITCs, 127.46(1)
- Covid-19**, *see* COVID-19 (at beginning of ‘C’ entries)
- Craig case overruled**, 31(1)
- “Created by the taxpayer’s will”**
- meaning of, 248(9.1)
- Credit**, *see* Tax credits
- Credit rating agency**
- prescribed, Reg. 4900(2)
- Credit-related gains and losses, effect on securities held**, 142.4(7)B
- Credit union**, *see also* Financial institution
- “allocation in proportion to borrowing” defined, 137(6)
  - allocation of taxable dividends and capital gains, 137(5.1), (5.2)
  - amalgamation of, in Quebec, 87(2.3)
  - “bonus interest payment” defined, 137(6)
  - deemed not to be private corporation, 137(7)
  - defined, 137(6), 248(1)
  - deposit insurance corporation deemed not to be, 137.1(7)
  - disposition of Canadian security, 39(5)(b)
  - federal, *see* Federal credit union
  - general provisions, 137
    - member, defined, 137(6)
    - member’s income, 137(5)
    - paid-up capital of, 89(1)“paid-up capital”(b)
    - Requirement for Information, electronic delivery of, 231.2(1.1)
    - reserves
      - maximum cumulative, defined, 137(6)
    - share of, meaning, 248(1)“share”
    - small business deduction, 137(3), (4)
    - transitional, ITAR 58
- Credit union central**
- defined, for international electronic funds transfer reporting, 244.1
- Creditable United States tax**
- defined, 122.7(1)
- Creditor**, *see also* Loan
- acceleration clause exercised by, 20(1)(n)
  - defined, 79(1), 79.1(1), 80.01(3)
  - property acquired on foreclosure by, 79
  - seizure of property by, 79.1
  - surrender of property to, 79
- Creditor affiliate**
- defined
    - for foreign currency rules, 39(2.1)
    - application to FAPI, 95(2)(g.04)
    - for upstream loan rules, 90(6)
- Creditor partnership**
- defined, for upstream loan rules, 90(6)
  - application to FAPI, 95(2)(g.04)
- Credits**, *see* Tax credits
- Cremation services**, *see* Eligible funeral arrangement; Funeral services
- Crew**
- defined, Reg. 105.1(1)
- Crib death monitor, medical expense**, Reg. 5700(r)
- Criminal Injuries Compensation Board**
- payments exempt, 81(1)(q), Reg. 6501
- Criminal offences**, *see* Offences
- Criminal proceedings**
- secrecy provision not applicable, 241(3)
- Critical mineral**
- defined, 127(9)
  - tax credit, *see* Critical Mineral Exploration Tax Credit
- Critical Mineral Exploration Tax Credit**
- expenditures that qualify, 127(9)“flow-through critical mineral mining expenditure”
  - investment tax credit of 30%, 127(5)(a)(i), 127(9)“investment tax credit”(a.21)
    - carryforward or carryback, 127(9)“investment tax credit”(c)
    - reduction for assistance received, 127(11.1)(c.21)
- Croatia**, *see also* Foreign government
- universities, gifts to, Reg. Sch. VIII, s. 18
- Crop insurance program**, *see* Farm Income Protection Act; Drought or flood region
- Cross-border amalgamation**, 128.2
- Cross-border class**
- defined, for foreign affiliate dumping rules, 212.3(4)
  - anti-avoidance rule, 212.3(6)
- Cross-border purchase butterfly**, 55(1), (3.1), (3.2)
- Cross-border worker**, *see* Commuter to United States
- Crown**, *see also* Government
- corporation, *see* Crown corporation
  - death of, *Interpretation Act* s. 46
  - gifts to
    - by corporation, 110.1(1)(a), 149.1(1)“qualified donee”(d)
    - by individual, 118.1(1)“total charitable gifts”, 149.1(1)“qualified donee”(d)

## Index

### Crown (*cont'd*)

- not bound by legislation, *Interpretation Act* s. 17
- bound by deemed trust for tax withheld, 227(4.3)
- bound by garnishment orders, 224(1.4)
- bound by regulations requiring information returns, 221(3)
- bound by withholding tax requirements, 227(11)
- royalty, *see* Crown royalty

### Crown charge rebate

- included in income, 12(1)(x.2)

### Crown corporation

- bonds of, no non-resident tax on interest paid, 212(1)(b)(ii)(C)(IV)
- corporation controlled by, not private corporation, 89(1)“private corporation”
- debt held by federal government, excluded from capital tax, 181(1)“long-term debt”
- debt of, as qualified investment for RRSPPs etc., Reg. 4900(1)(q)
- deemed not private corporation for Part IV tax, 227(16)
- exemption for, 149(1)(d)–(d.4)
  - election to remain taxable, 149(1.11)
  - excluded where prescribed, 27(2)
- federal, prescribed, Reg. 7100
- prescribed, deemed not private corporation, 27(2)
- reporting of contract payments, Reg. 237
- subject to Part I tax, 27(2), 124(3)
- subject to Part I.3 tax, 181.71
- subject to Part IV.1 tax, 187.61
- subject to Part VI tax, 190.211
- subject to Part VI.1 tax, 191.4(3)
- transfer of unused resource expenses, 66.6

### Crown foundation

- donation to, 149.1(1)“qualified donee”(d)
- by corporation, deduction, 110.1(1)(a)
- by individual, tax credit, 118.1(1)“total charitable gifts”

### Crown royalty

- refund or rebate of, income inclusion, 12(1)(x.2)

### Cruise terminal relief (COVID), Reg. 8901.1(2)(b)(xvi), *see also* Qualifying tourism or hospitality entity

### Crutches

- as medical expense, 118.2(2)(i)

### Culpable conduct

- defined, for third-party penalty, 163.2(1)

### Cultural events relief (COVID), Reg. 8901.1(2)(b)(iv), *see also* Qualifying tourism or hospitality entity

### Cultural program for children, *see* Children’s Arts Tax Credit (pre-2017)

### Cultural property, *see also* Art; Canadian Cultural Property Export Review Board

- Canadian art, CCA claims allowed, Reg. 1102(1)(e)
- disposition of, 39(1)(a)(i.1)
  - by institution or public authority, tax on, 207.3
- excluded from capital gains rules, 39(1)(a)(i.1)
- fair market value, determination of, 118.1(10), (11)
- gift of
  - by corporation, 110.1(1)(c)
  - by individual, 118.1(1), (7.1)

### Culvert

- capital cost allowance for, Reg. Sch. II:Cl. 1(c)

### Cumulative CCUS development tax credit

- applied to generate tax credit, 127.44(2)(a)
- defined, 127.44(4)

### Cumulative Canadian development expense, *see also* Canadian development expense

- deduction for, 66.2(2)
- reduction of, on debt forgiveness, 80(8)(c)
- short taxation year, 66(13.1)

### Cumulative Canadian exploration expense, *see also* Canadian exploration expense

- deduction for, 66.1(2), (3)
- defined, 66.1(6)
- reduction of, on debt forgiveness, 80(8)(b)
- trust, of
  - reduced by investment tax credit, 127(12.3)

### Cumulative Canadian oil and gas property expense, *see also* Canadian oil and gas property expense

- deduction for, 66.4(2)
- defined, 66.4(5)
- reduction of, on debt forgiveness, 80(8)(d)
- short taxation year, 66(13.1)

### Cumulative eligible capital (pre-2017), 14 [repealed]; *see now* Goodwill

### Cumulative excess amount

- ALDA (advanced life deferred annuity)
  - defined, 205(1)
  - tax on, 205(2)
- RRSP contributions, 62
  - defined, 204.2(1.1)
  - tax on, 204.1(2.1)

### Cumulative foreign resource expense

- defined, 66.21(1)

### “Cumulative gains limit” defined, 110.6(1)

- computation, on amalgamation, 87(2)(pp)

### Cumulative net investment loss

- defined, 110.6(1)
- reduced by taxable capital gains where exemption not available, 110.6(1)“investment income”(f)
- reduces capital gains exemption available, 110.6(1)“cumulative gains limit”, 110.6(2)(b), 110.6(2.1)(b)

### Cumulative offset account

- computation, on amalgamation, 87(2)(pp)

### Cumulative reserve

- maximum, of credit union, 137(6)

### Cumulative unused excess capacity

- defined, for interest deduction restrictions, 18.2(1), 248(1)
- after change in control (loss restriction event), 111(5.01)
- transfer of to related corporation, 18.2(4)

### Curator, *see also* Legal representative

- deemed to be legal representative, 248(1)“legal representative”
- obligations of, 159
- return required by, 150(3)

### Currency, *see also* Foreign exchange

- blocked
  - income in, postponement of tax, 161(6)
- calculation of foreign affiliate’s gain or loss in, 95(2)(f)
- fluctuation, *see* Foreign exchange: fluctuations in

### Current amount (on disposition of specified debt obligation), *see also* Residual portion (on disposition of specified debt obligation)

- application of, 142.4(4)
- defined, 142.4(7)

### Current nature

- expenses required to be for SR&ED deduction, 37(1)(a)
- meaning of, 37(8)(d), 37(14)
- amounts that are not current expenses of recipient, 37(14), (15)

### Current reference period

- defined, for COVID-19 Canada Emergency Wage Subsidy, 125.7(1)

### Custodial account

- defined, for Common Reporting Standard, 270(1)

### Custodial institution

- defined, for Common Reporting Standard, 270(1)



**Custodian**

- of employee benefit plan
- defined, 248(1)“employee benefit plan”
- of eligible funeral arrangement
- defined, 148.1(1)
- repayment of funds by, taxable, 148.1(3), 212(1)(v)
- of property where solicitor-client privilege claimed
- defined, 232(1)
- of retirement compensation arrangement
- defined, 248(1)“retirement compensation arrangement”

**Custom Processing**

- treated as gross revenue from a mine, Reg. 1104(5.1)

**Customs Act**

- communication of information for enforcement of, 241(4)(d)(ii)

**Customs and Revenue Agency**, *see* Canada Revenue Agency**Cutlery**

- capital cost allowance for, Reg. 1100(1)(e), Reg. Sch. II:Cl. 12(b)

**Cutting rights**

- capital cost allowance, separate classes, Reg. 1101(3)

**Czech Republic**, *see also* Foreign government

- stock exchange recognized, 262
- universities, gifts to, Reg. Sch. VIII, s. 16

**D****DC**, *see* Distributing corporation**DFA**, *see* Derivative forward agreement**DIC**, *see* Deposit insurance corporation**DIIEP**, *see* Designated immediate expensing property**DLAD**, *see* Designated liquidation and dissolution**DPSP**, *see* Deferred profit sharing plan**DQ**, *see* Disbursement quota (of charity)**DRA**, *see* Dividend rental arrangement**DRA share**

- defined, 248(1)

**DRD**, *see* Dividend received deduction**DRIP**, *see* Dividend reinvestment plan**DSLP (Deferred salary leave plan)**, *see* Sabbatical arrangement**DTC**, *see* Disability tax credit; Dividend tax credit**DVD**, *see* Digital video disk (DVD)**Daily compounding of interest**, 248(11)**Dairy, farming**, 248(1)“farming”**Dam**

- capital cost allowance, Reg. Sch. II:Cl. 1(d)
- for mine, Reg. Sch. II:Cl. 10(l)

**Damages**

- taxation of, 9(1); IT-365R2
- wrongful dismissal, for, *see* Retiring allowance

**Damis Properties case overruled**, 160(5)(a)**Dancer**

- deduction from employment income, 8(1)(q)

**Data cable**

- capital cost allowance, Reg. Sch. II:Cl. 42(b)

**Data communication equipment**

- capital cost allowance, Reg. Sch. II:Cl. 3

**Data network infrastructure equipment**

- capital cost allowance, Reg. Sch. II:Cl. 46
- defined, Reg. 1104(2)

**Data processing equipment**, *see* Computer**Dates**, *see* Deadlines; Filing deadlines; Reassessment**Daughter-in-law, as child of taxpayer**, 252(1)(c)**Day camp**, *see* Child care expenses**Day care**, *see* Child care expenses**Day of mailing**

- constitutes date assessment or determination made, 244(15)
- presumed to be same as date appearing on notice, 244(14)

**Days**

- calculation of, *Interpretation Act* s. 27

**De facto control test**

- “controlled, directly or indirectly in any manner whatever”, 256(5.1)

**Deadline**

- defined, for insurance demutualization, 139.1(1)

**Deadlines**

- extension of, by CRA, 220(3.2)
- labour-sponsored venture capital corporation investments, 127.4(5.1)
- RRSP contributions, 146(22)
- payment of tax, *see* Payment of tax
- prosecution, *see* Limitation periods
- reassessments, *see* Reassessment
- returns, *see* Filing deadlines
- tax remittances, *see* Remittance of taxes withheld
- transfer pricing, *see* Documentation — due date

**Deaf person**, *see also* Hearing impairment

- deaf-blind intervening services
- disability supports deduction, 64(a)A(ii)(M)
- medical expense credit, 118.2(2)(l.44)
- devices to assist, business expense, 20(1)(rr)
- disability credit, 118.3
- guide dog, expenses
- disability supports deduction, 64(a)A(ii)(Y)
- medical expense credit, 118.2(2)(l)
- lip reading or sign language training, 118.2(2)(l.3)
- medical expenses, 118.2(2), Reg. 5700
- real-time captioning services, *see* Captioning services
- rehabilitative therapy, 118.2(2)(l.3)
- sign language interpretation services, *see* Sign language

**Dealer compensation payment**

- defined, for securities lending arrangement, 260(1)

**Dealer (or trader)**

- automobile, standby charge for sales employees, 6(2.1)
- in resource rights, 66(5)
- in securities, *see* Securities: dealer, trader or agent

**Death**, *see also* Death of taxpayer

- danger of, communication of taxpayer information relating to, 241(3.1)
- funeral arrangements, *see* Eligible funeral arrangement; Funeral services
- Queen, of, *Interpretation Act* s. 46

**Death benefit**

- Canada Pension Plan, *see* Canada Pension Plan/Quebec Pension Plan: death benefit
- defined, 248(1)
- emigration of survivor, no deemed disposition, 128.1(10)“excluded right or interest”(h)
- flowed through trust or estate, 104(28)
- from ALDA (advanced life deferred annuity), taxable, 146.5(3)
- income, 56(1)(a)(iii)
- lump sum
- transfer from RPP, 147.3(7)
- withholding of tax, 153(1)(d)

**Death duties**

- interest on, deductible, 60(d)

**Death of taxpayer**

- amounts receivable, 70(2)
- business income, effect on, 34.1(8)(a)
- business year-end income inclusion, 34.1(9)
- business year-end not calendar year, 34.1(8), (9)
- capital losses deductible against all income, 111(2)

## Index

### Death of taxpayer (*cont'd*)

- charitable donations carryback
  - carryback, 118.1(4)
  - claim against 100% of net income, 118.1(1)“total gifts”(a)(ii)
  - donation of non-qualifying security, 118.1(15)
  - donations made by will or by estate, 118.1(1)“total charitable gifts”(c), 118.1(5.1)
  - gift of art, 118.1(7)(c)
- Class 14.1 property (goodwill), 70(5.1)
- computation of income on, 70(1)
- consequences of, meaning, 248(8)
- debt forgiveness rules do not apply to extinguishment of debt by bequest, 80(2)(a)
- debt obligation settled by estate, 80(2)(p), (q)
- deemed proceeds of disposition of property, 70(5)–(10)
- disposition of property on, 70(5)–(10)
  - definitions, 70(10)“child”
  - legal representative, by, 164(6)
  - ordering, 70(14)
- disposition of right to share in partnership income, 96(1.5)
- elections, Reg. Part X
- eligible capital property (now Class 14.1 property), 70(5.1)
- entitlement to benefits on
  - deemed, spouse, 146(8.91)
  - other than spouse, by, 146(8.8), (8.9)
- farming business, no inventory adjustment, 28(1) closing words
- first home savings account, 146.6(1)“annual FHSA limit”(c)(ii), 146.6(13)–(15)
- forward averaging, 110.4(4) [repealed]
- funeral services provided from eligible funeral arrangement, no tax, 148.1(2)(b)(i)
- gifts, time of, 118.1(4)
- goodwill, 70(5.1)
- Home Buyers’ Plan income inclusion or rollover, 146.01(6), (7)
- instalments not required after, 156.1(3)
- investment tax credit, income inclusion re, 70(1)(b)
- land inventories, 70(5.2)
- last annuitant under registered retirement income fund, 146.3(6)–(6.2)
- life estate in real property, termination of, 43.1(2)
- Lifelong Learning Plan income inclusion or rollover, 146.02(6), (7)
- minimum tax not applicable, 127.55
- net capital loss, 111(2)
- notification to CRA by spouse required for Canada Child Benefit purposes, 122.62(5)(a)
- occurrences as a consequence of, 248(8)
- partner return, 150(4)
- partnership
  - value of rights or things, 53(1)(e)(v)
- partnership interest, transfer of, 100(3)
- payment by employer, *see* Death benefit
- payment of tax
  - election to pay in instalments, 159(5)
- property passing to spouse or trust, 70(6)
- proprietor, return needed, 150(4)
- RPP contributions deductible, 147.2(6)
- RRIF
  - income inclusion to deceased, 146.3(6), (6.2)
  - losses after death, carryback to deceased’s last year, 146.3(6.3), (6.4)
  - tax-paid amounts, *see* Tax-paid amount
- RRSP
  - distribution to child or grandchild, 60(1)(v)(B.01), (B.1), 146(1)“refund of premiums”(b)
  - income inclusion to deceased, 146(8.8), (8.9)

- losses after death, carryback to deceased’s last year, 146(8.92), (8.93)
  - tax-paid amounts, *see* Tax-paid amount
  - reserves not deductible, 72(1)
  - resource properties, 70(5.2)
  - return required, 150(1)(b), (e)
    - where none filed, 150(1)(e)
  - rights or things, 70(2)
  - transferred to beneficiaries, 70(3)
  - separate return, 70(2)
  - minimum tax carryover not applicable to, 120.2(4)
  - single payment from deferred profit sharing plan, 147(10.1), (10.2)
  - spouse or spouse trust, property transferred to, 70(6)
  - stock options, effect on, 7(1)(e)
  - TFSA, 146.2(9), 207.01(1)“exempt contribution”, 207.01(3)
  - tax on, 70(1), (5)
  - termination of life estate, 43.1(2)
  - transfer of partnership interest, 98.2
- Debenture**, *see* Bond; Convertible property
- Debt**, *see also* Commercial obligation; Debt obligation; Indebtedness
- amalgamation, on, 87(2)(h)
  - assets acquired from foreign affiliate for settlement of, 80.1(5)
  - assumption of, debt forgiveness rules do not apply, 80(1)“forgiven amount”B(l)
  - bad, *see* Bad debt
  - corporation, of,
    - qualified investment for RRSP etc., 204“qualified investment”(c.1), Reg. 4900(1)(i)
  - deficiency, 84.2(2), (3)
  - defined, re seizure of property by creditor, 79(1), 79.1(1)
  - disposition of, *see* Debt obligation: disposition of
  - doubtful, reserve for, 12(1)(d), 20(1)(l)
  - foreign currency, denominated in, 79(7), 80(2)(k), 80.01(11)
  - forgiveness, *see* Debt forgiveness
  - long-term
    - defined, 190(1)
  - non-qualifying
    - owing to registered charity, 189
    - trust for benefit of spouse, 70(8)(b)
  - owed by corporation, adjusted cost base, 53(2)(p)
  - owing by non-resident to corporation resident in Canada, 17
  - parking, *see* Debt parking
  - rescheduling or restructuring, expenses deductible, 20(1)(e)(ii.2), 20(1)(e.1)(iii)
  - security received in satisfaction of, 76
  - seizure of property for payment of
    - effect on creditor, 79.1
    - effect on debtor, 79
  - settlement of, *see* Debt forgiveness
  - share issued in settlement of, 80(2)(g), (g.1)
  - statute-barred, deemed settled, 80.01(9)
    - subsequent payments, 80.01(10)
  - testamentary
    - trust for benefit of spouse, 70(8)(c)
  - unpaid tax, etc., as, 222(2)
- Debt forgiveness**, 80–80.04, *see also* Settlement of debt
- amalgamation, on, 80.01(3)
  - application of remaining balance
    - adjusted cost base of capital property, 53(2)(g.1), 80(9)–(11)
    - allowable business investment loss carryforwards, 80(4)(a)
    - capital cost of depreciable property, 13(7.1)(g), 80(5)
    - capital gain to absorb current capital losses, 80(12)
    - capital property, 53(2)(g.1), 80(9)–(11)
    - cumulative Canadian development expense, 66.2(5)“cumulative Canadian development expense”M.1, 80(8)(c)

**Debt forgiveness** (*cont'd*)

- cumulative Canadian exploration expense, 66.1(6)“cumulative Canadian exploration expense”J.1, 80(8)(b)
- cumulative Canadian oil and gas property expense, 66.4(5)“cumulative Canadian oil and gas property expense”I.1, 80(8)(d)
- farm losses, 80(3)(b)
- foreign exploration and development expenses, 66(4)(a)(iii), 80(8)(e)
- income inclusion, 80(13), (14)
- net capital losses, 80(4)(b)
- non-capital losses, 80(3)(a), 80(4)(a)
- ordering of rules, 80(2)(c), 248(27)
- related corporations’ shares and debt, 53(2)(g.1), 80(11)
- resource expenditures, 80(8)
- restricted farm losses, 31(1.1)(b), 80(3)(c)
- successor pools, 66.7(2)(a)(ii), 66.7(3)(a)(ii), 66.7(4)(a)(iv), 66.7(5)(a)(iii), 80(8)(a)
- undepreciated capital cost pool, 80(5)(b), 80(6)
- bequest or inheritance, rules do not apply, 80(2)(a)
- corporation to shareholder, taxable benefit, 15(1.2)
- death, rules do not apply, 80(2)(a)
- debt issued in settlement of debt, 80(2)(h)
- debt of deceased settled by estate, 80(2)(p), (q)
- employer to employee, taxable benefit, 6(15)
- foreign affiliate’s gain or loss on, 95(2)(i)
- foreign currency debt, 80(2)(k), 80.01(11)
- forgiven amount, *see* Forgiven amount (re settlement of debt)
- guarantee, payment under, 80(2)(l)
- history preservation rules, 47(1), 49(3.01), 51(1), 53(4)–(6), 86(4), 87(5.1), (6.1)
- reduction of adjusted cost base, 53(2)(g.1)
- income inclusion, 12(1)(z.3), 80(13), (14)
- corporation in financial difficulty, 61.3
- interest deemed to be separate obligation, 80(2)(b)
- partnership, by, 80(15)
- R&D expenditures, effect on, 37(1)(f.1)
- reserve, 61.2–61.4
- residual balance
- defined, 80(14)
- income inclusion, 80(13)
- settlement, meaning of, *see* Settlement of debt
- share issued in settlement of debt, 80(2)(g), (g.1)
- simultaneous settlement of obligations, 80(2)(i)
- subsequent disposition, capital gain, 80.03(2)
- surrender of property
  - by debtor to creditor, 79(3), 79.1
  - subsequent to debt forgiveness, 80.03(2)
- transfer of forgiven amount to related person, 80.04
- winding-up, 80.01(4)

**Debt obligation**, *see also* Commercial obligation; Investment contract; Specified debt obligation

- accrued interest on, 12(3)–(10)
- adjusted cost base, 53(2)(l)
- amalgamation, acquired in, 87(2)(e.2)
- assumption of, expenses deductible, 20(1)(e)(ii.2), 20(1)(e.1)(iii)
- deduction for over-accrual, 20(21)
- defined, *see also* Commercial debt obligation; Indexed debt obligation; Specified debt obligation
  - re prepayments, 18(9.1), (9.2)
  - re qualified investments, 204
- discounted, *see* Bond: discount
- disposition of
  - in exchange for other debt obligation, 40(2)(e.2)
  - addition to adjusted cost base, 53(1)(f.12)
  - to related person, 40(2)(e.1)
  - addition to adjusted cost base, 53(1)(f.1), (f.11)

- whether capital loss allowed, 40(2)(g)(ii)
- escalating interest, accrual, Reg. 7000(2)(c.1)
- extended meaning of, 248(26)
- for penalties, bonuses and rate reduction payments, 18(9.1)
- for prepaid interest rules, 18(9.2)
- for purposes of scientific research tax credit, 127.3(2)“scientific research and experimental development tax credit”(d)
  - generally, not defined
  - first registered holder of
  - election re scientific research tax credit, 127.3(9)
  - increasing interest rate, accrual, Reg. 7000(2)(c.1)
  - interest on, 20(14.1)
  - issued by partnership, 80(13)E(a), 80(14)(b), 80(15), (18)
  - deemed, 80(2)(n)
  - owing by related person, no loss permitted on disposition, 40(2)(e.1)
  - partial obligation treated the same as entire obligation, 248(27)
- prescribed
  - accrued interest on, Reg. 7000
  - deemed accrual of interest, 12(9)
  - exception, 12(9.1)
  - re donations to charities, 38(a.1)(i), Reg. 6210
- qualifying, *see* Qualifying debt obligation
- settlement of, *see* Debt forgiveness
- specified, *see* Specified debt obligation
- used or held in insurance or moneylending business
- “eligible property” for transfer to corporation by shareholder, 85(1.1)(g)

**Debt parking**, 80.01(6)–(8)

- deemed settlement of debt, 80.01(8)
- subsequent payment of debt, 80.01(10)
- to avoid foreign exchange gain, 39(2.01)–(2.03)
- application when functional currency election made, 261(10.1)
- application when functional currency election revoked, 261(14.1)

**Debt substitute share**

- defined, Canada-U.S. Tax Treaty:Art. XXIX-A:5(a)

**Debtor**

- defined, 80(1), 80.01(1), 80.04(1)
- gain on settlement of debts, 80(1), Reg. Part LIV

**Deceased person**, *see* Death of taxpayer**Decline in value of property**

- inventory writedown, 10(1), (1.01)
- rules preventing transfer of losses, 13(21.2), 40(3.3), (3.4)

**Decoder**

- television, visually displaying vocal portion of signal
- medical expense, Reg. 5700(q)

**Dedicated geological storage**

- defined
  - for CCUS credit, 127.44(1)
  - for clean electricity tax credit, 127.44(1), 127.491(1)

**Deductible**

- defined, for hybrid mismatch arrangement rules, 18.4(1)

**Deduction**

- or set-off, recovery of taxes by, 224.1

**Deduction component**

- defined, for hybrid mismatch arrangement rules, 18.4(7)(a), 18.4(11)(b), 18.4(13)(b), 18.4(15)(b)

**Deduction/non-inclusion mismatch**

- defined, for hybrid mismatch arrangement rules, 18.4(6), 18.4(7)(c)
- effect of, 18.4(7)

**Deductions in computing income**, *see also* Deductions in computing income from business or property; Deductions in

## Index

### Deductions in computing income (*cont'd*)

- computing income from office or employment; Deductions in computing taxable income
- alimony payments, 60(b)
- amounts transferred as retiring allowance, 60(j.1)
- Canadian exploration expenses, 66.1(2), (3)
- capital element of annuity, 60(a)
- “carved-out income”, 66(14.6)
- child care expenses, 63
- cost of borrowed money, 21
- costs re construction of building or ownership of land, 18(3.1)–(3.7)
- cumulative Canadian development expenses, 66.2(2)
  - short taxation year, 66(13.1)
- cumulative Canadian oil and gas property expense, 66.4(2)
  - short taxation year, 66(13.1)
- cumulative offset account, 66.5
- deemed residents, 64.1
- deposit insurance corporation, 137.1(3)
  - limitation, 137.1(4)
- disability supports deduction, 64
- dividend from foreign affiliate, 20(13), 113(1)
- employee benefit plan, 32.1
- employer’s contributions
  - deferred profit sharing plan, 147(8), (9)
  - employees profit sharing plan, 144(5)
  - registered supplementary unemployment benefit plan, 145
- FHSA, contributions to, 60(i), 146.6(5)
- foreign exploration and development expenses, 66(4)
  - short taxation year, 66(13.1)
- foreign taxes, re, 91(4)
- insurance corporation
  - amounts paid or credited to policyholders, 140(1)
- interest on death duties, 60(d)
- legal expenses of collecting or establishing right to pension benefit etc., 60(o.1)
- maintenance payments, 60(b), (c), 60.1
- mental/physical impairment
  - attendant care expenses, 64(a)A(ii)(J)
- mortgage on depreciable property, loss from sale of, 20(5), (5.1)
- moving expenses, 62
- Part I.2 tax payable, 60(w)
- patronage dividend, 135(1)
  - carryover of, 135(2.1)
- provincial pension plan contributions, 146(21.1)
- RRSP, premiums under, 60(i), 146.6(5)
- refund of income payments, 60(q)
- refund of RRSP premium transferred to annuity, 60(l)
- refund of undeducted past service additional voluntary contributions, 60.2(1)
- repayment of overpayment of certain benefits, 60(n)
- repayment of policy loan, 60(s)
- residents absent from Canada, 64.1
- resource and processing allowances, Reg. Part XII
- resource expenses
  - successor corporation, 66.7
- retirement compensation arrangement
  - benefit from, 60(t)
  - contributions to, 20(1)(r)
  - disposition of interest in, 60(u)
- scientific research and experimental development, 37
- succession duties applicable to certain property, 60(m.1)
- superannuation benefits transferred to another plan, 60(j)
- support payments, 60(b), (c), 60.1
- trusts of, 104(6)–(8)
- uncollectible proceeds of disposition, 20(4)–(4.2)

### Deductions in computing income from business or property,

- *see also* Deductions in computing income
- accrued interest on transferred bond, 20(14)
- amount deemed to be tax payable, 20(1)(ll)
- bad debts, 20(1)(p)
- CPP/QPP contributions, 8(1)(1.1), 60(e)
- cancellation of lease, 20(1)(z), (z.1)
- capital cost allowance, *see* Capital cost allowance
- depletion, *see* Depletion allowances
- discount on certain obligations, 20(1)(f)
- dividend from foreign affiliate, 20(13), 113(1)
- employer’s contributions
  - deferred profit sharing plan, 20(1)(y), 147(8), (9)
  - pension plan, 20(1)(q), 147.2(1)
    - limitation, 20(22)
    - special, 20(1)(r)
  - profit sharing plan, 20(1)(w)
  - supplementary unemployment benefit plan, 20(1)(x)
- expense of issuing shares or borrowing money, 20(1)(e)
- exploration and development grants, 20(1)(kk)
- foreign taxes
  - exceeding 15%, 20(11)
  - guarantee fees etc., 20(1)(e.1)
  - injection substances, 20(1)(ll)
- interest
  - accrued on purchased bond, 20(14)
  - compound, 20(1)(d)
  - paid on borrowed money, 20(1)(c)
- inventory adjustment, 20(1)(ii)
- investigation of site, 20(1)(dd)
- investment counsel fee, 20(1)(bb)
- landscaping, 20(1)(aa)
- life insurance corporation, 138(3)
- limitations on, 18(1), (11)
- mineral resources, 65
- mining taxes, 20(1)(v)
- oil or gas wells, 65
- patronage dividend, 20(1)(u)
- permitted, 20(1)
- prepaid expenses
  - limitation re, 18(9)
- repayment of amount previously included, 20(1)(m.2)
- repayment of inducement, 20(1)(hh)
- repayment of shareholder’s loan, 20(1)(j)
- representation expenses, 20(1)(cc)
- reserves, *see* Reserve
- salary deferral arrangements, 20(1)(oo)
- scientific research and experimental development, 37
- share transfer fees, 20(1)(g)
- terminal loss, 20(16)
- utilities service connection, 20(1)(ee)
- western grain stabilization levy, 20(1)(ff)

### Deductions in computing income from office or employment,

- *see also* Deductions in computing income; Employee; Expenses
- aircraft costs, Reg. 1100(6)
  - reasonability, 8(9)
  - allowed, 8(1)
- artists’ expenses, 8(1)(q)
- automobile expenses, 8(1)(h.1)
- clergyman’s residence, 8(1)(c)
- limitations
  - general, 8(2)
  - meals, 8(4)
- registered pension plan contributions, 8(1)(m), 147.2(4)
- retirement compensation arrangement, 8(1)(m.2)
- teachers’ exchange fund, 8(1)(d)



**Deductions in computing tax,** *see also* Tax credits

- corporations
- • abatement, 124
- • income earned in province, 124(1)
- • manufacturing and processing profits, 125.1
- • small business deduction, 125
- foreign tax, 126
- gifts, 118.1(3)
- income earned in province that provides schooling allowance, 120(2)
- *Income War Tax Act*, under, ITAR 17(1)
- international organization, levy by, 126(3)
- investment corporation, 130(1)
- investment tax credit, 127(5)–(36)
- logging tax, 127(1)
- manufacturing and processing profits, 125.1
- mortgage investment corporations, 130.1
- personal credits, 118–118.95
- political contributions, 127(3)–(4.2)
- S.C. 1947, c. 63, s. 16, under, ITAR 17(3)
- small business deduction, 125
- taxable dividends, 121

**Deductions in computing taxable income,** *see also* Tax credits;

- Deductions in computing income
- amounts exempt under tax agreements, 110(1)(f)(i)
- annual adjustment, 117.1
- capital gains, 110.6
- corporations
- • gifts, 110.1
- dividend
- • from foreign affiliate, 113
- • received by corporation, 112
- employee stock options, 110(1)(d), (d.1)
- *Income War Tax Act*, under, ITAR 17(2)
- indexing, 117.1
- losses of other years, 111
- medical expenses, *see* Medical expenses
- member of religious order, 110(2)
- net capital losses, 111(1)(b), 111(1.1), (2)
- non-capital losses, 111(1)(a)
- order of applying provisions, 111.1(1)
- other, permitted, 110
- Part VI.1 tax, 110(1)(k)
- part-year resident, 114
- separate returns, 114.2
- social assistance payments, 110(1)(f)(iii)
- unemployment insurance benefit repayment, 110(1)(i)
- workers' compensation payments, 110(1)(f)(ii)

**Deemed disposition,** *see* Disposition: deemed**Deemed dividend,** *see* Dividend: deemed**Deemed gain**

- defined, 104(21.4)(a)

**Deemed overpayment,** *see* Overpayment of tax: deemed**Deemed realization of gains,** *see* Disposition: deemed**Deemed year-end,** *see* Year-end: deemed**Deer,** 80.3(1)“breeding animals”**Defaulting taxpayer,** 226**Defence forces,** *see* Canadian Forces and veterans**Deferral,** *see also* Rollover

- amount, *see* Deferral amount, defined
- anti-avoidance rules, *see* Anti-avoidance rules: deferral of tax
- departure tax, by posting security, 220(4.5)–(4.54)
- expenses payable but not paid, 78
- partnership income
- • corporate partner, 34.2
- • individual partner, 34.1
- stock option benefit, 7(1.1), (1.8), (8)–(16)

- tax on distribution by trust to non-resident beneficiary, by posting security, 220(4.6)–(4.63)

**Deferred amount, defined,** 248(1)**Deferred annuity out of pension plan,** 254**Deferred income**

- salary deferral arrangements, 6(1)(i), 6(11)–(14)
- Deferred income plans,** 144–147.3, *see also* Deferred profit sharing plan; Registered education savings plan; Registered pension plan; Registered retirement income fund; Registered retirement savings plan; Registered supplementary unemployment benefit plan
- interest on money borrowed to invest in, not deductible, 18(11)
- over-contributions to
- • tax on, 204.1–204.3
- property held by trust governed by
- • tax re, 207.1, 207.2
- qualified investments, Reg. Part XLIX
- small business investments, Reg. Part LI
- tax on non-qualified investments, 207.1

**Deferred payment**

- defined (re top-up disability payments), 8(1)(n.1)(i)

**Deferred profit sharing plan**

- age 71 maturity, 147(2)(k), 147(10.6)
- amount received from, income, 56(1)(i)
- amount taxable, 147(18), 201
- anti-avoidance rule, 147(18), (22)
- annuity purchased by, *see* purchase of annuity by (*below*)
- conditions, 147(2)
- continuation of, in amalgamation, 87(2)(q)
- defined, 147(1), 248(1)
- definitions, 147(1), 204
- disposal of shares
- • deduction re amount, 110(1)(d.3)
- disposition of property to, capital loss nil, 40(2)(g)(iv)(A)
- distribution deemed disposition, 200
- emigration of employee, no deemed disposition, 128.1(10)“excluded right or interest”(a)(iv)
- employee contributions prohibited, 147(2)(a.1), 147(14)(c.2)
- employer's contribution
- • deductible, 20(1)(y), 147(8), (9)
- • • limitations, 18(1)(j), 147(5.1), 147(9)
- • not includable in employee's income, 6(1)(a)(i)
- • terms limiting, 147(2.1)
- • where not deductible, 147(9.1)
- estate receiving benefits from, 104(27.1)
- “excess amount” defined, 204.2(4)
- excluded from various trust rules, 108(1)“trust”(a)
- forfeited amounts, 147(2)(i.1), 147(10.3)
- • defined, 147(1)
- • reallocation of, 147(2.2)
- forfeitures, tax on, 201
- initial non-qualified investment, defined, 204
- insurance corporation demutualization conversion benefit, 139.1(12), (14)
- interest on money borrowed to invest in, whether deductible, 18(11)(c)
- life insurance policies, 198(6)–(8)
- lump-sum payment
- • remuneration, Reg. 100(1)
- maturity by age 71, 147(2)(k), 147(10.6)
- money borrowed for contribution to
- • limitation on deductibility, 18(11)(c)
- non-deductible employer contributions prohibited, 147(2)(a.1), 147(14)(c.2)
- non-qualified investments of, defined, 204
- not employees profit sharing plan, 147(6)
- overcontribution to, 204.1(3)
- participating employer, meaning of, 147(1.1)
- payment out of profits, meaning of, 147(16)

## Index

### Deferred profit sharing plan (*cont'd*)

- payment under
  - non-resident, to, 212(1)(m)
  - taxable, 147(10)
  - withholding of tax, 153(1)(h)
- property
  - appropriation of, by employer, 147(13)
  - disposition or acquisition of, for inadequate consideration, 147(18)
- purchase of annuity by, 147(2)(k)(vi)
- qualified investment, defined, 204“qualified investment”
- qualified investments, Reg. Part XLIX
  - defined, 204
- registration of, 147(2)–(5), Reg. 1501
  - revocation, 147(14), (15)
- reversionary trust rules do not apply, 75(3)(a)
- revocation of, 147(14), (22)
- revoked plan
  - defined, 204, Reg. 4901(2)
  - “excess amount” defined, 204.2(4)
  - payments under, subject to withholding of tax, 153(1)(h)
  - rules applicable, 147(15)
- RRIF may accept transfer from, 146.3(2)(f)(iv.1)
- shares included in single payment on retirement etc., 147(10.1), (10.2)
  - disposal of, 147(10.4), (10.5)
- single payment on withdrawal, 147(10.1), (10.2), (10.4)–(12), Reg. 1503
- surrender of rights
  - on marriage/relationship breakdown, 147(2)(e)(i)
  - to avoid revocation, 147(2)(e)(iii)
- tax on forfeitures, 201
- tax on initial non-qualified investments, 199
- tax on non-qualified investments, 198
  - distribution deemed disposition, 200
  - refund
    - on disposition, 198(4)
    - on recovery of property given as security, 198(5)
- return required, 202(1)
- tax on overcontributions to, 204.1
- tax payable by
  - on acquisition of shares not at fair market value, 207.1(5)
  - on holding certain property, 207.1(2)
- tax where inadequate consideration on purchase or sale, 201
- taxation year of, 144(11)
- transfer to
  - capital loss deemed nil, 40(2)(g)(iv)(A)
  - DPSP, from, 147(19)
- transfer from
  - ALDA (advanced life deferred annuity), to, 147(19)(d)(v)
  - DPSP, to, 147(19)(d)(iii)
  - excess, 147(22)
  - registered pension plan, to, 147(19)(d)(iii)
  - registered retirement income fund, 147(19)(d)(iv)
  - registered retirement savings plan, to, 147(19)(d)(ii)
  - restrictions re, 147(21)
  - spouse/partner’s RRSP, RRIF or RPP on breakdown of relationship, 147(2)(e)(i), 147(19)(b)(ii)
  - taxation of amount transferred, 147(20)
  - trust, through, to RPP or RRSP, 104(27.1)
  - trust under, exempt, 147(7), 149(1)(s)

**Deferred salary leave plan**, *see* Sabbatical arrangement

### Deficit affiliate

- defined, Reg. 5905(7.1)(a)

### Defined benefit limit

- defined, Reg. 8500(1)

### Defined benefit provision

- defined, 147.1(1)

**Defined contribution provision**, *see* Money purchase provision

### Definitions, *see also* the specific defined terms

- application of, *Interpretation Act* s. 15
- capital gains exemption rules, 110.6(1)
- capital property rules, 54
- charities, 149.1(1)
- corporations, 89
- foreign affiliate rules, 95
- general, 248
- insurance rules, 138(12), 148(9), Reg. 1408
- investment tax credit rules, 127(9)
- registered pension plans, 147.1(1)
- registered retirement income funds, 146.3(1)
- registered retirement savings plans, 146(1)
- regulations, *Interpretation Act* s. 16
- relationships, 251–252
- resource taxation, 66(15), 66.1(6), 66.2(5), 66.4(5)
- small business rules, 125(7)
- terms used in regulations, *Interpretation Act* s. 16
- trusts, 108

### Delay

- undue, in rendering account for services, 12(1)(b)(ii)

### Delegation of powers and duties of Minister

- administrative, 220(2.01)
- by regulation, 221(1)(f) (repealed), Reg. Part IX (repealed)

### Deliberate over-contribution (to TFSA)

- benefit attributable to, constitutes advantage, 207.01(1)“advantage”(c)(i)
- defined, 207.01(1)

### Delineated transaction or series

- defined, for transfer pricing rules, 247(1.1)–(1.3)

### Demand

- by Minister
  - actuarial report, for registered pension plan, Reg. 8410
  - books and records, to retain, 230(7)
  - documents, for, 231.2(1)(b)
  - information, for, 231.2(1)(a)
    - electronic delivery to bank or credit union, 231.2(1.1)
  - information return, for, 233
  - return, for, 150(2)
- proof of failure to comply with, 244(7), (8)
- proof of service, 244(5), (6)
- third party, *see* Garnishment for taxes unpaid
- time contesting, not to count for reassessment clock, 231.8(1)(b)

### Demutualization, 139.1

- defined, 139.1(1)
- effect of, 139.1(4)
- holding corporation, *see* Holding corporation (insurance demutualization)
- paid-up capital following, 139.1(6), (7)
- rollover of ownership rights into shares, 139.1(4)(a), (d)
- time of, 139.1(2)(i)

### Denmark, *see also* Foreign government

- stock exchange recognized, 262

### Density

- hydrocarbons, determination of, Reg. 1107

### Dental Benefit Act (temporary; *see also* Canadian Dental Care Plan)

- benefit exempt from tax, 81(1)(t)
- CRA can share taxpayer info for purposes of administration, 241(4)(d)(xx)

### Dental bills, as medical expense, 118.2(2)(a)

### Dental instruments (small)

- capital cost allowance for, Reg. Sch. II:Cl. 12(e)

### Dental mechanic

- payments to, as medical expenses, 118.2(2)(p)

**Dental plan**, *see* Private health services plan

**Dentist**, *see also* Professional practice

- defined, 118.4(2)

**Department of Canadian Heritage**, *see* Canadian Heritage, Department of

**Department of Energy, Mines and Resources**

- certificate re Class 34 property, Reg. 1104(11)
- certificate re mineral deposit, 248(1)“mineral resource”(d)(i)
- certificate re oil or gas well, 66.1(6)“Canadian exploration expense”(d)(iv), 66.1(10)
- communication of information to, 241(4)(d)(v)–(vi.1)
- consultation re mine capacity, Reg. Sch. II:Cl. 1(l), Sch. II:Cl. 28(b)(ii)
- consultation re pipeline, Reg. Sch. II:Cl. 1(l), Sch. II:Cl. 2(b)
- determination of prescribed energy conservation property, 13(18.1), 241(4)(d)(vi.1)

**Department of Finance comfort letters**, *see* Table of Comfort Letters

**Department of Fisheries and Oceans Act**, *see* Northern Cod Compensation and Adjustment Program

**Department of Human Resources Development**, *see* Human Resources Development Canada

**Department of Labour Act**

- s. 5, income assistance payments under, *see* Older Worker Adjustment, Program for

**Department of National Revenue**, *see* Canada Revenue Agency

**Department of Natural Resources**

- technical guide to carbon capture, binding for ITA purposes, 13(18.2)
- technical guide to Class 43.1 and 43.2, binding for ITA purposes, 127.44(9)(f)
- technical guide to clean electricity property, binding for ITA purposes, 127.491(37)
- technical guide to clean hydrogen property, binding for ITA purposes, 127.48(32)
- technical guide to clean technology property, binding for ITA purposes, 127.45(20)

**Department of Social Development Act**

- program under, to compensate parents of child victims of crime, taxable, 56(1)(a.3)

**Departure tax**, *see* Ceasing to be resident in Canada

**Dependant**

- alimony or maintenance paid to, 118(5)
- child, credit for, 118(1)B(b.1), (d)
- credit for, 118(1)B(b), (d)
- apportionment of, 118(4)(e)
- deemed resident, of
  - also deemed resident, 250(1)(f)
- defined, 118(6), Reg. 8500(1)
- infirm, *see* Infirm dependant
- medical expenses of, 118.2(2)(a)
- mental or physical impairment, 118.2(2)(b), (c), 118.3(2), 118.4
- notch provision, 117(7), 118.2(1)D
- partial
  - mental or physical impairment, 118.3(3)
- spouse, 118(1)B(a)
- wholly dependent persons, credit for, 118(1)B(b)
- limitation, 118(4)

**Dependants' relief acts, trust created by**, 70(6.1)

**Dependent personal services**, *see* Employment: income from

**Depletion allowances**, *see also* Resource allowance

- gas well, 65, Reg. Part XII
- lessee and lessor, allocation between, 65(3)
- mineral resource, 65, Reg. Part XII
- coal mine, allocation, 65(3)
- mining exploration, Reg. 1203
- oil well, 65, Reg. Part XII

- supplementary, Reg. 1212

- timber limit, 65

**Depletion base**, *see* Earned depletion base; Mining exploration depletion base; Supplementary depletion base

**Deployed operational mission**

- deduction for Canadian Forces or police income while serving on, 110(1)(f)(v)(A)

**Deposit**

- eligible, *see* Eligible deposit
- insurance corporation, *see* Deposit insurance corporation
- on container
  - as income, 12(1)(a)(ii)
  - deduction when repaid, 20(1)(m.2)
  - reserve for, 20(1)(m)(iv)
- specified, *see* Specified deposit

**Deposit accounting insurance policy**

- defined, 138(12), Reg. 1408(1)

**Deposit balance**

- of insurer, defined, Reg. 2400(1)

**Deposit insurance corporation**, *see also* Canada Deposit Insurance Corporation

- amounts included in income, 137.1(1), (10)
- amounts not included in income, 137.1(2)
- deductions in computing income, 137.1(3)
- limitation, 137.1(4)
- payments to member institutions, 137.1(11)
- deemed not credit union, 137.1(7)
- deemed not private corporation, 137.1(6)
- deeming provision re, 137.1(5.1)
- defined, 137.1(5)
  - for purposes of dividend gross-up and tax credit, 89(15)
- investment property, defined, 137.1(5)
- member institution
  - defined, 137.1(5)
  - payments by, deductible in computing income, 137.1(11)(a)
  - repayment deductible in computing income, 137.1(11)(b)
  - repayment excluded from income of previous year, 137.1(12)
  - security for payment of tax, 220(4.3), (4.4)
- no high-gross-up dividends, 89(1)“general rate income pool”A:E(b)
- not subject to mark-to-market rules, 142.2(1)“financial institution”(c)(iv)
- principal amount of interest payable, 137.1(10.1)
- property owned since before 1975, 137.2
- special tax rate, 137.1(9)
- transfer of premiums from another deposit insurance corporation, 137.1(2)(b)
- transfer of premiums to another deposit insurance corporation, 137.1(4)(d)
- wholly-owned subsidiary deemed deposit insurance corporation, 137.1(5.1)

**Depository**

- RRIF, *see* RRIF: depository
- RRSP, *see* RRSP: depository
- TFSA, *see* TFSA: depository

**Depository account**

- defined, for Common Reporting Standard, 270(1)

**Depository institution**

- defined, for Common Reporting Standard, 270(1)

**Depository receipt**, *see* American Depository Receipt

**Depreciable property**, *see also* Capital cost allowance

- acquired
  - amalgamation, on, 87(2)(d), (d.1)
  - by transfer, amalgamation or winding-up, Reg. 1102(14), (14.1)
  - capital cost, 13(5.2)
  - non-arm's length, 13(7)(e), Reg. 1102(20)

## Index

### Depreciable property (*cont'd*)

- • • corporations controlled by one trustee, 13(7.3)
- • partner's cost, ITAR 20(4) "acquisition cost"
- • with government assistance, deemed capital cost, 13(7.1), (7.2)
- additions and alterations, Reg. 1102(19)
- amortization, *see* Capital cost allowance
- available for use, 13(26)–(32), 20(28), (29), Reg. 1100(2)
- borrowing money for, 21(3)
- capital, disposed of
  - • capital cost, 13(5.4)
  - • lease cancellation payment, 13(5.5)
  - • recaptured depreciation, 13(5.3)
- capital cost, *see* Capital cost
- capital cost allowance, *see also* Capital cost allowance
  - • classes, Reg. Sch. II
- capitalization of interest, 21(1), (3)
  - • reassessment, 21(5)
- certain transactions after 1971, ITAR 20(1.2)
- change in proportions of use, 13(7)(d), 13(9)
- change in use
  - • deemed acquisition/disposition, 13(7)(a), (b), 13(9)
- classes, for capital cost allowance, Reg. Sch. II
  - • inclusions in, Reg. 1103
  - • transfers between, Reg. 1103
- cost of money borrowed to acquire, 21(1)
  - • election, 21(1)
- deductions allowed, Reg. Part XI
- deemed, Reg. 1101(5g)
  - • capital cost allowance, Reg. Sch. II:Cl. 36
  - • separate classes, Reg. 1101(5g)
- deemed capital cost of, 13(7.4)
- deemed disposition/reacquisition
  - • capital cost, deemed, 13(7)(f)
  - • on death, 70(5)
- defined, 13(21)
  - • includes leasehold interest or option for limited purposes (partnership rollout), 98(7)
  - • on windup of corporation, 88(1)(c.7)
- depreciation, *see* Capital cost allowance
- disposition of
  - • after ceasing business, 13(8)
  - • bad debt on, 20(4)
  - • capital gain on, 39(1)(a)
  - • on death
    - • • order of disposition, 70(14)
    - • • to child, farming or fishing property, 70(9), (9.01)
    - • • to spouse, 70(6); ITAR 20(1.1)
  - • proceeds of disposition, defined, 13(21)
  - • recapture, up to original cost, 13(1)
  - • terminal loss, where no property left in class, 20(16)
- divided use
  - • change in ratio of uses, 13(7)(d)
- • deemed cost/proceeds of income-producing part, 13(7)(c)
- dividend in kind, ITAR 20(1.4)
- election re
  - • deemed, 44(4)
- exchanges of, 13(4)
- exclusions from classes, Reg. 1102
- first-year rule, Reg. 1100(2)–(2.4)
- half-year rule, Reg. 1100(2)–(2.4)
- manufacturing and processing business, acquired for
  - • deemed capital cost of, 13(10)
- manufacturing and processing enterprises, Reg. 1102(15), (16)
- misclassified, 13(6)
- prescribed class, of
  - • transferred to corporation by shareholder, 85(1)(e), (e.1), (e.3), (e.4)
- proceeds of disposition of, 13(21)

- receipt of government grant, 13(7.1), (7.2)
- recreational property, Reg. 1102(17)
- replacement for, 13(4), (4.1)
- rollover of
  - • to corporation, 85(1)(e), 85(5)
  - • to partnership, 97(2)
  - • to trust, 107.4(3)(d)
- sale of, *see* disposition of (*above*)
- sale of mortgage, etc., 20(5), (5.1)
- separate classes, Reg. 1101
- transfer of
  - • non-resident insurer, by, 138(11.8)
  - • not at arm's length, 13(7)(e), 13(21.2)
  - • on mutual fund rollover, 132.2(3)(c)
  - • pre-1972, not at arm's length, ITAR 20(1.3)
  - • to corporation, rules, 85(1)(e), 85(5)
  - • to trust, qualifying disposition, 107.4(3)(d)
  - • where UCC exceeds fair market value, 13(21.2)
- uncollectible proceeds of disposition, 20(4)–(4.2)
- undepreciated capital cost, 13(21)

### Depreciation, *see also* Capital cost allowance

- double, in lieu of, Reg. 1100(1)(d)
- property acquired before 1972, ITAR 18

### Deputy Minister, *see* Commissioner of Revenue

### Derivative, *see also* Eligible derivative

- election for mark-to-market treatment, 10.1(1)
- excluded from inventory writedown, 10(15), 18(1)(x)
- no mark-to-market treatment without election, 10.1(7)

### Derivative assessment, 160

### Derivative forward agreement

- defined, 248(1)
- income inclusion, 12(1)(z.7)
  - • addition to ACB, 53(1)(s), (t)
- loss deduction, 20(1)(xx)
- • reduction in ACB, 53(2)(w), (x)

### Derived

- meaning of
  - • case law, 18.1(12) Notes
  - • for unit trust definition, 108(2.1)

### Designated acquired corporation

- defined, for FAPI rules, 95(1)

### Designated amount

- of excess FHSA contribution, defined, 207.01(1)
- of stock option, for employer election re cash-out, 110(1.2)
- of trust, in respect of capital gains, 104(21.2)

### Designated area

- defined in *Canadian Wheat Board Act*, 76(5)

### Designated asset

- defined, for oil sands mine development project, 66.1(6)
- defined, for oil sands project, Reg. 1104(2)

### Designated beneficiary

- defined, 210(1)
- excluded from trust designation of Part XII.2 tax paid, 210.2(3)
- no deduction for income of trust paid to, 104(7)

### Designated benefit, *see* Registered retirement income fund: designated benefit

### Designated city

- defined, Reg. 7304(1)

### Designated Class 34 income, Reg. 1100(24) [repealed]

### Designated corporation

- defined, for FAPI rules, 95(2)(s)

### Designated country, *see also* Designated treaty country

- defined, Reg. 8006

### Designated donor information

- defined, 241(10)



**Designated donor information** (*cont'd*)

- use of by RCMP or CSIS restricted, 241(9.1)

**Designated educational institution**

- defined, 118.6(1)
- information return for tuition or scholarship, Reg. 203
- registered educational savings plan, 146.1(1)“post-secondary educational institution”(a), 146.1(1)“trust”(d)

**Designated employee benefit**

- deductible when paid by employee life and health trust, 104(6)(a.4)
- defined, 144.1(1)
- excluded from employee benefit plan (EBP) benefits, 6(1)(g)(iv)
- must be only object of ELHT, 144.1(2)(a)
- no tax to employee on, 144.1(11)

**Designated entity**

- defined
- for advanced life deferred annuity information return, Reg. 216(1)
- for non-resident investment or pension fund, 115.2(3)(b)

**Designated financial institution**

- defined, 153(6), 160.5(1)
- large remittances to be made at, 153(1)
- exception, 153(1.4)

**Designated foreign insurance business**

- defined, 138(12)

**Designated gift (for charity disbursement rules)**

- deemed not spent on charitable activities, 149.1(1.1)(a)
- defined, 149.1(1)
- not included in receiving charity's income, 149.1(12)(b)(i)
- receiving charity need not disburse, 149.1(4.1)(d), 188.1(12)

**Designated immediate expensing property**

- defined, Reg. 1104(3.1)

**Designated income**, *see* Trust (or estate): designated income, tax on**Designated insurance property**

- defined, 138(12), 248(1)

**Designated investment services**

- defined, re non-resident investment or pension fund, 115.2(1)

**Designated jurisdiction**

- defined, for CCUS credit, 127.44(1)
- where no jurisdiction designated, 127.44(14.1)

**Designated liquidation and dissolution**

- defined, 95(1)
- excluded from pregnant-loss rules, 13(21.2)(e)(iii)(E)(I)2, 14(12)(g)(i)(B) [before 2017], 18(15)(b)(iv)(A)(II), 40(3.4)(b)(v)(A)(II), 40(3.5)(c)(iii)

**Designated member**

- defined, for small business deduction, 125(7)

**Designated money purchase provision (of pension plan)**

- condition for corrective contributions, 147.1(20)
- defined, 147.1(1)

**Designated number**

- defined, 237(1.2)
- requirement to provide, 237(1.1)

**Designated overburden removal cost**, Reg. 1104(2), Reg. Sch. II:Cl. 12(q)

- defined, Reg. 1104(2)

**Designated partnership**

- defined, for FAPI rules, 95(2)(t)
- defined, for non-resident surplus stripping, 212.1(3)(e)

**Designated pension plan**, *see* Designated plan**Designated person**

- benefit conferred on through corporation, 74.4(2)
- exceptions, 74.4(4), 74.5(5)
- special rules, 74.5(6)–(8)

- benefit conferred on through trust, 74.3(1)

- defined

- for attribution rules, 74.3(2), 74.4(1), 74.5(5)
- for communication of information, 241(10)
- for FAPI transitional rules, 92(1.5)

**Designated person or partnership**

- defined, for foreign affiliate surplus calculations, Reg. 5907(1)

**Designated plan**, *see also* Individual pension plan

- defined, Reg. 8515(1)–(3)
- defined, for registered pension plans, Reg. 8500(1)

**Designated pooled pension plan**

- defined, 147.5(1)

**Designated property**

- capital dividend account, re
- defined, 89(1)
- gain on excluded from calculation, 89(1)“capital dividend account”(a)(i)(C)(I), 89(1)“capital dividend account”(a)(ii)(C)(I)
- foreign accrual property income, re
- defined, 95(3.1)

**Designated province**

- for carbon tax refund to farmers, 127.42(1)
- for carbon tax refund to small business, 127.421(1)

**Designated provincial Crown corporation**

- defined, for clean electricity credit, 127.491(1)

**Designated provincial program**

- defined
- for RDSPs, 146.4(1)
- for RESPs, 146.1(1)

**Designated provisions**

- defined, for look-through rule for certain trusts, 259(5)

**Designated rate**

- defined, Reg. 5100(1)

**Designated region, prescribed**

- credit for investment in, 127(9)“specified percentage”(a)(ii)(B), 127(9)“specified percentage”(a)(vi), 127(9)“specified percentage”(e)(i)(B)
- defined, Reg. 4607

**Designated savings arrangement**

- defined, Reg. 8300(1)

**Designated securities lending arrangement**

- defined, 212(20)
- non-resident withholding tax, 212(19)

**Designated shareholder**

- defined, Reg. 4901(2), (2.3)

**Designated stock exchange**

- defined, 248(1)
- designation of by Minister of Finance, 262

**Designated subscriber (of RESP)**

- can subscribe for RESP, 146(1)“education savings plan”(a)(v), 146.1(1)“subscriber”(d)
- defined, 146.1(1)

**Designated taxation year**

- defined, Reg. 5907(1.6)

**Designated taxpayer information**

- defined, 241(10)
- use of by RCMP, CSIS or FINTRAC, 241(9), (9.1)

**Designated treaty country**

- defined, Reg. 5907(11), (11.1), (11.11)
- dividends from active income in, Reg. 5907(1)“exempt earnings”(d), “exempt loss”(c)

**Designated underground storage cost**

- defined, Reg. 1104(2)

**Designated withdrawal**

- defined, for Home Buyers' Plan, 146.01(1)

**Designated work site**

- defined, for labour requirements for ITCs, 127.46(1)

**Designation**

- to treat capital gain as forgiven amount, 80.03(7)

**Designation year (re capital gains of trust)**

- defined, 104(21.2)

**Detaxers, 2(1) (Notes), 248(1)“person” (Notes)****Determination, see also Assessment**

- legal fees relating to, 56(1)(l), 60(o), 152(1.2)
- Minister, by
  - general anti-avoidance rule application, 152(1.11)
  - losses, of, 152(1.1)
  - binding on Minister and taxpayer, 152(1.3)
  - following GAAR assessment, 152(1.11), (1.12)
  - treated like an assessment, 152(1.2)
- notice of
  - date deemed made, 244(14), (15)
  - general anti-avoidance rule application, 152(1.11), 245(6)
  - losses, 152(1.1), 152(1.2)
  - mailing date, 244(14)
  - proof that not objected to, 244(10)
  - provisions applicable to, 152(1.2)
- partnership income or loss, 152(1.4)–(1.8)
  - objection to, 165(1.15)
- question, of, by Tax Court, 174
- redetermination, 152(1.2)
- tax consequences under general anti-avoidance rule, 245(5)
- time, defined, 110.6(1)“qualified small business corporation share”
- value of property, by Canadian Cultural Property Export Review Board, 118.1(10)

**Deuterium-enriched water**

- capital cost allowance, Reg. Sch. II:Cl. 26

**Development, see Canadian development expense; Scientific research and experimental development****Development phase (of oil sands project)**

- defined, Reg. 1104(2)

**Developmental program for children, see Children’s Arts Tax Credit (pre-2017)****Devices**

- for hearing- or sight-impaired, business expense, 20(1)(rr)
- medical, credit for, 118.2(2), Reg. 5700

**Dex Resources TCC case overruled, 66.1(6)“Canadian exploration expense”(d)(i), 66.1(9)(a)****Diabetes**

- blood-sugar level measuring device, medical expense, Reg. 5700(s)
- Type 1, qualifies for disability credit, 118.3(1.2)

**Diagnostic procedures**

- medical expenses, 118.2(2)(o)

**Diamond**

- extraction of, 248(1)“mineral resource”(d)(ii)
- qualified investments for deferred income plans, Reg. 4900(1)(n.1)

**Diapers (for incontinence), medical expense, 118.2(2)(i.1)****Die, etc., capital cost allowance, Reg. Sch. II:Cl. 12(d)****Digester gas**

- defined, Reg. 1104(13)
- included in eligible waste fuel, Reg. 1104(13)“eligible waste fuel”

**Digital news subscription**

- credit for, 118.02(2)
- defined, 118.02(1)

**Digital pen device**

- disability supports deduction, 64(a)A(ii)(V)

**Digital platform operators**

- reporting rules, 282–295

**Digital versatile disc, see Digital video disk (DVD)****Digital video disk (DVD)**

- rental, capital cost allowance, Reg. Sch. II:Cl. 12(r)
- excluded from half-year rule, Reg. 1100(2)C(b)(i)

**Diligence, see Due diligence****Diplomat**

- Canadian, abroad
  - deemed resident in Canada, 250(1)(c), 250(2)
  - reimbursement of allowance, non-taxable, 6(1)(b)(iii)
- foreign, in Canada
  - exemption from tax, 81(1)(a), 149(1)(a), Canada-U.S. Tax Treaty:Art. XXVIII

**Direct equity percentage, defined, 95(4)****Direct financing lease**

- prescribed property for specified debt obligation definition, Reg. 9004
- prescribed security for lending-asset definition, Reg. 6209(b)(iii)

**Directed donations**

- prohibited, 168(1)(f)

**Directed person (debt forgiveness rules)**

- defined, 80(1), 80.04(1)
- eligible transferee, 80.04(2)
- obligations issued by, 80(14)

**Director, Director General**

- duties delegated to, 220(2.01), Reg. 900

**Director (of corporation)**

- fees
  - income, 6(1)(c)
  - withholding tax, 153(1)(g)
- liability of
  - for corporation’s unremitted source withholdings, 227.1
  - for offence of corporation, 242

**Disability, see Mental or physical impairment****Disability assistance payment, see also Registered disability savings plan (RDSP)**

- not counted for purposes of Canada Child Benefit, 122.6“adjusted income”
- not counted for purposes of GST/HST Credit, 122.5(1)“adjusted income”
- not counted for purposes of Old Age Security clawback, 180.2(1)“adjusted income”
- tax on, 146.4(6)
- withholding tax
  - non-resident, 212(1)(r.1)
  - resident, Reg. 153(1)(i)

**Disability benefit, see Disability insurance; Disability pension****Disability credit, 118.3****Disability Home Purchase Credit, 118.05, see First-Time Home Buyer’s Credit and Disability Home Purchase Credit****Disability insurance**

- benefits under, income, 6(1)(f); ITAR 19
- employer’s contribution not a taxable benefit, 6(1)(a)(i)
- top-up contributions by employer, *see* Disability policy

**Disability payments**

- military action, for
  - exempt, 81(1)(e)

**Disability pension**

- CPP, *see* Canada Pension Plan/Quebec Pension Plan: disability pension
- RCMP, exempt, 81(1)(i)

**Disability policy**

- defined, 6(17)
- top-up payments on insolvency of insurer, 6(18)
- reimbursement to employer, 8(1)(n.1)

**Disability-related building modifications**

- deductible, 20(1)(qq)

Disability-related building modifications (*cont'd*)

- medical expense credit, 118.2(2)(1.2)

#### **Disability-related devices and equipment**

- deductible, 20(1)(rr)

#### **Disability-related employment benefits**

- when not included in income, 6(16)

#### **Disability supports deduction, 64**

#### **Disability tax credit, 118.3**

#### **Disabled**

- defined (for pension plan), Reg. 8500(1)

#### **Disabled person, *see* Mental or physical impairment**

#### **Disappearing source rule (interest deductibility), 20.1**

#### **Disbursement excess (of charity)**

- carried forward or back to other years, 149.1(20)
- defined, 149.1(1)

#### **Disbursement quota (of charity)**

- defined, 149.1(1)
- • Minister can make certain adjustments, 149.1(1.2)
- • Minister can reduce DQ at charity's request, 149.1(5)
- requirement to expend DQ on charitable activities, 149.1(2)(b), (3)(b), (4)(b)
- tax on deliberate reduction of, 188(3)–(4)

#### **Disclaimer, defined, 248(9)**

#### **Disclosure of information**

- by CRA, *see* Communication of information (by CRA)
- to CRA, *see* Information return

#### **Discontinuance of business, *see* Ceasing to carry on business**

#### **Discontinuance of venture capital business**

- meaning of, 204.8(2)
- penalty tax, 204.841

#### **Discount, *see also* Bond: discount**

- defined, pre-1972 obligation, ITAR 26(12)

#### **Discounted bonds, *see* Bond: discount**

#### **Discovery well costs**

- allowed as CEE before 2019, 66.1(6)“Canadian exploration expense”(d)(i)

#### **Discretion of Minister, *see* Minister (of National Revenue)**

#### **Discrimination, Canada-U.S. Tax Treaty:Art. XXV**

#### **Dishonoured cheque, *see* Cheque: dishonoured**

#### **Disposed share**

- defined, for foreign affiliate liquidation and dissolution, 88(3)(d)

#### **Disposing affiliate**

- defined, 88(3.1), 93(1), 95(1)“designated liquidation and dissolution”

#### **Disposing corporation**

- defined, 93(1)

#### **Disposition**

- capital gain, 39(1)(a), 40(1)
- child, to, 40(1.1)
- deceased taxpayer, of, 70(5), 164(6)
- deemed
  - • by trust, every 21 years, 104(4)
  - • mark-to-market property, by financial institution, 142.5(2)
  - • on becoming a financial institution, 142.6(1)(b)
  - • on ceasing to be a financial institution, 142.6(1)(c)
  - • on ceasing to be resident, 128.1(4)(b)
  - • on death, 70(5)–(10)
  - • on gift, 69(1)(b)(ii)
  - • synthetic disposition arrangement, 80.6(1)
  - • where spousal trust distributes property to other person, 107(4)
- deemed contribution of capital, where, 53(1.1)
- deferral of tax on, *see* Rollover
- defined, 248(1)

- • satisfaction of obligation, deemed not to be, 49.1
- depreciable, *see* Depreciable property
- income interest in trust, 106(2)
- involuntary, election re, 13(4)
- • deemed, 44(4)
- land used in farming business of partnership, 101
- life insurance policy, interest in, 248(1)“disposition”(b.1)
- loss on, *see* Loss(es); Stop-loss rules
- non-resident, by, 116(1)–(6)
- • certificate, 116(2)
- • notice, 116(3)
- • treaty-protected property, 116(5.01), (5.02)
- • where tax deferred under tax treaty, 115.1
- of interest in life insurance policy, 148(9), Reg. 217(1)
- partnership, on ceasing to exist, 98
- personal-use
  - • capital loss nil, 40(2)(g)(iii)
  - • principal residence, *see* Principal residence
  - • proceeds of, *see* Proceeds of disposition
  - • purchaser corporation controlling or controlled by taxpayer, 40(2)(a)(ii)
  - • subsequent to debt forgiveness, 80.03(2)
  - • to a trust, no change in beneficial ownership, 69(1)(b)(iii)
  - • together with services, allocation rule, 68
  - • trust, to
    - • • capital loss nil, 40(2)(g)(iv)

#### **Dispute, taxes in**

- whether taxpayer required to remit, 164(1.1)(d), 225.1

#### **Dissolution, *see* Winding-up**

#### **Distress preferred share, 80.02**

- constitutes commercial obligation, 80(1)“commercial obligation”
- constitutes excluded security, 80(1)“excluded security”
- defined, 80(1)
- disposition of following debt forgiveness, no deemed capital gain, 80.03(2)
- settled
  - • effect of, where subsidiary wound up into parent, 80.01(5)
  - • meaning of, 80.02(2)(c), 80.02(7)(a)
- share ceasing to be, 80.02(7)
- substituted for debt, 80.02(3)
- substituted for other distress preferred share, 80.02(5)
- substitution of commercial debt obligation for, 80.02(4)
- substitution of other share for, 80.02(6)

#### **Distributing corporation**

- defined, 55(1)“distribution”

#### **Distribution**

- for butterfly purposes, defined, 55(1)
- from TFSA, defined, 146.2(1)
- of property by non-resident trust, reporting requirement, 233.5
- on winding-up, 84(2), (6)
- tax, *see* Corporate distributions tax

#### **Distribution equipment**

- capital cost allowance, Reg. Sch. II:Cl. 47
- defined, 248(1), Reg. 1104(13)

#### **Distribution tax**

- on income trusts, *see* SIFT trust: distributions to unitholders
- on partnerships, *see* SIFT partnership: distributions to partners

#### **Distribution tax on income trusts, *see* SIFT trust**

#### **Distribution time**

- defined, 128.1(7)(b)

#### **Distribution year**

- defined
  - • for postponement of tax on distribution by trust to non-resident beneficiary, 220(4.6)(a)
  - • for foreign tax credit of trust, 126(2.22)

**District**

- defined, Reg. 1802(5)

**District energy equipment**

- capital cost allowance, Reg. Sch. II:Cl. 43.1(a)(iii.1), 43.1(d)(xv)
- defined, Reg. 1104(13)

**District energy system.** *see also* District energy equipment

- conditions for Class 43.1/43.2 treatment, Reg. 1104(16)
- defined, Reg. 1104(13)

**Divestment obligation percentage**

- avoidance of, 188.1(3.2)–(3.5)
- defined, for private foundations, 149.1(1)
- penalty for having, 188.1(3.1)
- private foundation can be revoked for having, 149.1(4)(c)

**Dividend**

- Canada Recovery (surtax on banks and life insurers for 2022), 191.5
- capital, *see* Capital dividend
- capital gains dividend
  - mutual fund corporation, election, 131(1)–(1.4)
- compensation, *see* Securities lending arrangement: dividend compensation payment
- deemed, 84
  - added to cost base of share, 53(1)(b)
  - capital gains subject to income-splitting tax, 120.4(4), (5)
  - dividend stripping, 84.1(1)(b), 212.1(1.1)(a)
  - foreign affiliate dumping, 212.3(2)(a)
  - guaranteed share, on, 84(4.3)
  - income trust distribution, 104(16)
  - interest on income bond, 15(3)
    - non-resident corporation, 15(4)
  - non-resident surplus strips, 212.1, 212.2
  - on corporation becoming resident in Canada, 128.1(1)(c.1), (c.2)
  - on demutualization of insurance corporation, 139.1(2)(j)
  - on disposition of share of foreign affiliate, 93(1)
  - on distribution by mutual holding corporation, 139.2
  - partnership distribution, 96(1.11)(b)
  - redemption of share, 84(3)
  - reduction of paid-up capital, on, 84(4), (4.1)
  - SIFT trust distribution, 104(16)
  - surplus stripping, 84.1(1)(b), 212.1(1.1)(a)
  - term preferred share, on, 84(4.2), 258(2)
  - thin capitalization, 214(16), (17)
  - windup of business, 84(2)
- deemed not received, 55(2)–(5)
- deemed paid
  - deemed payable when, 84(7)
  - where not deemed received, 84(8)
- deemed proceeds of disposition of share, or capital gain, 55(2)–(5)
- deemed received where attribution rules apply, 82(2)
  - where not applicable, 84(8)
- defined, 248(1)
  - for stop-loss rules, 112(6)(a)
  - for treaty purposes, Canada-U.S. Tax Treaty:Art. X:3
  - disqualifies paying corp from CEWS, 125.7(2.01)
  - election re
    - excessive, 184(3), (3.1)–(5)
  - employees profit sharing plan, allocation by, 144(8)
  - excluded from tax under Part VI.1, 191(1)
  - exempt, on share of foreign affiliate, 93(3)
  - foreign affiliate, from, 20(13), 95(1), 113(1), Reg. 5900
  - foreign business corporation, from, received by non-resident, 213
    - gross-up, 82(1)(b)
    - guarantee agreement re
      - no deduction, 112(2.2)–(2.22)
    - in kind
      - cost of, 52(2)
      - depreciable property as, ITAR 20(1.4)
      - includes stock dividend, 248(1)
      - income, 12(1)(j), (k), 82(1), 90
      - whether specified investment business, 125(7)“specified investment business”
    - insurance corporation
      - to policyholders, 140(1)
    - life insurance policy, 148(2)
    - mortgage investment corporation, from
      - deemed bond interest, 130.1(2), (3)
    - non-resident corporation, from, 90
    - non-taxable
      - portion not included in beneficiary’s income
        - mutual fund trust, 132(3)
      - received by trust
        - designation re, 104(20)
    - ownership certificate required, 234
    - paid
      - by non-resident corporation
        - out of exempt surplus, 113(1)(a)
        - out of hybrid surplus, 113(1)(a.1)
        - out of pre-acquisition surplus, 113(1)(d)
        - out of taxable surplus, 113(1)(b), (c)
      - in excess of elective amount, tax on, 184
      - to non-resident
        - foreign business corporation, by, 213
        - tax on, 212(2)
        - United States resident, Canada-U.S. Tax Treaty:Art. X
    - patronage, *see* Patronage dividends
    - received
      - amount included in income, 82(1), 90
      - by broker/dealer, withholding tax, 153(4), (5)
      - by corporation
        - deduction from income, 112(1), (2)
        - stop-loss rules, 112(2.1)–(2.9)
      - by financial institution, 112(5)–(5.2)
      - by prescribed venture capital corporation, deemed not taxable dividend, 186.2
      - by spouse, transfer of, 82(3)
      - by trust, allocation to beneficiary, 104(19), (20)
      - gross-up, 82(1)(b)
      - Part IV tax on, 186(1)
        - late assessment of, 152(4.31)
      - triggers dividend refund to paying corporation, 129(1)
    - refund, *see* Dividend refund
    - rental arrangement, *see* Dividend rental arrangement
    - short-term preferred share, 112(2.3)
    - simultaneous, 89(3)
    - stock, *see also* 248(1)“dividend”
      - amount of, 95(7), 248(1)“amount”
      - cost of, 52(3)
      - deemed to be substituted property, 248(5)(b)
      - defined, 248(1)
      - excluded from deemed dividend, 84(1)(a)
      - paid as benefit, 15(1.1)
      - “stop-loss” rule, 112(3), (3.1), (3.2), (4), (4.2), (4.3), (7)
    - stripping, *see* Surplus stripping
    - tax credit, 121
    - taxable
      - allocation of, by credit union, 137(5.1), (5.2)
      - amalgamation, on, 87(2)(x)
      - deduction from tax otherwise payable, 121
      - defined, 89(1)“taxable dividend”, 112(6)(a), 129(7), 248(1)
      - received by private corporation, tax on, 186
      - received by trust, designation re, 104(19)
      - taxable corporation, from
        - life insurer, received by, 138(6)
      - term preferred shares, on



**Dividend (*cont'd*)**

- received by specified financial institution, 112(2.1)
- unclaimed at year-end
- withholding tax, 153(4)
- effect of remittance, 153(5)

**Dividend allowance**

- defined, for Part VI.1 tax, 191.1(2)

**Dividend compensation payment**, *see* Securities lending arrangement: dividend compensation payment

**Dividend-like redemption****Dividend payer**

- defined, for capital gains stripping rules, 55(3)(a)(iii)(A)

**Dividend received deduction**

- dividend from Canadian corporation, 112(1)
- dividend from foreign corporation, 112(1)

**Dividend recipient**

- defined, for capital gains stripping rules, 55(3)

**Dividend refund**, *see also* Refundable dividend tax on hand

- defined, 129(1)
- interest on, 129(2.1), (2.2)
- mutual fund corporation, to, 131(5)
- private corporation, to, 129
- application to other liability, 129(2)
- dividends deemed not to be taxable dividends, 129(1.2)

**Dividend reinvestment plan**

- whether taxable as shareholder benefit, 15(1)

**Dividend rental arrangement**, *see also* Securities lending arrangement

- defined, 248(1)
- gross-up and credit denied, 82(1)(a)(i), 82(1)(c)
- intercorporate dividend deduction denied, 112(2.3)
- no deduction for dividends received under, 112(2.3)
- share, *see* DRA share

**Dividend stripping**, *see* Surplus stripping

**Dividend tax**

- refundable, *see* Refundable dividend tax on hand

**Dividend tax credit**, 121**Dividend time**

- defined, for foreign affiliate dumping rules, 212.3(4)

**Division of property**, *see* Partition of property

**Divisive reorganization**, 55(1), 55(3)(b)

**Divorce and separation**

- alimony, maintenance or support, *see* Support payments (spousal or child)
- attribution rules do not apply
- generally, 74.5(3)
- RRSP withdrawals, 146(8.3)
- deferred profit sharing plan rights, transfer of, 147(2)(e)(i), 147(19)
- registered education savings plan, rights transferred, 204.91(3)
- reimbursement of legal expenses, not taxable, 56(1)(l.1)
- separation agreement defined, 248(1)
- tracing of property transfer does not apply, 160(4)
- transfer of ALDA to spouse's RPP, RRSP, RRIF or PRPP, 146.5(1) "advanced life deferred annuity" (g.1)
- transfer of DPSP funds to spouse's RPP, RRSP or RRIF, 147(2)(e)(i), 147(19)
- transfer of RPP funds to spouse's RPP, RRSP or RRIF, 147.3(5)
- transfer of RRIF funds to spouse's RPP, RRSP or RRIF, 146.3(14)
- transfer of RRSP funds to spouse's RRSP or RRIF, 146(16)(b)

**Dock**

- capital cost allowance, Reg. Sch. II:Cl. 3
- for mine, Reg. Sch. II:Cl. 10(l)

**Documentary evidence**

- defined, for Common Reporting Standard, 270(1)

**Documentary production**

- whether qualifies for Canadian film/video tax credit, Reg. 1106(9)

**Documentation**

- contemporaneous, for transfer pricing audit, 247(4)

**Documentation — due date**

- defined (for transfer pricing), 247(1)

**Documents**, *see also* Books and records

- demand for, 231.2(1)(b)
- examination of, where privilege claimed, 232(3.1)–(7)
- execution of, by corporations, 236
- foreign-based, 143.2(13), (14), 231.6
- proof of, 244(9), (13)
- requirement to provide, 231.2
- compliance order, 231.7
- interference with CRA official, 231.51
- seized
- copies of, 231.5
- seizure of, 231.3(5)–(8)
- where privilege claimed, 232(3), (4)–(7)
- transfer pricing, 247
- waiver of requirement to file, 220(3.1)

**Dog**, *see* Guide dog expenses; Animal

**Dollar amounts in legislation and regulations**

- functional currency to be used when election made, 261(5)(b)
- \$0 proceeds of disposition of shares or debt when corporation goes bankrupt, 50(1)
- \$0.27/km car operating expenses benefit for 2021, Reg. 7305.1(a)
- \$0.28/km car operating expenses benefit for 2019–2020, Reg. 7305.1(a)
- \$0.29/km car operating expenses benefit for 2022, Reg. 7305.1(a)
- \$0.33/km car operating expenses benefit for 2023–24, Reg. 7305.1(b)
- \$0.34/km car operating expenses benefit for 2025, Reg. 7305.1(b)
- \$0.59 and \$0.53/km car allowances for 2019–2021, Reg. 7306
- \$0.61 and \$0.55 per km car allowances for 2022, Reg. 7306
- \$0.68 and \$0.62 per km car allowances for 2023, Reg. 7306
- \$0.70 and \$0.64 per km car allowances for 2024, Reg. 7306
- \$0.72 and \$0.66 per km car allowances for 2025, Reg. 7306
- \$1 deemed PUC increase on stock dividend by Canadian Wheat Board, 135.2(12)
- \$2 below which balance neither demanded nor refunded by CRA, 161.4
- \$2 per day home office expense deduction without receipts, 8(13) [Announced Administrative Change]
- \$3.75 per day residing in prescribed intermediate zone, deduction, 110.7(1)(b)(ii)(A), 110.7(2)
- \$8.25 per day maintaining household in prescribed intermediate zone, 110.7(1)(b)(ii), 110.7(2)
- \$8.25 per day extra, residing in prescribed northern zone, 110.7(1)(b)(ii)(A)
- \$10 daily penalty for late-filed information returns, 162(7.01)(a)
- \$10 per day penalty for trustee/receiver failing to file return, 162(3)
- \$15 daily penalty for late-filed information returns, 162(7.01)(b)
- \$16.50 per day maintaining household in prescribed northern zone, 110.7(1)(b)(ii)
- \$20 monthly amount for part-time student's textbook credit, 118.6(2.1)B(b)
- \$20 monthly Canada Child Benefit threshold for annual advance payment, 122.61(2)
- \$20 per day (indexed after 2023) tax per worker for not paying prevailing wage when claiming CCUS or clean technology credits, 127.46(6)
- \$25 daily penalty for late-filed information returns, 162(7.01)(c)

## Index

Dollar amounts in legislation and regulations (*cont'd*)

- \$25 penalty for tax preparer not filing T1 return electronically, 162(7.3)(a)
- \$25 per day penalty for failing to comply with obligation, 162(7), (7.1)
- \$25 up to which interest and penalty may be cancelled, 161.3
- \$33 threshold under which Canada Workers Benefit is single payment, 122.72(2)
- \$50 above which donation returned by charity must be reported on information return, 110.1(16), 118.1(27)
- \$50 credit for U.S. social security tax changes under treaty, Canada-U.S. Tax Treaty:Art. XVIII:5
- \$50 daily penalty for late-filed information returns, 162(7.01)(d)
- \$50 maximum penalty for trustee/receiver failing to file return, 162(3)
- \$50 minimum interest to be reported by financial institution, Reg. 201(1) (Notes)
- \$50 penalty for actions re ownership certificate, 162(4)
- \$50 penalty per missing apprenticeship hour, ITC labour requirements, 127.46(7)
- \$50 per day of conference expenses deemed paid for meals/entertainment, 67.1(3)
- \$50 per day penalty that notice of non-compliance is outstanding, 231.9(12)
- \$50 threshold for advance payment of GST/HST Credit, 122.5(3.1)
- \$65 monthly amount for student's textbook credit, 118.6(2.1)B(a)
- \$75 daily penalty for late-filed information returns, 162(7.01)(e)
- \$75 per year maximum digital news subscription credit, 118.02(2)
- \$100 minimum fees for tuition credit, 118.5(1)(c), 118.5(1.1)
- \$100 minimum penalty for failing to comply with obligation, 162(7), (7.1)
- \$100 minimum penalty for false statement or omission, 163(2)
- \$100 minimum penalty for late-filed information returns, 162(7.01)
- \$100 minimum penalty for late renunciation, 66(12.75)
- \$100 minimum penalty for non-resident corporation failing to file return, 162(2.1)(b)(i)
- \$100 monthly penalty for late-filed election re foreign affiliate dumping, 212.3(13)
- \$100 monthly penalty for late-filed election re loan to non-resident corporate shareholder, 15(2.13)
- \$100 monthly Universal Child Care Benefit, 56(6)
- \$100 optional CCA deduction for timber limit or right to cut timber, Reg. Sch. VI:4
- \$100 penalty for failing to provide SIN or information on a form, 162(5), (6)
- \$100 penalty for paying or remitting amount over \$10,000 non-electronically, 162(7.4)
- \$100 penalty for tax preparer not filing T2 return electronically, 162(7.3)(b)
- \$100 per month penalty for late-filed elections, 85(8), 93(6), 96(6), 220(3.5)
- \$100 per partner per month penalty for failing to file partnership information return, 162(8)
- \$100 per week, certain child care expenses for child 7–15 before 2015, 63(3)“annual child care expense amount”(b)(ii), 63(3)“periodic child care expense amount”
- \$100 threshold for withholding on patronage dividends, 135(3)
- \$125 per week, certain child care expenses for child 7–15, 63(3)“annual child care expense amount”(b)(ii), 63(3)“periodic child care expense amount”
- \$140 monthly amount for part-time student's education textbook credit, 118.6(2)B(a), (2.1)B(a)
- \$150 max credit to teacher for school supplies 2016–2020, 122.9(2)
- \$170 credit to offset pension income, 118(3)
- \$200 below which tool, utensil or medical/dental instrument fully deductible before May 2/06, Reg. Sch. II:Cl. 12(c), (e), (h)
- \$200 cash allowed for fractional interest in share, 107.4(2.1)
- \$200 foreign currency gain or loss ignored for individual, 39(1.1)
- \$200 maximum charitable donations for low-rate credit, 118.1(3)
- \$200 per week, certain child care expenses for child under 7, 63(3)“annual child care expense amount”(b)(i), 63(3)“periodic child care expense amount”
- \$200 work of art deemed not depreciable property, Reg. 1102(1)(e)(i)
- \$215 per square metre hand-woven carpet deemed not depreciable property, Reg. 1102(1)(e)(ii)
- \$250 max credit to teacher for school supplies from 2021, 122.9(2)
- \$250 maximum labour-sponsored funds tax credit for 2016, 127.4(5)(a)
- \$250 maximum non-universal ancillary fee eligible for tuition credit, 118.5(3)(d), 118.5(4)(d)
- \$250 penalty for not filing information return electronically, 162(7.02)(a)
- \$250 per year earned-income accumulation for training credit, 122.91(2)(a)(i)B(A)
- \$250 super credit for first-time donor to charity until 2017, 118.1(3.1)
- \$250 teachers' exchange fund contribution deductible, 8(1)(d)
- \$275 per week, certain child care expenses for disabled child since 2015, 63(3)“annual child care expense amount”(a), 63(3)“periodic child care expense amount”
- \$300 contribution to RPP in 1944–45, income from RPP reduced, 57(4)
- \$300 (indexed) maximum monthly tax-free lodging allowance for amateur junior hockey players, 6(1)(b)(v.1)
- \$300 minimum CPP/QPP or UCCB benefits, allocated to prior year, 56(8)(b)
- \$300 per child additional COVID-19 Canada Child Benefit for 2020, 122.61(1.01)
- \$300 per month interest deduction limit for automobile for 2001–2023, 67.2, Reg. 7307(2)
- \$306 per additional dependant COVID-19 GST Credit for 2020, 122.5(3.001)A(a)
- \$350 per month interest deduction limit for automobile for 2024–25, 67.2, Reg. 7307(2)
- \$375 maximum weekly disability supports deduction for student, 64(b)(ii)(B)
- \$400 maximum home office expense deduction without receipts for 2020, 8(13) [Announced Administrative Change]
- \$400 political contribution for 75% credit, 127(3)(a)
- \$450 volunteer firefighter credit before 2024, 118.06(2)
- \$450 volunteer search and rescue credit before 2024, 118.07(2)
- \$465 monthly amount for education and textbook credit, 118.6(2)B(a), (2.1)B(a)
- \$483 base for calculating extra GST Credit for 2022, 122.5(3.002)A
- \$483 base for calculating extra GST Credit for Jan. 2023, 122.5(3.003)A
- \$500 below which tool, utensil or medical/dental instrument fully deductible before May 2/06, Reg. Sch. II:Cl. 12(c), (e), (h)
- \$500 Canada Housing benefit, *Rental Housing Benefit Act* s. 3
- \$500 maximum contribution to personal trust by individual before Oct. 11/02, to not trigger non-resident trust rules, 94(2)(u)(ii)(C)(II)
- \$500 maximum fine for issuing debt with interest coupons lacking “AX” or “F” marking, 240
- \$500 maximum home office expense deduction without receipts for 2021–22, 8(13) [Announced Administrative Change]
- \$500 maximum tradesperson's tools deduction before 2023, 8(1)(s)

Dollar amounts in legislation and regulations (*cont'd*)

- \$500 minimum holding (each) of shares by non-insiders for corporation to be designated public or trust to be mutual fund trust, Reg. 4800(1)(b)(iv), 4800(2)(b)(iv), 4801, 4803(3), (4)
- \$500 minimum holding of each of 150 beneficiaries for FAPI, 95(1)“exempt trust”(b)
- \$500 minimum holding of each of 150 shareholders to not be closely held, 94(1)“closely-held corporation”(b); 94(1)“exempt foreign trust”(h)(ii)(A), 94(14)(b)(ii)(B)
- \$500 minimum penalty re tax shelter identification number, 237.1(7.4)
- \$500 non-taxable reimbursement to employee for computer or furniture for COVID-19 work at home, 6(1)(a) Notes
- \$500 penalty for charity failing to file information returns, 188.1(6)
- \$500 penalty for failing to provide Taxpayer Identification Number so CRA can share information with foreign country, 281(3)
- \$500 penalty for failure to provide Taxpayer Identification Number to financial institution for provision to foreign tax authorities, 281(3)
- \$500 penalty for not filing information return electronically, 162(7.02)(b)
- \$500 penalty for seller failing to provide Taxpayer Identification Number to platform operator, 293(3)
- \$500 per month minimum penalty for late-filed R&D non-profit corporation return, 149(7.1)A(a)
- \$500 per month penalty for failure to provide foreign-based information, 162(10)
- \$500 per month penalty for late-filed elections, 83(4), 131(1.3), 184(5)
- \$500 per week penalty for missing mandatory disclosure, 237.3(8)(a)(ii), 237.4(12)(a)(ii)
- \$500 per year maximum expense for digital news subscription credit, 118.02(2)B(a)
- \$500 tax-free gift or award to employee (CRA administrative policy), 6(1)(a) (Notes)
- \$500 threshold below which no penalty for failure to remit withholdings, 227(9.1)
- \$580 COVID-19 GST Credit for 2020, 122.5(3.001)A(a)
- \$600 minimum RRSP contribution (pension credit offset), Reg. 8301(6), 8309, 8503(4)(a)(i)(B)
- \$600 pension adjustment offset, Reg. 8300(1)“PA offset”(b)
- \$650 dental care benefit, *Dental Benefit Act* s. 9(1)(a)
- \$650 maximum moving expenses, non-taxable reimbursement to employee, *see* Notes to 6(1)(b)
- \$650 maximum political contribution credit, 127(3)(c)(i)
- \$665 monthly threshold for OAS benefits withholding, 180.2(4)(a)(ii)
- \$750 First-Time Home Buyer's Credit until 2021, 118.05(3)
- \$750 maximum deductible health plan premium per child, 20.01(2)(c)C
- \$750 maximum labour-sponsored funds tax credit, 127.4(5)(a), Reg. 100(5)(a)
- \$750 maximum labour-sponsored funds tax credit before 2015, 127.4(5)(a), Reg. 100(5)(a)
- \$750 maximum tuition and education credits transferred, 118.81(a)A(ii)
- \$800 per month leasing cost limit for automobile for 2001–2021, 67.3, Reg. 7307(3)(b)A(v)
- \$847 maximum weekly wage covered by COVID-19 wage subsidy to July 4/20, 125.7(2)A(a)(i)(B), (ii)(C)
- \$900 per month leasing cost limit for automobile for 2022, 67.3, Reg. 7307(3)(b)A(v)
- \$900 volunteer firefighter credit from 2024, 118.06(2)
- \$900 volunteer search-and-rescue credit from 2024, 118.07(2)
- \$918 base for calculating extra GST Credit for 2022, 122.5(3.002)A
- \$918 base for calculating extra GST Credit for Jan. 2023, 122.5(3.003)A
- \$950 per month leasing cost limit for automobile for 2023, 67.3, Reg. 7307(3)(b)A(v)
- \$1,000 antique furniture or object deemed not depreciable property, Reg. 1102(1)(e)(iv)
- \$1,000 artists' employment expenses deductible, 8(1)(q)
- \$1,000 charitable donation limit for first-time donor super credit, 118.1(3.1)
- \$1,000 employment income eligible for Canada Employment Credit, 118(10)B(a)
- \$1,000 instalment interest threshold below which no penalty applies, 163.1(b)
- \$1,000 maximum allowable for medical expense credit air conditioner for chronic ailment, Reg. 5700(c.3)
- \$1,000 maximum exemption from income of volunteer emergency or search-and-rescue worker, 81(4)
- \$1,000 maximum expense for teacher school-supplies credit, 122.9(2)B(a)
- \$1,000 maximum refundable medical expense credit, 122.51(2)A(a)
- \$1,000 maximum tradesperson's tools deduction starting 2023, 8(1)(s)
- \$1,000 minimum ACB and proceeds of personal-use property, 46
- \$1,000 minimum cost for electronic equipment to be optionally in separate class, Reg. 1101(5p)
- \$1,000 minimum cost for M&P property to be optionally in separate CCA class, Reg. 1101(5s)
- \$1,000 minimum fine for offence, 238(1)(a)
- \$1,000 minimum penalty for false statement by third party, 163.2(3), (5)
- \$1,000 minimum RRSP contribution (pension credit offset), Reg. 8301(6), 8309, 8503(4)(a)(i)(B)
- \$1,000 monthly threshold for quarterly source deductions remittance for new small employers, Reg. 108(1.4)(b)(i)
- \$1,000 penalty for failing to provide SR&ED claim preparer information, 162(5.1)
- \$1,000 penalty for not filing corporate return electronically, 162(7.2)
- \$1,000 per day advisor/promoter penalty for missing mandatory disclosure, 237.3(8)(b)(iii), 237.4(12)(b)(iii)
- \$1,000 per day penalty, failure by Canadian Wheat Board Farmers' Trust to file information return, 135.2(16)
- \$1,000 per month penalty for failing to provide foreign-based information, 162(10)
- \$1,000 per year gain on farm that is principal residence, election to exempt, 40(2)(c)(ii)
- \$1,000 threshold for apprentice car mechanic tools deduction, 8(1)(r)(ii)B(B)
- \$1,000 threshold for charity penalties to be reduced by charitable transfer, 189(6.3)
- \$1,000 threshold for charity revocation tax to be reduced by charitable expenditure or transfer, 189(6.2)
- \$1,000 threshold for tradesperson's tools deduction, 8(1)(s)
- \$1,050 per month leasing cost limit for automobile for 2024, 67.3, Reg. 7307(3)(b)A(v)
- \$1,100 per month leasing cost limit for automobile for 2025, 67.3, Reg. 7307(3)(b)A(v)
- \$1,129 maximum weekly wage covered by COVID-19 wage subsidy from July 5/20, 125.7(2)A(b)(ii)G(B)
- \$1,129 weekly remuneration cap for Canada Recovery Hiring Program, 125.7(1)“total current period remuneration”(a), “total base period remuneration”(a)
- \$1,200 standard amount for northern residents deduction, 110.7(6)“standard amount”
- \$1,275 maximum political contribution for credit, 127(3)(c)
- \$1,375 maximum 10% wage subsidy per employee for COVID-19 in 2020, Reg. 111
- \$1,500 First-Time Home Buyer's Credit from 2022, 118.05(3)
- \$1,500 (indexed after 1988) threshold for medical expense credits for high-income taxpayers, 118.2(1)C
- \$1,500 maximum deductible health plan premium per person, 20.01(2)(c)B
- \$1,500 penalty for not filing information return electronically, 162(7.02)(c)
- \$1,500 per year of employment before 1989, additional retiring allowance transferred to RRSP, 60(j.1)(ii)(B)



## Index

Dollar amounts in legislation and regulations (*cont'd*)

- \$1,722.22 defined benefit limit before 1999, Reg. 8500(1)“defined benefit limit”(a)
- \$1,800 threshold for instalments by Quebec residents, 156.1(1)
- \$2,000 apprenticeship expenditure limit for investment tax credit, 127(9)“apprenticeship expenditure”(a)
- \$2,000 deduction from income of dining or recreational club, 149(5)(f)(i)
- \$2,000 moving expenses for person with mobility impairment, medical expense credit, 118.2(2)(1.5)
- \$2,000 pension income, credit to offset, 118(3)
- \$2,000 per week penalty for large corp missing mandatory disclosure, 237.3(8)(a)(i), 237.4(12)(a)(i), 237.5(5)
- \$2,000 per year of employment before 1996, retiring allowance transferred to RRSP, 60(j.1)(ii)(A)
- \$2,000 pre-1986 capital loss balance deductible against any income, 111(1.1)(b)(i)
- \$2,000 RRSP overcontribution room, 204.2(1.1)(b)C
- €2,000, sales threshold for digital platform operator to be required to report, 282(1)“excluded seller”(d)
- \$2,500 maximum employee life and health benefits to key employees, 144.1(2)(e)(ii)A
- \$2,500 maximum penalty for failing to comply with obligation, 162(7), (7.1)
- \$2,500 maximum penalty for non-resident corporation failing to file return, 162(2.1)(b)(ii)
- \$2,500 maximum RESP assistance to part-time student until 2023, 146.1(2)(g.1)(ii)(B)
- \$2,500 minimum employment/business income for refundable medical expense credit, 122.51(1)“eligible individual”(c)
- \$2,500 minimum penalty for false statement in return re distribution from foreign trust, 163(2.4)(e)(i)
- \$2,500 minimum penalty for gross-negligence false statement in trust return, 163(6)
- \$2,500 penalty for not filing information return electronically, 162(7.02)(d)
- \$2,500 restricted farm loss fully deductible, 31(1)
- \$3,000 income offset by volunteer firefighter credit before 2024, 118.06(2)
- \$3,000 income offset by volunteer search-and-rescue credit before 2024, 118.07(2)
- \$3,000 maximum incorporation expenses deductible, 20(1)(b)
- \$3,000 minimum lump-sum payment for retroactive spreading over prior years, 110.2(2)
- \$3,000 monthly threshold for quarterly source deductions remittance, Reg. 108(1.12)
- \$3,000 scholarship exemption before 2006, 56(3)(b)(i)
- \$3,000 threshold for requiring individual or corporate instalments, 156.1(1), 157(2.1)
- \$3,500 deduction for refunds of past service AVCs, 60.2(1)(b)
- \$3,500 maximum employee’s RPP contribution for pre-1990 service, 147.2(4)(b), (c)
- \$3,500 per year of employment, retiring allowance transferred to RRSP, 60(j.1)(ii)
- \$4,000 child care expenses per child age 7–15 before 2015, 63(3)“annual child care expense amount”(b)(ii)
- \$4,000 maximum labour mobility deduction, 8(1)(t)
- \$4,000 maximum RESP assistance to part-time student from 2023, 146.1(2)(g.1)(ii)(B)
- \$5,000 and under non-periodic payment, withholding requirement, Reg. 103(1), (4)(a)
- \$5,000 child care expenses per child age 7–15, 63(3)“annual child care expense amount”(b)(ii)
- \$5,000 federal purchase incentive for zero-emission vehicles, Reg. 1102(26)
- \$5,000 gift to registered journalism organization, disclosure of donor, 149.1(14.1)
- \$5,000 income threshold to be deemed not financially dependent on annuitant, 146(1)“refund of premiums”
- \$5,000 maximum amount for First-Time Home Buyer’s Credit and Disability Home Purchase Credit until 2021, 118.05(3)
- \$5,000 maximum annual TFSA contribution 2009–12, 207.01(1)“TFSA dollar limit”(a)
- \$5,000 maximum cost of wheelchair-access van for medical expense credit, 118.2(2)(1.7)
- \$5,000 maximum deductible cost of maintaining old residence after moving, 62(3)(g)
- \$5,000 maximum education and tuition amounts transferred to spouse, parent or grandparent, 118.81(a)(A)(ii)
- \$5,000 maximum fine for communicating confidential information or SIN, 239(2.2), (2.21), (2.3)
- \$5,000 maximum gain or loss from obligation, not to be specified debt obligation, Reg. 9202(4)(c)
- \$5,000 maximum purchase for labour-sponsored funds tax credit, 127.4(5)(a), 127.4(6)(a)
- \$5,000 maximum RESP payments until 2023 until student enrolled for 13 weeks, 146.1(2)(g.1)(ii)(A)(II)
- \$5,000 maximum training amount limit for Canada Training Credit, 122.91(2)(a)(ii)
- \$5,000 maximum tuition/education amounts transferred to parent, 118.81(a)(A)(ii)D
- \$5,000 minimum FAPI for participating percentage calculation, 95(1)“participating percentage”
- \$5,000 penalty for using or possessing zipper software or hardware, 163.3(2)(a), (3)(a)
- \$5,000 threshold for withholding rate on RDSP disability assistance payment, Reg. 103.1(2)C(a), (b)
- \$5,000 transfer to outside organization above which charity must disclose on public information return, Reg. 3703
- \$5,400 annual Canada Child Benefit for child age 6–17, 122.61(1)A:E(b)
- \$5,500 maximum annual TFSA contribution 2013–14 and 2016–18, 207.01(1)“TFSA dollar limit”(b), (d)
- \$6,000 income offset by volunteer firefighter credit from 2024, 118.06(2)
- \$6,000 income offset by volunteer search-and-rescue credit from 2024, 118.07(2)
- \$6,000 maximum annual TFSA contribution 2019–21, 207.01(1)“TFSA dollar limit”(d)
- \$6,400 annual Canada Child Benefit for child under 6, 122.61(1)A:E(a)
- \$8,000 child care expenses per child under 7, 63(3)“annual child care expense amount”(b)(i)
- \$8,000 limitation on RPP past service benefits, Reg. 8307(2)(b)
- \$8,000 maximum carryforward for first home savings account, 146.6(1)“annual FHSA limit”(b) formula, (b)F(ii)(B), 146.6(1)“FHSA carryforward”(a)
- \$8,000 maximum penalty for late-filed elections, 85(8), 93(6), 96(6), 220(3.5)
- \$8,000 maximum RESP payments from 2023 until student enrolled for 13 weeks, 146.1(2)(g.1)(ii)(A)(II)
- \$8,000 RRSP overcontribution room, 204.2(1.1)(b)M
- \$8,750 maximum restricted farm loss deduction before 2013, 31(1)(a)(ii)
- \$10,000 above which payment to CRA must be electronic, 160.5(2)
- \$10,000 employment income of Canadian resident from U.S. or U.S. resident from Canada not taxable, Canada-U.S. Tax Treaty:Art. XV:2(a)
- \$10,000 external income threshold for deduction of private health plan premiums, 20.01(1)(a)(ii)
- \$10,000 international electronic funds transfer must be reported to CRA, 237.3 [end]
- \$10,000 limit for attendant care credit for disabled person, 118.2(2)(b.1)
- \$10,000 limit to clergy residence deduction, 8(1)(c)(iv)(A)(I)
- \$10,000 max expenditures per location for air quality improvement credit, 127.43(1)“total per location expense”(b)
- \$10,000 maximum amount for First-Time Home Buyer’s Credit and Disability Home Purchase Credit from 2022, 118.05(3)
- \$10,000 maximum annual TFSA contribution for 2015, 207.01(1)“TFSA dollar limit”(c)
- \$10,000 maximum expenses for home accessibility tax credit until 2021, 118.041(3)B(a)



## Index

Dollar amounts in legislation and regulations (*cont'd*)

- \$10,000 maximum income of non-resident (NR) employee in Canada not needing information return by NR employer, Reg. 200(1.1)
- \$10,000 maximum RRSP withdrawal per year for Lifelong Learning Plan, 146.02(1)“eligible amount”(c), Reg. 104.1(1)(c)
- \$10,000 minimum advisor/promoter penalty for missing mandatory disclosure, 237.3(8)(b)(ii), 237.4(12)(b)(ii)
- \$10,000 minimum fine on summary conviction for using, possessing, making or selling zipper software or hardware, 239.1(2)
- \$10,000 over which capital addition to building owned since 1971 by credit union deemed separate building, ITAR 58(1)(c)(i)
- \$10,000 penalty for making or selling zipper software or hardware, 163.3(4)(a)
- \$10,000 per new child care space for investment tax credit, 127(9)“child care space amount”(a)
- \$10,000 per year minimum income to qualify for training credit, 122.91(2)(a)(i)B(A)(III)
- \$10,000 revenue over which non-profit organization must file information return, 149(12)
- \$10,000 tax-free payment by employer to spouse on death, 248(1)“death benefit”
- \$10,000 threshold for recoverable contribution to non-resident trust, 94(7)(a)(II)(A), 94(7)(b)
- \$10,000 threshold for reporting electronic funds transfers, 244.2(1), 244.4(1)
- \$10,000 threshold for specified disability savings plan, 146.4(1.2)(b)
- \$10,000 value of individual asset required to be reported on emigration, 128.1(10)“reportable property”(d)
- \$11,000 child care expenses for disabled child, 63(3)“annual child care expense amount”(a)
- \$11,500 denominator for reduced small business deduction for large corp before 2022–23, 125(5.1)(a)
- \$12,000 maximum federal tax at issue for Tax Court of Canada informal procedure before June 26/13, *Tax Court of Canada Act* s. 18(1)(a)
- \$12,000 maximum penalty for failure to provide foreign-based information, 162(10)
- \$14,500 exemption from security required for departure tax, 220(4.51)
- \$15,000 athlete/entertainer income of Canadian resident from U.S. or U.S. resident from Canada not taxable, Canada-U.S. Tax Treaty:Art. XVI:1
- \$15,000 basis for additional CCA for grain-drying machinery, Reg. 1100(1)(sb)(iv)(B)
- \$15,000 cutoff for lump sum payment, withholding requirements, Reg. 103(4)(b), (c)
- \$15,000 exempt reimbursement for housing loss on relocation, 6(20)(a)
- \$15,000 maximum annual disability supports deduction for student, 64(b)(ii)(A)
- \$15,000 maximum contributions to eligible funeral arrangement for funeral services, 148.1(1)“eligible funeral arrangement”(b)(i)
- \$15,000 maximum late filing penalty, 66(12.75)
- \$15,000 threshold for withholding rate on RDSP disability assistance payment, Reg. 103.1(2)C(b), (c)
- \$15,500 pension adjustment limitation, Reg. 8509(12)(a)(ii)
- \$17,500 maximum restricted farm loss deduction, 31(1)(a)(ii)
- \$20,000 automobile cost cap (purchased June 18/87–Aug. 31/89), 13(2), 13(7)(g), (h), 20(4), (16.1), 67.2–67.4, 85(1)(e.4), Reg. 1101(1af), Reg. Sch. II:Cl. 10.1
- \$20,000 limit in year of death for attendant care credit for disabled person, 118.2(2)(b.1)
- \$20,000 maximum contributions to eligible funeral arrangement for cemetery care, 148.1(1)“eligible funeral arrangement”(b)(ii)
- \$20,000 maximum expenses for home accessibility tax credit from 2022, 118.041(3)B(a)
- \$20,000 maximum RRSP withdrawal for Home Buyers’ Plan before 2009, 146.01(1)“regular eligible amount”(h), 146.01(1)“supplemental eligible amount”(g)
- \$20,000 maximum RRSP withdrawal for Lifelong Learning Plan, 146.02(1)“eligible amount”(d), Reg. 104.1(1)(d)
- \$23,529 maximum base for leasing costs of automobile (before indexing), 67.3(d)
- \$24,000 basic annual ITC limit for individuals, 127(9)“annual investment tax credit limit”
- \$24,000 maximum loss at issue for Tax Court of Canada informal procedure before June 26/13, *Tax Court of Canada Act* s. 18(1)(b)
- \$24,000 maximum penalty for failure to provide foreign-based information after demand, 162(10)
- \$24,000 minimum penalty for false statement in returns re transactions with non-residents and foreign properties, 163(2.4)
- \$24,000 per partner maximum penalty for failing to file partnership information return, 162(8)
- \$25,000 below which arm’s length investment in small business permitted by RRSP, Reg. 4901(2)“connected shareholder”
- \$25,000 below which leasing property rules do not apply, Reg. 1100(1.11)(c), 1100(1.13)(c), 1100(1.14), 8200(b)
- \$25,000 charity false-statement penalty threshold for mandatory suspension of receipting privilege, 188.2(1)(c)
- \$25,000 home relocation loan, interest deduction equivalent to before 2018, 110(1)(j)
- \$25,000 maximum 10% wage subsidy for COVID-19 in 2020, Reg. 111
- \$25,000 maximum federal tax at issue for Tax Court of Canada informal procedure, *Tax Court of Canada Act* s. 18(1)(a)
- \$25,000 maximum fine for offence, 238(1)(a)
- \$25,000 maximum investment in small business by specified shareholder’s RRSP, Reg. 4901(2)“designated shareholder”(a)
- \$25,000 maximum RRSP withdrawal for Home Buyers’ Plan before March 20/19, 146.01(1)“regular eligible amount”(h), 146.01(1)“supplemental eligible amount”(g)
- \$25,000 minimum farming expenses to qualify for carbon tax refund, 127.42(1)“eligible farming expenses”A(a)
- \$25,000 minimum investment assets for charitable foundation disbursement requirement, 149.1(1)“disbursement quota”B(a)(ii)
- \$25,000 minimum property value for interest deduction restrictions, 18.2(1)“excluded lease”(c)(i)
- \$25,000 monthly employer withholdings, remittance dates, Reg. 108(1.1)(a)
- \$25,000 penalty cap for missing mandatory disclosure, 237.3(8)(a)(ii)(A), 237.4(12)(a)(ii)(A)
- \$25,000 per day maximum penalty for outstanding notice of non-compliance, 231.9(12)
- \$25,000 value for total assets required to be reported on emigration, 128.1(9)
- \$30,000 automobile cost cap for 2001–2021, 13(2), 13(7)(g), (h), 20(4), (16.1), 67.2–67.4, 85(1)(e.4), Reg. 1101(1af), 7307(1), Reg. Sch. II:Cl. 10.1
- \$30,000 threshold for phase-out of Canada Child Benefit, 122.61(1)A:Q(a)
- \$34,000 automobile cost cap for 2022, 13(2), 13(7)(g), (h), 20(4), (16.1), 67.2–67.4, 85(1)(e.4), Reg. 1101(1af), 7307(1), Reg. Sch. II:Cl. 10.1
- \$35,000 maximum contributions to eligible funeral arrangement, 148.1(1)“eligible funeral arrangement”(b)(iii)
- \$35,000 maximum RRSP withdrawal for Home Buyers’ Plan after March 19/19, 146.01(1)“regular eligible amount”(h), 146.01(1)“supplemental eligible amount”(g)
- \$35,294 maximum base for leasing costs of automobile 2001–21, 67.3(d)
- \$36,000 automobile cost cap for 2023, 13(2), 13(7)(g), (h), 20(4), (16.1), 67.2–67.4, 85(1)(e.4), Reg. 1101(1af), 7307(1), Reg. Sch. II:Cl. 10.1
- \$37,000 automobile cost cap for 2024, 13(2), 13(7)(g), (h), 20(4), (16.1), 67.2–67.4, 85(1)(e.4), Reg. 1101(1af), 7307(1), Reg. Sch. II:Cl. 10.1

## Index

### Dollar amounts in legislation and regulations (*cont'd*)

- \$38,000 automobile cost cap for 2025, 13(2), 13(7)(g), (h), 20(4), (16.1), 67.2–67.4, 85(1)(e.4), Reg. 1101(1af), 7307(1), Reg. Sch. II:Cl. 10.1
- \$40,000 basic exemption from minimum tax, 127.53
- \$40,000 FHSA lifetime contribution limit, 146.6(4)(b), 207.01(1)“excess FHSA amount”(c)A
- \$40,000 income threshold for debt forgiveness reserve, 61.2:C
- \$50,000 cost of building, separate CCA class for, Reg. 1101(1ac), (1ad), (5b)
- \$50,000 financial institution account threshold for reporting for US FATCA, Canada-US ETIEA Annex I:II(A), III(A)
- \$50,000 max expenditures for air quality improvement credit, 127.43(1)“total ventilation expense”(b)
- \$50,000 maximum accumulated income payment from RESP, no withholding, Reg. 100(1)“remuneration”(n)(iii)
- \$50,000 maximum assets, trust not required to file return if no income, 150(1.2)(b)
- \$50,000 maximum loss at issue for Tax Court of Canada informal procedure, *Tax Court of Canada Act* s. 18(1)(b)
- \$50,000 maximum qualifying expenditures for Multigenerational Home Renovation Tax Credit, 122.92(3)B(a)
- \$50,000 maximum RESP contributions per beneficiary, 204.9(1)“excess amount”(b), 204.9(1)“RESP lifetime limit”(c)
- \$50,000 minimum fine on indictment for using, possessing, making or selling zapper software or hardware, 239.1(3)
- \$50,000 monthly employer withholdings, requirement to remit through financial institution or early, 153(1) closing words, 153(1.4), Reg. 110
- \$50,000 penalty for second infraction using or possessing zapper software or hardware, 163.3(2)(b), (3)(b), (4)(b)
- \$50,000 top-bracket income exemption for security required for departure tax, 220(4.51)(a)
- \$50,000 USD thresholds for certain reporting of non-residents’ accounts, 270(1)“broad participation retirement fund”(c)(iv)(B), 270(1)“excluded account”(a)(v), (b)(iv), (f)(ii), 270(1)“qualified credit card issuer”(b); Canada-US ETIEA Annex I, II(A)(1), II(A)(4), III(A)(1)
- \$55,000 per year maximum salary per employee for journalism labour credit before 2023, 125.6(1)“qualifying labour expenditure”(a)
- \$55,000 zero-emission automobile cost cap, 13(7)(i), Reg. 7307(1.1)
- \$65,000 threshold for slower phase-out of Canada Child Benefit, 122.61(1)A:Q(a)
- \$75,000 rent expense limit for COVID-19 Canada Emergency Rent Subsidy, 125.7(1)“qualifying rent expense”A
- \$85,000 per year maximum salary per employee for journalism labour credit from 2023, 125.6(1)“qualifying labour expenditure”(a)
- \$90,000 denominator for reduced small business deduction for large corp starting 2022–23, 125(5.1)(a)
- \$100,000 capital gain exempt from security required for departure tax, 220(4.51)(a)
- \$100,000 capital gains exemption, 110.6(3)
- \$100,000 foreign assets, reporting requirement, 233.3(1)“reporting entity”
- \$100,000 maximum cost of addition to pre-1979 building, Reg. Sch. II:Cl. 6(k)
- \$100,000 (+ fees) maximum penalty for s. 160 avoidance planning, 160.01(2)(b)
- \$100,000 minimum cost for accredited film/video production episode under 30 minutes, Reg. 9300(1)(b)(i)
- \$100,000 minimum investment assets for charitable organization disbursement requirement, 149.1(1)“disbursement quota”B(a)(i)
- \$100,000 monthly employer withholdings, remittance dates, Reg. 108(1.1)(a)
- \$100,000 of shares is material for private foundation, 149.1(1)“material transaction”(a), 149.2(1)(a)(ii)
- \$100,000 or more cost of automobile or airplane, *see* Luxury Items Tax
- \$100,000 penalty cap for large corp missing mandatory disclosure, 237.3(8)(a)(i)(A), (b)(iii), 237.4(12)(a)(i)(A), (b)(iii), 237.5(5)
- \$100,000 penalty for second infraction making or selling zapper software or hardware, 163.3(4)(c)
- \$100,000 plus gross compensation, maximum civil penalty, 163.2(5)(b)(ii)
- \$150,000 limit for advanced life deferred annuity for 2020, 205(1)“ALDA dollar limit”
- \$200,000 active business income limit for small manufacturers’ M&P calculation, Reg. 5201(b)
- \$200,000 assets over which non-profit organization must file information return, 149(12)
- \$200,000 limit to non-CCPC stock option grants, 110(1.31)A
- \$200,000 maximum taxable income for extra R&D credit, 127(9)“super-allowance benefit amount”C(b)(ii)
- \$200,000 minimum cost for accredited film/video production episode at least 30 minutes, Reg. 9300(1)(b)(ii)
- \$250,000 maximum assets, certain trusts not required to file return if no income, 150(1.2)(b.1), (c)
- \$250,000 or more cost of boat, *see* Luxury Items Tax
- \$250,000 threshold for one-half inclusion of capital gain, 38.01(a)
- stock option deduction, 110(1)(d.4)
- \$250,000 USD threshold for reporting pre-existing non-residents’ accounts, 275
- \$266,667 Canadian Entrepreneurs’ Incentive deduction for 2025, 110.63(2)(a)A(a)
- \$300,000 rent expense limit for COVID-19 Canada Emergency Rent Subsidy Sept. 27/20 to Oct. 23/21, 125.7(2.1)A:D(b)E.1(i)
- \$400,000 Canadian Entrepreneurs’ Incentive (half capital gains offset) for 2025, 110.63(2)(a)A(a)
- \$400,000 taxable income threshold for small CCPC quarterly instalments, 157(1.2)(a)
- \$500,000 capital gains deduction for farming/fishing property, 110.6(2.2)(a)
- \$500,000 dividend allowance for Part VI.1 tax (preferred share dividends), 191.1(2)(a), 191.1(4)(a)
- \$500,000 exemption from earnings subject to branch tax, Canada–U.S. tax treaty Canada–U.S. Tax Treaty:Art. X:6(d)
- \$500,000 income limit for enhanced R&D investment tax credit, 127(10.2)
- \$500,000 maximum consideration received by non-resident trust before certain rules apply, 94(2)(s)(vi)(C)
- \$500,000 maximum cost of addition to pre-1988 building, Reg. Sch. II:Cl. 3(k)(iv)
- \$500,000 maximum fine on summary conviction for using, possessing, making or selling zapper software or hardware, 239.1(2)
- \$500,000 small business deduction threshold, 125(2)–(4), 125(7)“specified partnership income”M(i)
- \$500,000 threshold amount of annual sales affecting GST input tax credit timing, 248(16)(a)(i)(B)(I), 248(16)(a)(ii)(B)
- \$500,000 threshold amount of annual sales affecting QST input tax refund, 248(16.1)(a)(i)(B)(I), 248(16)(a)(ii)(B)
- \$508,418 capital gains deduction for 2024, 110.6(2.01)(a)(i), (ii)B, (2.02)(a)B
- \$533,333 Canadian Entrepreneurs’ Incentive deduction for 2026, 110.63(2)(a)A(b)
- \$800,000 Canadian Entrepreneurs’ Incentive (half capital gains offset) for 2026, 110.63(2)(a)A(b)
- \$800,000 Canadian Entrepreneurs’ Incentive deduction for 2027, 110.63(2)(a)A(c)
- \$833,333 amount for capital gains deduction for 2024, 110.6(2.01)(a)(ii), (2.02)(a)
- \$1,000,000 base level deduction for principal-business corporation, 18(2.2)–(2.4)
- \$1,000,000 Canadian development expenses renounced to flow-through shareholder as Canadian exploration expenses before 2019, 66(12.602)(c)
- \$1,000,000 capital gains exemption for farming/fishing property, 110.6(2.2)(a)

Dollar amounts in legislation and regulations (*cont'd*)

- \$1,000,000 financial institution account threshold for reporting for US FATCA, Canada-US ETIEA Annex I:II(B), IV(B)
- \$1,000,000 maximum fine on indictment for using, possessing, making or selling zipper software or hardware, 239.1(3)
- \$1,000,000 maximum penalty for not publishing CCUS climate risk disclosure report, 211.93(5)
- \$1,000,000 minimum cost for accredited film/video production, Reg. 9300(1)(a)
- \$1,000,000 minimum interest and financing expenses for interest deduction restrictions, 18.2(1)“excluded entity”(b)
- \$1,000,000 minimum stock buyback to trigger Part II.2 tax, 183.3(4)
- \$1,000,000 over which office and computer equipment is not “exempt property”, Reg. 1100(1.13)(a)(i), (i.1)
- \$1,000,000 previous year’s dividends paid on taxable preferred shares reduces dividend allowance, 191.1(2)(b), 191.1(4)(b)
- \$1,000,000 rent expense limit for COVID-19 Canada Emergency Rent Subsidy Oct. 24/21 to May 7/22, 125.7(2.1)A:D(b)E.1(ii)
- \$1,000,000 threshold of transactions with related non-residents for reporting requirements, 233.1(4)
- \$1,000,000 USD maximum annual lifetime contributions to retirement fund (re reporting of non-residents’ accounts), 270(1)“excluded account”(a)(v)
- \$1,000,000 USD threshold for certain reporting of non-residents’ accounts, 270(1)“high value account”, “lower value account”, 275(4)(b)(iii)(A), 277(6)(c)
- \$1,050,000 maximum fully refundable R&D investment tax credit since Feb. 26/08, 127(10.2)
- \$1,066,667 Canadian Entrepreneurs’ Incentive deduction for 2028, 110.63(2)(a)A(d)
- \$1,200,000 Canadian Entrepreneurs’ Incentive (half capital gains offset) for 2027, 110.63(2)(a)A(c)
- \$1,250,000 lifetime capital gains exemption (from June 25, 2024), 110.6(2)(a)
- \$1,333,333 Canadian Entrepreneurs’ Incentive deduction after 2028, 110.63(2)(a)A(e)
- \$1,500,000 limit for CCA immediate expensing 2021–2024, Reg. 1104(3.2)
- \$1,600,000 Canadian Entrepreneurs’ Incentive (half capital gains offset) for 2028, 110.63(2)(a)A(d)
- \$2,000,000 Canadian Entrepreneurs’ Incentive (half capital gains offset) after 2028, 110.63(2)(a)A(e)
- \$2,000,000 expenditure limit for higher investment tax credit before Feb. 26/08, 127(10.2)–(10.4)
- \$2,000,000 penalty for not filing CCUS knowledge-sharing report, 211.93(4)
- \$3,000,000 expenditure limit for higher investment tax credit, 127(10.2)–(10.4)
- \$5,000,000 expected drilling expenses for well, 66.1(6)“Canadian exploration expense”(d)(iv)(A)
- \$5,000,000 gross revenue threshold for calculating transfer pricing penalty, 247(3)(b)(ii)
- \$5,000,000 maximum cost of segregated fund, exclusion from financial institution rules, Reg. 9000(c)(iii)
- \$5,000,000 minimum foreign affiliates value or shares cost for interest deduction restrictions, 18.2(1)“excluded entity”(c)(ii)
- \$10,000,000 capital deduction for large corporations for certain purposes, 181.5(1.1), (4.1)
- \$10,000,000 capital gains exemption on transfer of business to employee ownership trust, 110.62(1)(d)(ii)(A)
- \$10,000,000 cost of pipeline, election for separate class, Reg. 1101(5i)
- \$10,000,000 excess value for CWB trust, 135.2(1)“Canadian Wheat Board continuance”(c), 135.2(1)“eligible unit”(a)
- \$10,000,000 maximum capital gains exemption on sale of shares to employee ownership trust, 110.6(1)(e)(ii)(A)
- \$10,000,000 maximum investment in corporation to be “small business security” for qualified investments, Reg. 5100(2)(e)
- \$10,000,000 minimum outstanding bonds for corporate bonds to be qualified investments, Reg. 4900(1)(i)(iii)
- \$10,000,000 taxable capital employed in Canada, 225.1(8)
- \$10,000,000 taxable capital employed in Canada to be large corporation, 225.1(8)
- \$10,000,000 taxable capital in Canada threshold for reduced small business deduction, 125(5.1)(a)
- \$10,000,000 taxable capital phase-out start for enhanced R&D investment tax credit, 127(10.2)
- \$10,000,000 taxable capital threshold for small CCPC quarterly instalments, 157(1.2)(a)
- \$15,000,000 maximum investment for one corporation by LSVCC, 204.8(1)“eligible investment”(e)
- \$15,000,000 maximum taxable capital employed in Canada for corp to qualify for air quality improvement credit, 127.43(1)“qualifying corporation”(b)
- \$15,000,000 maximum taxable capital of corp that renounces CDE to flow-through shareholder as CEE before 2019, 66(12.601)(a.1)
- \$15,000,000 taxable capital threshold for eliminating small business deduction before 2022–23, 125(5.1)(a) [ $\$5,000,000 \times 0.00225 = \$11,250$ ]
- \$20,000,000 ownership interest threshold for CCUS climate risk disclosure, 211.92(1)“exempt corporation”
- \$25,000,000 debt issuance to qualify for RRSP etc. investment, 204“qualified investment”(c.1)(ii)
- \$25,000,000 minimum corporate capital for bonds to be qualified investments, Reg. 4900(1)(i)(iii)
- \$50,000,000 asset limit for corporation to be “small business security” for qualified investments, Reg. 5100(2)(f)
- \$50,000,000 asset limit for eligible business entity for LSVCC, 204.8(1)“eligible investment”(f)(i)
- \$50,000,000 asset limit for qualified small business corporation (share not mark-to-market property), Reg. 9001(1)(c)
- \$50,000,000 corporate assets threshold for high penalties for missing mandatory disclosure, 237.3(8)(a)(i), 237.4(12)(a)(i)
- \$50,000,000 maximum carrying value of small business corporation for capital gain rollover, 44.1(1)“eligible small business corporation share”(b)
- \$50,000,000 minimum taxable capital for interest deduction restrictions, 18.2(1)“excluded entity”(a)
- \$50,000,000 taxable capital phase-out limit for enhanced R&D investment tax credit since Feb. 26/08, 127(10.2)
- \$50,000,000 taxable capital threshold for eliminating small business deduction starting 2022–23, 125(5.1)(a) [ $\$40,000,000 \times 0.00225 = \$90,000$ ]
- \$100,000,000 deduction for annual 1.5% surtax on banks and life insurers, 123.6(2)B(a)(ii)
- \$200,000,000 basic capital deduction for financial institutions capital tax, 190.15
- \$220,000,000 maximum capital deduction for financial institutions capital tax, 190.15
- \$250,000,000 CCUS expenses threshold, 211.92(1)“knowledge sharing CCUS project”
- \$500,000,000 minimum revenue for stock option limit rules to apply, 110(0.1)“specified person”(b), (c)
- €750,000,000 (Euros), threshold for country-by-country reporting, 233.8(1)“excluded MNE group”
- \$1,000,000,000 annual value of shares traded for exchange (re reporting of non-residents’ accounts), 270(1)“established securities market”(b)
- \$1,000,000,000 capital deduction for Part VI tax, 190.15(1)–(3)
- \$1,000,000,000 deduction for 2022 15% surtax on banks and life insurers, 190.15(1)–(3)
- \$2,000,000,000 equity for offshore regulated banks FAPI exception, 95(2.1)(b)(i)

**Domicile**, *see* Residence

**Donations**, *see* Gifts and donations (charitable); Gratuities

**Donor bank**

- sperm costs, medical expense credit, 118.2(2)(v)

**Double counting of deductions or credits**, 248(28)

**Double dipping allowed**

- home accessibility tax credit and medical expense credit, 118.041(4)
- donation credit and tax-free capital gain, 38(a.1), (a.2), 39(1)(a)(i.1)



**Double jeopardy**, 238(3), 239(3)

**Double tax, elimination of**

- generally, 248(28)
- imposed by both Canada and foreign country
  - foreign tax credit, 126
- treaty relief, Canada–U.S. Tax Treaty:Art. XXIV; Canada–U.K. Tax Treaty:Art. 21

**Doubtful debts**

- reserve for, 12(1)(d), (l)

**Dow Jones Industrial Average units**

- qualified investments for deferred income plans, Reg. 4900(1)(n.1)

**Downsizing**, Reg. 8505

- pension benefits, Reg. 8308(9)
- program, defined, Reg. 8505(1)
- suspension or cessation of pension, Reg. 8503(8)

**Dragon Dictate software**

- disability supports deduction, 64(a)A(ii)(G)
- medical expense credit, 118.2(2)(l.42)

**Dramatic work, copyright royalties**

- no withholding tax, 212(1)(b)(vi), 212(9)(b)

**Dressing oneself**

- defined, 118.4(1)(f)
- impairment with respect to
  - certification by occupational therapist or physician
  - for disability credit, 118.3(1)(a.2)(iv)
  - eligibility for disability credit, 118.4(1)(c)(ii.1)

**Drilling or exploration expense**

- defined, 66(15)

**Drilling rights**, *see* Exploration and drilling rights

**Drinks**, *see* Food

**Drive-in theatre, property acquired for**

- capital cost allowance, Reg. Sch. II:Cl. 10(q)

**Driver's licence**

- change of address, deduction for, 62(3)(h)

**Driveway alterations**

- medical expense credit, 118.2(2)(l.6)

**Drought or flood region**

- prescribed regions, Reg. 7305.01(1)
- sales of breeding bees in
  - deferral of income from, 80.3(4.1)
- sales of breeding livestock in
  - deferral of income from, 80.3(4)
  - exceptions, 80.3(6)
- inclusion of deferred amount, 80.3(5)
- amalgamation, on, 87(2)(tt)

**Drug plan**, *see* Private health services plan

**Drugs**

- charitable donation from inventory, additional deduction before 2017, 110.1(1)(a.1), (8)
- medical expense credit, 118.2(2)(n), (s), Reg. 5701
- behind-the-counter drugs, Reg. 5701
- Special Access Programme, 118.2(2)(s)

**Dual-use electricity and heat equipment**

- defined, 127.48(1)
- whether qualifies for clean hydrogen tax credit, 127.48(10)(f), (g)

**Dual use equipment**

- defined, for CCUS credit, 127.44(1)

**Dual-use hydrogen and ammonia equipment [to be repealed]**

- defined, 127.48(1)
- extent to which qualifies for clean hydrogen tax credit, 127.48(10)(g)

**Due dates**, *see* Deadlines

**Due diligence**

- defence to directors' liability, 227.1(3)

- defence to foreign reporting requirements, 233.5
- defence to notifiable-transaction penalty, 237.4(17)
- defence to reportable-transaction penalty, 237.3(11)
- defence to SR&ED claim-preparer penalty, 162(5.2)
- defence to uncertain-tax-treatments penalty, 237.5(6)
- defence to zipper-software penalty, 163.3(8)
- obligation on financial institution re accounts to be reported to foreign tax authorities, 272–277
- obligation on financial institution re accounts to be reported to US Internal Revenue Service, 265(2), (3)
- required from PRPP administrator, 147.5(9)
- required from RRSP, RRIF, TFSA, RESP or RDSP issuer, carrier or promoter, 207.01(5)

**Dues**

- not deductible, 8(5)
- professional, union, etc., deduction for, 8(1)(i)
- recreational club, etc., not deductible, 18(1)(l)(ii)

**Dumping**, *see* Anti-dumping duties or countervailing duties; Foreign affiliate dumping

**Durable goods, for teacher school-supplies credit**, Reg. 9600

**Duties**

- anti-dumping or countervailing, *see* Anti-dumping duties or countervailing duties

**Duty-free stores relief (COVID)**, Reg. 8901.1(2)(b)(xiii), *see also* Qualifying tourism or hospitality entity

**Dwelling**, *see* Home

**E**

**EBITDA [Earnings before interest, taxes, depreciation and amortization]**, *see* Excessive interest and financing expenses limitation (EIFEL)

**EBP**, *see* Employee benefit plan

**EBRD**, *see* European Bank for Reconstruction and Development

**ECE**, *see* Eligible capital expenditure

**ECP**, *see* Eligible capital property (pre-2017)

**ECRA**, *see* Executive compensation repayment amount

**EEDD**, *see* Excessive eligible dividend designation

**EFA**, *see* Eligible funeral arrangement; Excess FHSA amount

**EFIL**, *see* Electronic filing

**EFT**, *see* Exempt foreign trust

**EGE**, *see* Eligible group entity

**EHLT**, *see* Employee life and health trust

**EI**, *see* Employment insurance

**EIFE**, *see* Exempt interest and financing expenses

**EIFEL**, *see* Excessive interest and financing expenses limitation (EIFEL)

**ELHT**, *see* Employee life and health trust

**EMDP**, *see* Eligible mine development property

**EOSMDE**, *see* Eligible oil sands mine development expense

**EOT**, *see* Employee ownership trust

**EPOP**, *see* Eligible person or partnership

**ERDTH**, *see* Eligible refundable dividend tax on hand

**ESP**, *see* Education savings plan; Registered education savings plan

**ESS (Electronic suppression of sales) device**, *see* Zipper software (or hardware)

**ETF**, *see* Exchange-traded fund

**Earned depletion allowances**

- computation, Reg. 1201
- deduction from income, 65

**Earned depletion base**

- capital costs of depreciable property, added to
  - proceeds of later disposition, 59(3.3)(b)
- computation, Reg. 1202, 1205
- expenses added to
  - amounts receivable, portion included in income, 59(3.3)(a)



**Earned income**

- for Canada Child Benefit, 63(3)“earned income”, 122.6
- for child care expenses, 63(3)“earned income”
- for RRSP purposes, defined, 146(1)“earned income”
- for refundable medical expense credit, 122.51(1)“eligible individual”(c)
- for training credit, 122.91(2)(a)(i)B(A)(III)

**Earnings (of foreign affiliate)**

- defined, Reg. 5907(1)

**Earnings supplement.** *see* Social assistance payment: supplementing employment income

**Earnout agreement**

- payments taxable, 12(1)(g)
- payments to non-resident, 212(1)(b) (closing words)

**Earthquake reserves**

- insurers, Reg. 1400(3)L

**Easement**

- ecologically sensitive land, value when donated, 110.1(5), 118.1(12)
- valuation applies for capital gains purposes, 43(2)

**eBay**

- reporting of sales by sellers, 282–295

**Ecological gifts**

- by corporation, 110.1(1)(d)
- by individual, 118.1(1)“total ecological gifts”
- determination of value by Minister of Environment, 118.1(10.1)–(10.5)
- appeal to Tax Court of Canada, 169(1.1)
- reassessment, 118.1(11)
- easement, servitude or covenant, valuation, 110.1(5), 118.1(12)
- valuation applies for capital gains purposes, 43(2)
- fair market value, certificate of, 118.1(10.5)
- reduced capital gain inclusion, 38(a.2)
- tax if donee disposes of the property, 207.31

**Ecologically sensitive land.** *see* Ecological gifts

**Economic profit**

- defined, for foreign tax credit, 126(7)
- none, limitation on foreign tax credit, 126(4.1)

**Economic substance, relevant for GAAR, 245(4.1)**

- meaning of “lacking in economic substance”, 245(4.2)

**Economic zone.** *see* Exclusive economic zone

**Economically relevant characteristics**

- defined, for transfer pricing rules, 247(1)

**Edition (of periodical)**

- meaning of, 19.01(6)

**Education assistance**

- provided by employer to employee’s relative, whether taxable, 6(1)(a)(vi)

**Education credit (pre-2017), 118.6.** *see also* Lifelong Learning Plan; Student loan; Tuition fees: credit for

**Education expense reimbursement for ill and injured**

- paid to Canadian Forces member or veteran, exempt, 81(1)(d.1)(viii)

**Education savings plan, 146.1.** *see also* Registered education savings plan

- appeal from refusal to register, 172(3)(e), 180
- conditions, 146.1(2)
- defined, 146.1(1)“education savings plan”
- payment out of
  - registered plan, 56(1)(q), 146.1(7)
- registration of, 146.1(2), (4)
  - conditions, 146.1(2)
  - deemed, 146.1(3)
  - refusal by Minister
    - deemed, 172(4)(d)

**Educational assistance payment**

- defined, 146.1(1)

- from registered plan, taxable, 56(1)(q), 146.1(7)
- limitations on, 146.1(2)(g), (g.1)
- payable until 6 months after student ceases to be enrolled, 146.1(2.21), (2.22)

**Educational institution**

- certification by Human Resources Development Canada, 118.5(1)(a)(ii), 118.6(1)“designated educational institution”(a)(ii)
- designated, defined, 118.6(1)
- required to issue tuition fees certificate, Reg. 203

**Educational program**

- qualifying, defined, 118.6(1)

**Educators’ credit.** *see* Teacher school-supplies credit

**Egypt.** *see also* Foreign government; Little Egypt bump

- Canadian Forces personnel and police serving in, no tax on income, 110(1)(f), Reg. 7500(d) [repealed]

**Elected functional currency**

- defined, for functional currency rules, 261(1)

**Elected property**

- defined, for CCA separate-class rules for licences, Reg. 1101(1ag)

**Electing beneficiary (for qualified disability trust)**

- defined, 122(3)

**Electing contributor (to trust)**

- defined, 94(1)
- election to limit liability for non-resident trust’s tax, 94(16)
- liability for joint contribution to trust, 94(17)

**Electing trust (for non-resident trust rules)**

- defined, 94(1)
- rules for, 94(3)(f)

**Election.** *see also* Rollover

- amounts receivable at date of death, 70(2)
- revocation of, 70(4)
- assets acquired from foreign affiliate, 80.1(4)–(6)
- basic herd, reduction of, 29(1)
- beneficiary, by, re single payment from DPSP, Reg. 1503
- beneficiary of non-resident trust, by, 107(2.002)
- branch tax, Reg. 2403
- CCPC, not to be for purposes of dividend tax credit, 125(7)“Canadian-controlled private corporation”(d)
- Canadian development expenses of partnership, exclusion of, 66.2(5)“Canadian development expense”(f)
- Canadian oil and gas property expenses of partnership, exclusion of, 66.4(5)“Canadian oil and gas property expense”(b)
- capital cost allowance
  - inclusions, Reg. 1103
- separate class for certain equipment, Reg. 1101(5q), (5t)
- transfers between classes, Reg. 1103
- capital dividend, re, 83(2)–(4)
  - excessive, tax on, 184
- capital gains dividend, re
  - investment corporation, 131(1), Reg. 2104
  - mortgage investment corporation, 130.1(4), Reg. 2104.1
    - excessive, tax on, 184
  - mutual fund corporation, 131(1), Reg. 2104
    - excessive, tax on, 184
- capital gains exemption
  - farm or fishing property, 110.6(2)
  - gains to Feb. 22/94, 110.6(3), (19)–(30), *see also* Capital gains deduction: election to trigger gain
  - small business shares, 110.6(2.1)
  - when corporation going public, 48.1
- capital interest distribution by personal trust or prescribed trust, 107(2)
- capitalization of interest, 21
- carryback or carryforward, *see* Carryback; Carryforward
- cash method (farming or fishing business), 28(1)

## Index

### Election (*cont'd*)

- ceasing to be resident, on, 128.1(4)(d), Reg. 1300–1302
- on returning to Canada, 128.1(6)(a), (c), 128.1(7)(d), (g)
- postponement of departure tax by posting security, 220(4.5)–(4.54)
- change in use of property, 45(2)
- communal organization, re taxable income, 143(2), (3)
- corporation and partners re property transferred, 85(1), (2)
- corporation and shareholder, re property transferred
- eligible property, 85(1.1)
- cost of capital property where change in control of corporation, 111(4)(e)
- Crown corporation, to remain taxable, 149(1.11)
- currency to use other than Canadian dollar, 261(3)
- death of taxpayer, 70(6.2), Reg. Part X
- debt settled on windup of subsidiary into parent, 80.01(4)
- deemed capital loss on partnership interest, 40(3.12)
- deemed disposition of bad debt or share of insolvent corporation, 50(1)
- deemed disposition of capital property on change of control, 111(4)(e)
- deferral of “departure tax” payment, 220(4.5)–(4.54), Reg. 1301
- departure tax, *see* taxpayer ceasing to be resident (*below*)
- derivatives, mark-to-market treatment, 10.1
- disposition of Canadian securities, 39(4)
- disposition of share in foreign affiliate, 93(1), (1.1), (1.11)
- disposition of vessel, 13(16)
- eligible non-residential building, Reg. 1101(5b.1)
- emigration that is temporary, ignored, 128.1(6)(a), (c), 128.1(7)(d), (g)
- employees profit sharing plan, Reg. 1500
- excessive, re dividend
- treatment of excess as separate dividend, 184(3), Reg. 2106
- executor, by, to carry back losses to year of death, 164(6)
- expropriation assets, re, 80.1(1), Reg. 4500
- fiscal period, non-calendar year, 249.1(4)
- fiscal period of terminated partnership, 99(2)–(4)
- fishermen, tax deduction, Reg. 105.1
- foreign accrual business income, 93.4
- foreign trust reporting, 233.2(5)
- forward averaging, 110.4(2) [repealed]
- revocation, 110.4(6.1) [repealed]
- functional currency other than Canadian dollar, 261(3)
- gifts by communal organizations, allocated to members, 143(3.1)
- inducement, where offset by expense, 12(2.2)
- insurer
- non-resident, 219(5.2)
- interest on expropriation assets, 80.1(2)
- investment tax credit, renunciation by general partner, 127(8.4)
- involuntary dispositions, 13(4)
- joint exploration corporation, 66(10)–(10.4)
- late, 220(3.2)–(3.7); Reg. 600
- leasing properties, in respect of, 16.1(1)
- legal representative of deceased taxpayer, *see also* Legal representative of deceased taxpayer
- manufacturing and processing property, Reg. 1102(16.1)
- mark-to-market treatment of derivatives, 10.1
- mortgage investment corporation, re capital gains dividend, 130.1(4)
- where not made, 130.1(4.1)
- mutual fund corporation, re dividend, 131(1)–(1.4)
- mutual fund reorganization, 132.2(1) “qualifying exchange” (c)
- mutual fund trust status from beginning of first year, 132(6.1)
- non-resident, to file return under Part I, 216(1), 217
- restriction on deduction, 216(8)
- non-resident parent corporation, re interest on loan, 218(3), (4)
- Part II of former Act, under, ITAR 66
- Part VI.1 tax, to pay, 191.2
- partners, by
- re property transferred, 97(2)
- validity of, 96(3)
- partnership ceasing to exist
- rules applicable, 98(3), (4)
- partnership’s Canadian development expenses, 66.2(5) “Canadian development expense” (f)
- partnership’s Canadian oil and gas property expenses, 66.4(5) “Canadian oil and gas property expense” (b)
- personal injury award, 81(5)
- personal representative, by, to carry back losses to year of death, 164(6)
- post-emigration loss, 128.1(8)
- postponement of departure tax by posting security, 220(4.5)–(4.54)
- postponement of tax on distribution of property by trust to non-resident beneficiary, by posting security, 220(4.6)–(4.63)
- preferred beneficiary, of trust, 104(12), 104(14), Reg. 2800
- principal residence, 45(3)
- distribution by spousal trust, 107(2.01)
- where not available, 45(4)
- property owned on Dec. 31/71, ITAR 26(7)
- proportional holdings in trust property, 259(2)
- proprietor, on disposing of business, 25
- public corporation, to be, ITAR 50(2)
- qualifying dividend
- late-filed, 83(3)–(5)
- replacement property, 13(4), 44(5)
- representation expense, 20(9)
- research and development, 37(8)(a)(ii)(B), 37(10)
- reserves for year of death, 72(2)
- retirement compensation arrangement
- refundable tax, 207.5(2)
- revocation of, *see* Revocation of elections
- rights or things on death, re, 70(2)
- revocation of, 70(4)
- RPP contribution
- additional voluntary contributions, 8(1.1)
- sale of accounts receivable, 22
- scientific research, 37(8)(a)(ii)(B), 37(10)
- scientific research tax credit, re first holder of share, 127.3(9)
- segregated fund trusts, Reg. 6100
- services not rendered, 20(24), (25)
- specified leasing property not to be exempt property, Reg. 1100(1.14)
- spousal attribution rule on emigration, 74.2(3)
- stock option
- by employer to forgo deduction for cash payment, 110(1.1), (1.2)
- subsec. 26(7) of ITAR, under, Reg. 4700
- surpluses, re, Reg. Part XXI
- taxpayer ceasing to be resident
- deferral of capital gains, 128.1(4)(d), Reg. 1300–1302
- deferral of payment of taxes, 220(4.5)–(4.6)
- realization of capital gains, 128.1(4)(d), Reg. 1302
- time of acquisition of control, re, 256(9)
- transfer of property to corporation
- partnership, from, 85(2), (6)–(9)
- partnership wound up, 85(3)
- shareholder, by, 85(1), (6)–(9)
- eligible property, 85(1.1)
- treat bovine animal as specified animal, 28(1.2)
- treat dividend as capital dividend, to, 83(2.2)–(2.4)
- where not available, 83(2.1)
- trigger capital gain on small business corporation share, 48.1
- trust, by
- accumulating income, 104(12), 104(14), Reg. 2800
- capital distribution, no rollover, 107(2.001)

**Election** (*cont'd*)

- gains not distributed to beneficiaries, 107(2.11), (2.12)
- preferred beneficiary, 104(12), 104(14), Reg. 2800
- V-day value, re, Reg. 4700
- withholding tax, 153(1)(n)
- to increase, 153(1.2), Reg. 109
- work in progress of professional, exclusion of until 2017, 34

**Election expenses**

- contributions deductible, 127(3)–(4.2)

**Electric, gas or steam corporations**

- information returns, Reg. 213

**Electric car**, *see* Zero-emission vehicle**Electric motor system technician**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Electric vehicle charging station**

- capital cost allowance, Reg. Sch. II:Cl. 43.1(d)(xvii)

**Electrical advertising signs**

- capital cost allowance, Reg. Sch. II:Cl. 11

**Electrical energy**, *see* Energy: electrical**Electrical energy storage property**

- capital cost allowance, Reg. Sch. II:Cl. 43.1(d)(xviii)

**Electrical furnace**

- medical expense credit for, Reg. 5700(c.2)

**Electrical generating equipment**

- capital cost allowance, Reg. Sch. II:Cl. 1(k), Sch. II:Cl. 2(a), Sch. II:Cl. 8(g), Sch. II:Cl. 8(h), Sch. II:Cl. 9(e), Sch. II:Cl. 9(f), Sch. II:Cl. 17(a.1), Sch. II:Cl. 29, Sch. II:Cl. 41, Sch. II:Cl. 43.1, Sch. II:Cl. 43.2
- electrical energy producer/distributor
- capital cost allowance, Reg. Sch. II:Cl. 1(m), Sch. II:Cl. 8(f), Sch. II:Cl. 9(a)
- for mine
- capital cost allowance, Reg. 1102(8)–(9.2), Reg. Sch. II:Cl. 10(r), Sch. II:Cl. 41

**Electricity**, *see* Energy: electrical**Electricity Support Program**, *see* Ontario: Electricity Support Program**Electrolux-Husqvarna spinoff**, Reg. 5600(c)**Electronic cash register**

- defined, for penalties re zapper software, ETA 285.01(1), 327.1(1)

**Electronic communications equipment**

- capital cost allowance, Reg. 1101(5p), Reg. Sch. II:Cl. 10(f)
- excluded from apprentice vehicle mechanics' deduction, 8(6)(b)(iv)
- excluded from tradesperson's tools deduction, 8(6.1)(d)

**Electronic data processing equipment**, *see* Computer**Electronic document**

- print-out as proof, 244(9)

**Electronic filing**

- E-FILE, 150.1
- information returns
- emailing of T4, T4A, T5 or T2202, Reg. 209(5)
- emailing of taxpayer portion with express consent, Reg. 209(3), (4)
- mandatory, Reg. 205.1
- optional, 244(22)
- mandatory
- for certain corporations, 150.1(2.1), Reg. 205.1(2)
- for certain tax preparers, 150.1(2.3), (2.4)
- penalty (filing fee) for non-compliance, 162(7.3)
- for Part XX digital platform reporting, 291(5)
- penalty for failing to file electronically, 162(7.2)
- proof of return filed, 244(21)
- tax returns, 150.1

**Electronic funds transfer**

- defined, 244.1
- reporting of international transfers of \$10,000 or more, 244.2(1)

**Electronic mail**

- information slips to taxpayers with express consent, Reg. 209(3), (4)
- T4 slips to employees, 221.01, Reg. 209(3), (5)

**Electronic notice**

- presumed sent and received, 244(14.1)
- Requirement for Information, to bank or credit union, 231.2(1.1), 231.6(3.1)
- proof of, 244(6.1)

**Electronic payment**

- defined, 160.5(1)
- required for payment to CRA over \$10,000, 160.5(2)

**Electronic records**

- requirement to maintain, 230(4.1)
- exemption, 230(4.2)

**Electronic suppression of sales device**

- defined, for penalties re zapper software, 163.3(1), 239.1(1)

**Electronics technician (consumer products)**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Electrotherapy device**

- medical expense credit, Reg. 5700(z.2)

**Elevator**

- for disabled, 20(1)(qq)
- grain, 76(4), (5)

**Eligible adoption expense**

- defined, 118.01(1)

**Eligible alignment income**

- defined (for corporate inclusion of partnership income), 34.2(1)

**Eligible amount**

- charitable donations
- defined, 248(31), (41)
- limits amount of donation credit, 110.1(1)(a), 118.1(1)“total charitable gifts”
- defined
- for charitable or political donations, 248(31), (41)
- where deemed nil for donation over \$5,000, 248(41)
- for foreign retirement arrangement, 60.01
- for Home Buyers' Plan, 146.01(1)
- for Lifelong Learning Plan, 146.02(1)
- for RRIF, 146.3(6.11)
- political contributions, 248(31)
- defined, 248(31), (41)
- limits amount of political credit, 127(3)

**Eligible apprentice**

- defined, 127(9)

**Eligible apprentice mechanic**

- deduction for tools, *see* Apprentice: mechanic
- defined, 8(6)(a)

**Eligible bank affiliate**

- defined, for FAPI, 90(15), 95(2.43)
- where facilitating trades for arm's length customers, 95(2.43)–(2.45)

**Eligible bioenergy fuel**

- defined, for clean technology credit, 127.45(1)

**Eligible business entity**

- defined, 204.8(1)

**Eligible Canadian bank**

- defined, for FAPI, 90(15), 95(2.43)
- where facilitating trades for arm's length customers, 95(2.31), (3.01)

**Eligible Canadian indebtedness**

- defined, for FAPI of banks, 90(15), 95(2.43)

**Eligible Canadian partnership**

- defined, 80(1), 80.04(1)
- whether a “directed person”, 80(1)“directed person”

**Eligible capital amount (before 2017)**, 14(1) [repealed]**Eligible capital expenditure**

- 2017 and later, *see* Goodwill
- before 2017, 14(5) [repealed]

**Eligible capital property (pre-2017)**, 14 [repealed]; 20(1)(b) Notes

- 2017 and later, *see* Goodwill
- disposition of before March 22, 2016, 13(43)

**Eligible child**

- defined
- • for adoption expense credit, 118.01(1)
- • for child care expense deduction, 63(3)

**Eligible child care space expenditure**

- defined, 127(9)

**Eligible clean hydrogen property**

- defined, for clean hydrogen tax credit, 127.48(1)
- exclusions from capital cost for purposes of credit, 127.48(10)

**Eligible collective agreement**

- defined, for labour requirements for ITCs, 127.46(1)

**Eligible controlled foreign affiliate**

- defined, 95(4)

**Eligible corporation**

- for restrictive-covenant rules
- • defined, 56.4(1)
- for RRSP/RRIF small business investments
- • defined, Reg. 5100(1)
- • qualified investment in, Reg. 4900(6)(a)

**Eligible currency hedge**

- defined, for FAPI of banks, 95(2.43)

**Eligible debt (of Canadian wheat board)**

- defined, 135.2(1)

**Eligible derivative**

- defined, 10.1(4)
- effect of amalgamation, 87(2)(e.41), (e.42)
- effect of windup, 88(1)(i.1)
- election for mark-to-market treatment, 10.1(1)
- • no s. 85 rollover when election made, 85(1.12), 85(2)(a)
- • no 97(2) rollover when election made, 97(2)
- no mark-to-market treatment without election, 10.1(7)

**Eligible distribution**

- defined, for foreign spin-off, 86.1(2)

**Eligible dividend**

- defined, 89(1), 248(1)
- designation of, 89(14)
- dividend compensation payment deemed to be, 260(1.1), (5)
- excessive, *see* Excessive eligible dividend designation
- 45% gross-up, 82(1)(a.1), 82(1)(b)(ii)
- late designation, 89(14.1)
- partial, 89(1)“eligible dividend”(a)

**Eligible donee**

- for charity revocation tax
- • defined, 188(1.3)
- • transfer to, 188(1.1)B(c), 189(6.2)(b), 189(6.3)
- for RCAA revocation tax
- • defined, 188(1.4)

**Eligible dwelling**

- defined
- • for home accessibility credit, 118.041(1)
- • for Multigenerational Home Renovation Tax Credit, 122.92(1)

**Eligible educator**

- defined, for teacher school-supplies credit, 122.9(1)

**Eligible electricity generation source**

- defined, for clean hydrogen tax credit, 127.48(1)

**Eligible employee**

- defined, for COVID-19 Canada Emergency Wage Subsidy, 125.7(1)
- defined, for COVID-19 source deduction benefit, 153(1.03)

**Eligible employer**

- defined, for 2020 COVID-19 benefit, 153(1.03)
- for COVID-19 Canada Emergency Wage Subsidy, *see* Eligible entity

**Eligible entity**

- defined
- • for air quality improvement credit, 127.43(1)
- • for COVID-19 Canada Emergency Wage Subsidy, 125.7(1), Reg. 8901.1
- • re residence of international shipping corporation, 250(6.04)

**Eligible family member**

- defined, for northern residents’ deduction, 110.7(6)

**Eligible farming expenses**

- for carbon tax refund to farmers, 127.42(1)

**Eligible fiscal period**

- defined, 34.2(1)“eligible alignment income”(a), (b)

**Eligible funeral arrangement**, 148.1

- defined, 148.1(1), 248(1)
- emigration of individual, no deemed disposition, 128.1(10)“excluded right or interest”(e)(iv)
- excluded from various trust rules, 108(1)“trust”(e.1)
- exemption for amount accruing in, 148.1(2)(a)
- income inclusion on return of funds, 12(1)(z.4), 148.1(3)
- information return, Reg. 202(2)(m)
- payment to non-resident, Reg. 202(2)(m)
- • information return, Reg. 202(2)(m)
- • withholding tax, 212(1)(v)
- payment to resident, Reg. 201(1)(f)
- provision of funeral services under, 148.1(2)(b)(i)
- rollover to new trust, 248(1)“disposition”(f)(vi)

**Eligible group entity**

- defined, for interest deduction restrictions, 18.2(1), (16)
- • transitivity deeming rule, 18.2(16)

**Eligible housing loss**, *see* Housing loss: eligible**Eligible hydrocarbon**

- defined, for clean hydrogen tax credit, 127.48(1)

**Eligible individual**

- defined
- • for Canada Carbon Rebate, 122.8(1)
- • for Canada Child Benefit, 122.6, 122.62(1); Reg. 6301, 6302
- • for Canada Workers Benefit, 122.7(1)
- • for GST credit, 122.5(1), (2)
- • for home accessibility tax credit, 118.041(1)
- • for Multigenerational Home Renovation Tax Credit, 122.92(1)
- • for refundable medical expense credit, 122.51(1)
- • for restrictive-covenant rules, 56.4(1)
- • for rollover to RDSP on death, 60.02(1)

**Eligible interest**

- defined
- • for residence of international shipping corporation, 250(6.04)
- • for restrictive covenant rules, 56.4(1)

**Eligible investment**

- defined, 204.8(1)
- of financial institution, for capital tax
- • defined, 181.3(5), 190.14(2)
- of labour-sponsored venture capital corporation
- • tax where insufficient, 204.82
- • • refund of tax, 204.83



**Eligible jurisdiction**

- defined, for clean electricity credit, 127.491(1)

**Eligible labour body**

- defined, 204.8(1)

**Eligible landfill site**

- defined, Reg. 1104(13)

**Eligible liquefaction activities**

- income from, defined, Reg. 1100(18)

**Eligible liquefaction building**

- additional CCA, Reg. 1100(1)(a.3)
- defined, Reg. 1104(2)

**Eligible liquefaction equipment**

- additional CCA, Reg. 1100(1)(yb)
- defined, Reg. 1104(2)

**Eligible liquefaction facility**

- building for
  - CCA, Reg. 1100(1)(a.3), Sch. II:Cl. 1(q)
  - separate class, Reg. 1101(5b.2)
- defined, Reg. 1104(2)
- equipment for
  - CCA, Reg. 1100(1)(yb), Sch. II:Cl. 47
  - separate class, Reg. 1101(4i)

**Eligible medical gift (pre-2019), 110(1)(a.1), 110.1(8), (9)****Eligible member**

- defined, for agricultural cooperatives, 135.1(1)

**Eligible mine development property**

- defined, Reg. 1104(2)
- inclusion in Class 41, Reg. Sch. II:Cl. 41.2 opening words

**Eligible newsroom employee**

- defined, for journalism labour credit, 125.6(1)

**Eligible non-residential building**

- addition or alteration to, rules for, Reg. 1102(23), (24)
- additional allowance for, Reg. 1100(1)(a.1), (a.2)
  - manufacturing and processing, used for, Reg. 1100(1)(a.1)
- defined, Reg. 1104(2)
- separate CCA class, Reg. 1101(5b.1)
- under construction on March 19, 2007, Reg. 1102(25)

**Eligible offset**

- application on rollout of property by trust, 107(2)(c)(ii), 107(2.1)(c)(iii)
- excluded from disposition, 248(1)“disposition”(h)
- defined, 108(1)

**Eligible oil sands mine development expense**

- defined, 66.1(6)
- included in CEE, 66.1(6)“Canadian exploration expense”(g.2)(ii)

**Eligible PRPP withdrawal amount**

- defined, 60.022(4)

**Eligible pathway**

- defined, for clean hydrogen tax credit, 127.48(1)

**Eligible pension income**

- defined
  - for non-refundable pension credit, 118(7)
  - for pension income splitting, 60.03(1)

**Eligible period**

- defined, for 2020 COVID-19 benefit, 153(1.03)

**Eligible period of reduced pay**

- counted as full pay for pension purposes, Reg. 8503(4)(a)(ii), 8504(4)(d)(i), 8507(3)(a), 8507(7)(b)
- defined, Reg. 8500(1)
  - COVID-19 relief for 2020–22, Reg. 8500(1.3)
  - sabbatical arrangement deemed to be eligible period, Reg. 8508(a)

**Eligible period of temporary absence**

- defined, Reg. 8500(1)

**Eligible person or partnership**

- defined, for immediate-expensing rules, Reg. 1104(3.1)

**Eligible pooling arrangement**

- defined, for small business investment capital gain rollover, 44.1(1)

**Eligible portion (of corporation’s gains or losses)**

- defined, 129(4)

**Eligible portion (of the specified amount)**

- re royalty reimbursements, 80.2(11)

**Eligible power purchase agreement**

- defined, for clean hydrogen tax credit, 127.48(1)

**Eligible proceeds**

- defined, for rollover to RDSP on death, 60.02(1)

**Eligible production corporation**

- defined, for film/video production services credit, 125.5(1)

**Eligible property**

- conversion of foreign bank affiliate to branch
  - defined, 142.7(1)
- shareholder/corporation rollover, for, 85(1)
  - defined, 85(1.1)
  - limitation re real property of non-resident, 85(1.2)

**Eligible RRIF withdrawal amount**

- defined, 60.022(2)

**Eligible refundable dividend tax on hand**

- defined, 129(4)
  - transitional determination for 2019, 129(5)
    - on amalgamation, 129(5.1)
  - refund of, 129(1)(a)(i)(B), 129(1)(a)(ii)(B)(I)2

**Eligible relocation**

- defined, 248(1)
- moving expenses deductible, 62

**Eligible remuneration**

- defined, for 2020 COVID-19 benefit, 153(1.03)
- defined, for COVID-19 Canada Emergency Wage Subsidy, 125.7(1)

**Eligible renewable hydrocarbon**

- defined, for clean hydrogen tax credit, 127.48(1)

**Eligible renewable natural gas, *see* Eligible renewable hydrocarbon****Eligible resale property**

- defined, for SIFT REIT rules, 122.1(1)
- gains from disposition of, 122.1(1)“real estate investment trust”(b)(vi)
- revenue from managing, 122.1(1)“qualified REIT property”(b)

**Eligible salary and wages**

- defined, 127(9), (11.4)

**Eligible sewage treatment facility**

- defined, Reg. 1104(13)

**Eligible share (of Canadian Wheat Board)**

- defined, 135.2(1)

**Eligible small business corporation**

- defined, for small business investment capital gain rollover, 44.1(1), (10)
- share
  - defined, for small business investment capital gain rollover, 44.1(1), (11)

**Eligible supplies expense**

- defined, for teacher school-supplies credit, 122.9(1)
- refundable credit for, 122.9(2)B(b)

**Eligible survivor benefit period**

- defined, Reg. 8500(1)

**Eligible taxable capital gains of trust, defined, 108(1)“eligible taxable capital gains”****Eligible taxation year**

- defined, for retroactive spreading of lump-sum payments, 110.2(1)

**Eligible taxpayer**

- defined, for small business investment tax credit, 127(9)

**Eligible temporary relocation**

- defined, for labour mobility deduction, 8(14)(c)
- expense, *see* Eligible temporary relocation expense

**Eligible temporary relocation expense**

- defined, for labour mobility deduction, 8(14)(d), (e)

**Eligible tool**

- cost of, 8(7)
- deduction for, *see* Apprentice: mechanic
- defined, 8(6)(b), 8(6.1)

**Eligible tradesperson**

- deduction for moving to temporary work, 8(1)(t)
- defined, for labour mobility deduction, 8(14)(a)

**Eligible transferee (of forgiven debt)**

- agreement to transfer forgiven amount to, 80.04(4)
- defined, 80.04(2)

**Eligible travel period**

- defined, for long-haul trucker rules, 67.1(5)

**Eligible trust**

- defined
- • for Canadian Wheat Board farmers, 135.2(1)
- • for FAPI rules, 95(1)

**Eligible unit**

- defined, re Canadian Wheat Board Farmers' Trust, 135.2(1)

**Eligible use**

- for captured carbon, defined, 127.44(1)

**Eligible variable benefit withdrawal amount**

- defined, 60.022(3)

**Eligible volunteer firefighting services**

- credit for, 118.06(2)
- defined, 118.06(1)

**Eligible waste fuel**

- defined, Reg. 1104(13)
- used in energy generation system, Reg. Sch. II:Cl. 43.1(c)(i)(A), Sch. II:Cl. 43.1(d)(ix), Sch. II:Cl. 43.2

**Eligible waste management facility**

- defined, Reg. 1104(13)

**Eligible wind-up distribution (of Canadian Wheat Board Farmers' Trust)**

- defined, 135.2(1)

**Elk, 80.3(1) "breeding animals"****Email, *see* Electronic mail****Emergency-response vehicle**

- deemed not to be automobile, 248(1) "automobile" (b.1), (b.2)

**Emergency worker**

- volunteer
- • exemption from employment income, 81(4)

**Emigration, *see* Ceasing to be resident in Canada****Emigration disposition**

- defined, 74.2(3)

**Emigration year**

- defined
- • for foreign tax credit, 126(2.21)
- • for security for departure tax, 220(4.5)

**Emission intensity**

- defined, for clean electricity credit, 127.491(1)
- excessive, recapture of clean electricity credit, 127.491(17), (19)

**Emissions allowance**

- deemed cost, 27.1(2)
- defined, 248(1)
- excluded from taxable assistance, Reg. 7300(d)
- tax treatment of, 27.1

**Emissions obligation**

- defined, 248(1)
- restriction on deduction for, 27.1(3)

**Emissions trading regime, 27.1****Employed**

- defined, 248(1)
- in Canada
- • deemed, 115(2)(c)
- • non-residents, tax on, 2(3), 115(1)
- • part-year residents, 114

**Employee**

- aircraft
- • capital cost allowance, 8(1)(j)(ii), 13(11)
- • deductions allowed, 8(1)(j), 8(9)
- allowances, 6(1)(b)
- • not income, 6(6)
- automobile (belonging to employee)
- • capital cost allowance, 8(1)(j)(ii), 13(11), Reg. 1100(1)(a)(x), 1100(6)
- • interest expense, 8(1)(j)(i), 67.2, 67.4
- • leasing expense, 67.3, 67.4
- automobile (belonging to employer)
- • employee of partner, 12(1)(y)
- • goods and services tax, treatment of, 6(7)
- • operating expenses, benefit, 6(1)(k), (l), Reg. 7305.1
- • rule for automobile salesperson, 6(2.1)
- • standby charge, benefit, 6(1)(e), 6(2)
- automotive products, transitional assistance benefits taxable, 56(1)(a)(v)
- benefit, *see* Benefit: employment
- benefit plan, *see* Employee benefit plan
- benefits taxable, 6(1)
- Canada Pension Plan, contribution, credit for, 118.7
- charity trust, receipts, Reg. 3502
- clergyman's residence, 8(1)(c)
- contribution to RPP deductible, 147.2(4)
- contribution to teachers' exchange fund, 8(1)(d)
- deductions, *see* Deductions in computing income from office or employment
- defined, 248(1)
- • for employee life and health trusts, 144.1(1)
- • for source deductions, Reg. 100(1)
- dues
- • deduction, 8(1)(i)
- • non-deductible, 8(5)
- dues to professional organization, deductible, 8(1)(i)(i)
- employer, as
- • deductions, 8(1)(i)(ii), 8(1)(l.1), 8(1)(l.2)
- • • certificate of employer, 8(10)
- • employment insurance premiums
- • as employer, deductions, 8(1)(l.1)
- • credit for, 118.7
- expenses of
- • deductions, 8(1)
- • general limitation, 8(2)
- foreign country, of
- • exemption, 149(1)(a)
- • family and servants of, 149(1)(b)
- former, *see* Former employee
- group insurance premium, portion taxable, 6(4)
- housing loan to, or spouse, 15(2.4)(b)
- includes officer, 248(1)
- income maintenance plan benefits, ITAR 19
- incorporated, *see* Personal services business
- international organization, of, tax deduction, 126(3)
- legal costs recovered, income, 56(1)(l)
- legal expenses of collecting or establishing right to wages, 81(1)(b)

**Employee (cont'd)**

- loan, *see* Employee loan
- meals, 8(4)
- more than five, *see* Six employees test
- musical instrument costs, 8(1)(p)
- negotiating contracts, expenses, 8(1)(f)
- certificate of employer, 8(10)
- part-time
  - travelling allowance, excluded from income, 81(3.1)
- payments received from employer
  - during employment, 5(1), 6(3)
  - on death, *see* Death benefit
  - on termination or retirement, *see* Retiring allowance
- profit sharing plan, *see* Employees profit sharing plan
- Quebec Parental Insurance Plan premiums
  - as employer, deductions, 8(1)(l.2)
  - credit for, 118.7:B(a.1), (a.2)
  - deduction for, 60(g)
- railway, *see* Railway: employees, 8(1)(e)
- registered pension plan contributions, 8(1)(m), 147.2(4)
- retirement compensation arrangement, *see* Retirement compensation arrangement
- return required of, re withholding of tax, 227(2), Reg. 107
  - where not filed, 227(3)
- salary deferral arrangements, deduction for amounts forfeited under, 8(1)(o)
- salesperson's expenses, 8(1)(f)
  - certificate of employer, 8(10)
- share option benefits, 7(1)
- shares held by trustee, 7(2)
- shares purchased for, by trustee, 7(6)
- sickness and accident benefits, income, 6(1)(f)
- specified, *see* Specified employee
- stock options, *see* Stock option
- transport, away-from-home expenses, 8(1)(g)
- travelling expenses of, 8(1)(h)
  - certificate of employer, 8(10)
  - limitation, 8(4)
    - re meals, 8(4)
- trust, *see* Employee trust
- unemployment insurance premiums
  - credit for, 118.7
- union dues, deductible, 8(1)(i)(i)

**Employee benefit plan**

- allocations, 32.1(2)
- amalgamation, on, 87(2)(j.3)
- amount received from, *see* payments out of (*below*)
- becoming retirement compensation arrangement
  - deemed contribution, 207.6(4)
- benefits from, taxable, 6(1)(g)
  - not taxable under general benefit provision, 6(1)(a)(ii)
  - who deemed to received benefit, 6(1.2)
- contributions to, 6(10)
  - not deductible, 18(1)(o)
  - when deductible, 18(10)
- deduction in computing income of, 104(6)(a.1)
- deduction to employer, 32.1
- defined, 248(1)
- distribution of property by, deemed disposition at cost amount, 107.1(b)
- emigration of employee, no deemed disposition, 128.1(10)"excluded right or interest"(a)(vi)
- excluded from annual interest accrual rules, 12(11)"investment contract"(a)
- excluded from non-resident trust rules, 94(1)"exempt foreign trust"(f)
- excluded from various trust rules, 108(1)"trust"(a)
- income of, 32.1(3)
- payments out of

- not subject to non-resident tax, 212(17)
- to employee, taxable, 6(1)(g)
  - source withholding, 153(1)(a)
- to employer, taxable, 12(1)(n.1)
- prescribed arrangement, Reg. 6800
- reversionary trust rules do not apply, 75(3)(a)

**Employee health and life trust**, *see* Employee life and health trust

**Employee life and health benefit trust**, *see* Employee life and health trust

**Employee life and health trust**, 144.1

- amalgamation of corporations, effect of, 87(2)(j.3)
- benefits under insurance plan administered by, 6(1)(f)(iii.1)
- ceasing to be resident in Canada, 128.1(4)(b.1)
- conditions for, 144.1(2), (3)
- deduction from income, 104(6)(a.4)
- deemed not to be EBP, 248(1)"employee benefit plan"(a)
- deemed not to be RCA, 248(1)"retirement compensation arrangement"(f.1)
- deemed not to be SDA, 248(1)"salary deferral arrangement"(e.1)
- defined, 144.1(2), 248(1)
- designated employee benefit, *see* Designated employee benefit
- distribution by
  - included in income if not designated employee benefit, 56(1)(z.2), 144.1(11)
  - withholding of tax at source
    - payment to Canadian resident, 153(1)(s), Reg. 100(1)"remuneration"(h.1)
    - payment to non-resident, 212(1)(w)
  - of property, deemed disposition at fair market value, 107.1(a)
- emigration of beneficiary, no deemed disposition, 128.1(10)"excluded right or interest"(e)(vi.1)
- employer contribution to
  - deductible to employer, 20(1)(s), 144.1(4)–(7)
  - not a taxable benefit to employee, 6(1)(a)(i)
- excluded from certain trust rules, 108(1)"trust"(a)
- exemption from Part XII.2 tax, 210(2)(d)
- former employees, 144.1(1)"employee"
- health and welfare trust
  - transfer of property to ELHT, 144.1(16)–(17)
- treated as ELHT, 144.1(14)–(15)
- immigration of beneficiary, no deemed disposition, 128.1(10)"excluded right or interest"(e)(vi.1)
- key employee, *see* Key employee
- losses, carryback and carryforward, 111(7.3)–(7.4), 144.1(13)
- minimum tax not payable by, 127.55(f)(iv)
- prescribed payments permitted to employers, Reg. 9500
- prohibited investment, tax on, 207.9
- reversionary trust rules do not apply, 75(3)(b)

**Employee loan**, 6(9), 80.4(1)

- forgiven, amount to be included in income, 6(15)
- to buy motor vehicle, 15(2.4)(d)
- to buy stock, 15(2.4)(c)

**Employee ownership trust**

- capital gains exemption on transfer of shares to, 110.61(2)
- defined, 248(1)
- disposition of shares to, 10-year reserve, 40(1.3)
- excluded from EBP definition, 248(1)"employee benefit plan"(b.1)
- excluded from ET definition, 248(1)"employee trust" opening words
- may borrow from corp to finance purchase of corp's shares if it repays within 15 years, 15(2.51)
  - no deemed interest if loan repaid, 80.4(3)(c)
- not subject to 21-year deemed disposition rule, 108(1)"trust"(h)
- not subject to certain other trust rules, 108(1)"trust"(a.1)
- transfer of shares to, capital gains deduction, 110.61

## Index

### Employee trust, 6(1)(h)

- allocations under, includable in income, 6(1)(h)
- benefits from, not includable in employee's income, 6(1)(a)(ii)
- deduction in computing income of, 104(6)(a)
- defined, 248(1)
- distribution of property by, deemed disposition at fair market value, 107.1(a)
- emigration of employee, no deemed disposition, 128.1(10)“excluded right or interest”(e)(i)
- excluded from various trust rules, 108(1)“trust”(a)
- payments out of, not subject to non-resident tax, 212(17)
- receipt from, 12(1)(n)
- rollover to new trust, 248(1)“disposition”(f)(vi)
- trust not falling within definition, 108(1)“trust”(a.1)

### Employees' charity trust

- defined, Reg. 3500

### Employees profit sharing plan

- allocations under, income, 6(1)(d), 144(3)
- capital gains allocated, 144(4)–(4.2)
- deferred profit sharing plan not an, 147(6)
- defined, 144(1), 248(1)
- disposition of property to, capital loss nil, 40(2)(g)(iv)(A)
- dividend credit allocated, 144(8)
- election, Reg. 1500
- emigration of employee, no deemed disposition, 128.1(10)“excluded right or interest”(a)(v)
- employer's contribution, deduction, 20(1)(w), 144(5)
- excess EPSP amount
  - deduction from income to prevent double tax, 8(1)(o.2)
  - defined, 207.8(1)
  - tax on, 207.8(2)
- excluded from non-resident trust rules, 94(1)“exempt foreign trust”(e)
- excluded from various trust rules, 108(1)“trust”(a)
- foreign tax credit, 144(8.1)
- income allocated, 144(3)
- information return, Reg. 212
- interest income, allocation re, 144(8.2)
- payment under
  - portion excluded from income, 81(1)(k)
- payments “out of profits” defined, 144(10)
- receipts from, 12(1)(n)
  - by employee, 144(6)–(8)
- refund to former beneficiary, 144(9)
- registration of, as DPSP, 147(3), (4)
- reversionary trust rules do not apply, 75(3)(a)
- rollover to new trust, 248(1)“disposition”(f)(vi)
- trust not taxable, 144(2), 149(1)

### Employer

- benefits provided by, taxable, 6(1)
- Canada Emergency Wage Subsidy (COVID-19), 125.7
- certificate re employees' expenses, 8(10)
- contributions of
  - Canada Pension Plan, to
    - deductible, 8(1)(l.1)(i)
  - deferred profit sharing plan, to, 20(1)(y), 147(8)–(9.1)
    - limitation on deductibility, 18(1)(j)
  - employees profit sharing plan, to, 20(1)(w), 144(5)
  - employment insurance premiums
    - deductible, 8(1)(l.1)(i), 9(1)
  - pension plan, 20(1)(q), 147.2(1)–(3), Reg. Part XXVII [Revoked]
    - special, 20(1)(r)
  - profit sharing plan, to
    - limitation on deductibility, 18(1)(k)
  - Quebec Parental Insurance Plan premiums
    - deductible, 8(1)(l.2), 9(1)
- registered supplementary unemployment benefit plan, to, 145(5)

- • • limitation on deductibility, 18(1)(i)
- deduction re salary deferral arrangements, 20(1)(oo)
- defined, 248(1)
  - for automobile standby charge, 6(2)
  - for disability insurance top-up payments, 6(17)
  - for employee loans, 80.4(1)(b)(i)
  - for incorporated employee/RCA rules, 207.6(3)(a)
  - for municipal officer's expense allowance, 81(3)(c)
  - for source deductions, Reg. 100(1)
  - generally, 248(1)
- eligible, *see* Eligible employer
- housing subsidy, taxable, 6(23)
- insolvent, commutation of benefits, *see* Registered pension plan: insolvent employer
- participating, defined, 147.1(1), Reg. 8308(7)
- payment to employee
  - during employment, 5(1), 6(3)
  - on death, *see* Death benefit
  - on termination or retirement, *see* Retiring allowance
- reimbursement for housing loss, 6(19)–(22)
- union locals all deemed to be one, for pension purposes, 252.1
- withholding of tax, 153(1), Reg. 101
- variations in deductions, Reg. 106

### Employment

- benefits, *see* Benefit
- defined, 248(1)
- expenses, *see* Employee: expenses of
- income from, 5(1), 6(1), Canada-U.S. Tax Treaty:Art. XV
- reimbursement to employer, 8(1)(n.1)
- insurance, *see* Employment insurance
- loss from, 5(2)
- office or, *see* Office or employment
- outside Canada, tax credit (pre-2016), 122.3
- special work site, at, 6(6)
- termination of, *see* Former employee; Retiring allowance

### Employment Credit, *see* Canada Employment Credit

### Employment insurance, *see also* Registered supplementary unemployment benefit plan

- benefit
  - remuneration, Reg. 100(1)
- repayment of, 60(v.1)
- repayment of overpayment, deduction for, 60(n)(iv)
- right to, no disposition on emigration, 128.1(10)“excluded right or interest”(h)
- self-employment (Part VII.1), taxable, 56(1)(a)(iv)
- taxable, 56(1)(a)(iv)
- withholding tax, 153(1)(d.1), Reg. 100(1)“remuneration”(g)
- income replacement benefits under temporary program, 56(1)(r)
- premium
  - collection of debt by US Internal Revenue Service, Canada-U.S. Tax Treaty:Art. XXVI-A:9
- paid by employee
  - as employee, credit, 118.7:B(a)
  - as employer, deduction, 8(1)(l.1)
- paid by employer, deduction, 9(1) (general accounting principles)
- paid by self-employed person, credit, 118.7:B(a)
- Program for Older Worker Adjustment, *see* Older Worker Adjustment, Program for
- tips and gratuities covered by, Reg. 100(1)“remuneration”(a.1)

### Employment Insurance Act

- benefits under, *see* Employment insurance: benefit
- costs of appealing decision under, deductible, 60(o)
- recovery of, income, 56(1)(l)(ii)
- financial assistance under, 56(1)(r)

### Enactment, *see also* Amendment; Legislation

- defined, ITAR 12“enactment”



**End of taxation year**

- defined, Reg. 1104(1)

**Endowment date**

- of exemption test policy, defined, Reg. 310

**Endowment (to charity),** *see* Enduring property [repealed]**Enduring property [repealed]**

- of registered charity
- defined, 149.1(1)

**Energy**

- conservation property, Reg. 8200.1, Reg. Sch. II:Cl. 43.1
- determination of, 13(18.1)
- disclosure of information to Energy, Mines & Resources, 241(4)(d)(vi.1)
- conversion grant
- included in income, 12(1)(u), 56(1)(s)
- information return re, Reg. 224
- non-resident taxable on, 212(1)(s)
- prescribed program, Reg. 5501
- distribution of, 66(15)“principal-business corporation”(h)
- electrical
- combustion turbine for, separate class, Reg. 1101(5t)
- corporation distributing or generating
- equipment for, Reg. 1102(8), (9), Sch. II:Cl. 1(m), Sch. II:Cl. 2(c)
- exclusion from CCA restrictions, Reg. 1100(26)(a)
- information return, Reg. 213(1)
- municipal corporation, exemption, 149(1.2)
- equipment for processing in prescribed area, 127(9)“qualified property”(c.1)
- generating equipment, capital cost allowance, Reg. Sch. II:Cl. 17(a.1)
- generating, manufacturing & processing credit, 125.1(2)
- producing or processing, 125.1(3)“manufacturing or processing”(h), Reg. 1104(9)(h)
- generation of, 66(15)“principal-business corporation”(h)
- property, *see* Specified energy property
- renewable, generation of, Reg. Sch. II:Cl. 43.1
- utility business, *see* Regulated energy utility business

**Energy Cost Benefit**

- disclosure of taxpayer information to enable payment, 241(4)(d)(vii.2)
- payments non-taxable, 81(1)(g.5)

**Energy, Mines & Resources,** *see* Department of Energy, Mines and Resources**Enforcement of Act,** 220–244, *see also* Collection of tax**Engineer,** *see* Professional practice**England,** *see* United Kingdom**Enhanced combined cycle system**

- defined, Reg. 1104(13)

**Enhanced garnishment,** 224(1.2), (1.3)**Enhanced recovery equipment,** Reg. 1206(1)

- proceeds of disposition, 59(3.3)(d)

**Enquiry,** *see* Inquiry**Entering Canada,** *see* Becoming resident in Canada**Entertainer**

- U.S. resident, Canada-U.S. Tax Treaty:Art. XVI

**Entertainment expenses (and meals)**

- airplane, train, bus travel, 67.1(4)
- Christmas party exemption, 67.1(2)(f)
- club dues and facilities, 18(1)(l)
- construction work camp exemption, 67.1(2)(e.1)
- “entertainment” meaning of, 67.1(4)
- general limitation on deduction for, 67.1(1)
- exceptions, 67.1(2)
- included in convention fee
- limitation on deductibility, 67.1(3)
- interpretation, 67.1(4)

**Entity**

- defined
- for Common Reporting Standard, 270(1)
- for digital platform operator reporting rules, 282(1)
- for electronic funds transfer reporting, 244.1
- for foreign affiliates, 95(1)
- for SIFT trust and partnership distributions, 122.1(1)
- for stapled-security rules, 18.3(1), 122.1(1)
- for third-party civil penalty, 163.2(1)

**Entrant bank**

- defined, for conversion of foreign bank affiliate to branch, 142.7(1)

**Entrusted shares percentage [repealed],** *see* Exempt shares percentage**Entry**

- Canada, into, *see* Becoming resident in Canada
- dwelling-house, into, for audit, 231.1(3), *see also* Search warrant
- compliance required, 231.51

**Environment**

- conservation of, *see* Ecological gifts

**Environmental law**

- compliance with
- required for certain Canadian renewable and conservation expenses, Reg. 1219(5)
- required for clean-energy CCA, Reg. 1104(17)

**Environmental Quality Act (Quebec)**

- trust required by, no tax on, 149(1)(z.1)

**Environmental trust,** *see* Qualifying environmental trust**Environmentally hypersensitive person**

- equipment qualifying for medical expense credit, Reg. 5700(c)–(c.2)

**Equalization payments (family law)**

- rules on partition of property, 248(20)

**Equipment**

- administering oxygen, for, 118.2(2)(k)
- automotive, CCA, Reg. Sch. II:Cl. 10(a), *see also* Automobile
- bituminous sands
- defined, 59(6), Reg. 1206(1)
- proceeds of disposition, 59(3.3)(c)
- cable systems interface, CCA, Reg. Sch. II:Cl. 10(v)
- contractor’s movable, CCA, Reg. Sch. II:Cl. 10(h), Sch. II:Cl. 22, Sch. II:Cl. 38
- data communication, CCA, Reg. Sch. II:Cl. 3
- disability-specific, deduction for, 20(1)(rr)
- earth-moving, separate class, Reg. 1101(5k)
- electrical energy processing, investment tax credit, 127(9)“qualified property”(c.1)
- electrical generating, Reg. 1100(1)(t), (ta), Reg. Sch. II:Cl. 1(k), Sch. II:Cl. 1(m), Sch. II:Cl. 2(a), Sch. II:Cl. 8(g), Sch. II:Cl. 9(e), Sch. II:Cl. 9(f), Sch. II:Cl. 29
- electronic data-processing, CCA, Reg. Sch. II:Cl. 10(f), Sch. II:Cl. 29
- general-purpose, defined, Reg. 1104(2)
- enhanced recovery, Reg. 1206(1)
- proceeds of disposition, 59(3.3)(d)
- for hearing- or sight-impaired, business expense, 20(1)(rr)
- gas manufacturing/distribution, CCA, Reg. Sch. II:Cl. 1(n), Sch. II:Cl. 2(d)
- gas or oil well, CCA, Reg. 1104(2), Reg. Sch. II:Cl. 10(j)
- generating, Reg. 1100(1)(t), (ta), Reg. Sch. II:Cl. 1(k), Sch. II:Cl. 1(m), Sch. II:Cl. 2(a), Sch. II:Cl. 2(c), Sch. II:Cl. 8(f), Sch. II:Cl. 8(g), Sch. II:Cl. 9(a), Sch. II:Cl. 9(e), Sch. II:Cl. 9(f), Sch. II:Cl. 29
- heat production/distribution, CCA, Reg. Sch. II:Cl. 1(p), Sch. II:Cl. 2(f)
- logging, CCA, Reg. Sch. II:Cl. 10(o)
- machinery and, CCA, Reg. Sch. II:Cl. 8, Sch. II:Cl. 29
- medical, 118.2(2)(m), Reg. 5700

## Index

### Equipment (*cont'd*)

- mining, CCA, Reg. Sch. II:Cl. 10(k), Sch. II:Cl. 10(l), Sch. II:Cl. 10(m), Sch. II:Cl. 41
- oil or gas well, CCA, Reg. Sch. II:Cl. 10(j), Sch. II:Cl. 41
- petroleum/natural gas exploration, CCA, Reg. Sch. II:Cl. 10(t), Sch. II:Cl. 41
- pollution control, Reg. 1100(1)(t)
- prescribed
  - for sight- or hearing-impaired, business expense, 20(1)(rr)
  - medical, 118.2(2)(m), Reg. 5700
- radar, CCA, Reg. Sch. II:Cl. 9
- radio communication, CCA, Reg. Sch. II:Cl. 8, Sch. II:Cl. 9
- railway traffic control, CCA, Reg. Sch. II:Cl. 1(i)
- scientific research, for, 37(8)(a)(ii)
- solar heating, CCA, Reg. Sch. II:Cl. 43.1(d)(i), Sch. II:Cl. 43.2(b)
- stable, CCA, Reg. Sch. II:Cl. 10(c)
- telephone/telegraph, CCA, Reg. Sch. II:Cl. 3, Sch. II:Cl. 17
- tertiary recovery, Reg. 1206(1)
- timber limit, for, CCA, Reg. Sch. II:Cl. 10(n), Sch. II:Cl. 15
- water-distributing, CCA, Reg. Sch. II:Cl. 1(o), Sch. II:Cl. 10(e)

### Equity

- defined
  - for RRSP, RRIF, TFSA, RESP and RDSP advantage rules, 207.01(1)
  - for SIFT trust definition, 122.1(1)
  - for stock buyback tax, 183.3(1)
  - for trust loss trading, 251.2(1)

### Equity-accounted entity

- defined, for alternative interest-deduction restrictions, 18.21(1), (4)

### Equity accounting method

- prohibited for debt forgiveness reserve, 61.3(1)(b)C(i)
- prohibited for purposes of Act, 248(24)

### Equity amount

- defined, for thin capitalization rules, 18(5), (5.3)

### Equity contribution

- defined, for thin capitalization rules, 18(5)

### Equity interest

- for alternative interest-deduction restrictions
  - defined, 18.21(1)
- hybrid mismatch arrangement rules
  - defined, 18.4(1)
- in non-resident corporation without share capital
  - defined, 93.2(1)
  - treated as a share, 93.2(2)

### Equity limit (of insurer)

- defined, Reg. 2400(1)

### Equity or debt interest

- defined, for Common Reporting Standard, 270(1)

### Equity or financing return

- defined, for hybrid mismatch arrangement rules, 18.4(1)

### Equity percentage

- defined
  - for foreign affiliate rules, 95(4)
  - for certain foreign affiliate surplus computations, Reg. 5905(14)
  - for private foundations, 149.1(1)
- direct, defined, 95(4)“direct equity percentage”

### Equity property

- defined, Reg. 2400(1)

### Equity repurchase, *see* Stock buyback tax

### Equity share, defined, 204, Reg. 4803(1)

### Equity value

- defined
  - for SIFT trust and partnership distributions, 122.1(1)
  - for stapled-security rules, 18.3(1), 122.1(1)

- for trust loss trading, 122.1(1), 251.2(1)

### Equivalent to married credit, 118(1)B(b)

### Equivalent to spouse credit, 118(1)B(b)

### Ergonomic work chair

- disability supports deduction, 64(a)A(ii)(R)

### Escalating interest GICs

- income accrual, Reg. 7000(2)(c.1)

### Established securities market

- defined, for Common Reporting Standard, 270(1)

### Establishment, *see* Permanent establishment

### Estate, *see also* Trust (or estate)

- bankrupt, of
  - deemed not trust or estate, 128(1)(b)
  - defined, 248(1)
- Canada/Quebec Pension Plan death benefit taxed, 56(1)(a.1)
- carryback of losses to year of death, 164(6)
- debt of deceased settled by, 80(2)(p), (q)
- defined, 104(1), 248(1)
- flow-through of death benefits, 104(28)
- income of, paid to non-resident, 212(1)(c), 212(11)
- exemption for, 212(9), (10)
- information returns, Reg. 204
- life, *see* Life estate in real property
- *pur autre vie*, *see* Life estate in real property
- return required, 150(1)(c)
- transfer of rights or things to beneficiaries, 70(3)

### Estate administration tax, *see* Probate fees

### Estate freeze, 86(1) (Notes)

### Estate planning, *see also* Death of taxpayer

- attribution rule inapplicable on certain benefits through trust, 74.4(4)

### Estate tax

- Canadian [repealed in 1972]
- interest on, deductible, 60(d)
- U.S.
  - credit for, Canada-U.S. Tax Treaty:Art. XXIX-B:6, 7
  - interest on, possibly deductible, 60(d)

### Estimate of tax, required, 151, *see also* Instalment payments (Instalments)

### Estimate of the expenses of survey

- defined, Reg. 3600(2)

### Estimated annual taxable income

- defined, Reg. 102(2)(c)

### Estimated deductions

- defined, for source deductions, Reg. 100(1)

### Estonia, *see also* Foreign government

- universities, gifts to, Reg. Sch. VIII, s. 25

### Euro, *see* European Union: currency of

### European Bank for Reconstruction and Development

- bonds of, qualified investment for RRSP etc., 204“qualified investment”(c.1) (formerly Reg. 4900(1)(l)(v))
- no withholding tax on interest payable to, Reg. 806.1

### European Union, *see also* Foreign government

- currency of, use as functional currency, 261(1)“qualifying currency”(b)

### Evasion of tax, *see* Tax evasion, penalty for

### Evidence, *see* Proof

### Examination fees for professional status

- tuition credit, 118.5(1)(d)

### Excepted dividend

- defined, 187.1

### Excepted gift

- defined, 118.1(19)
- donation to charity permitted, 118.1(13)

**Excess ALDA transfer**

- defined, 205(1)
- tax on, 205(2)

**Excess amount (for registered education savings plan)**

- defined, 204.9(1), (2)

**Excess capacity**

- defined, for interest deduction restrictions, 18.2(1), 248(1)

**Excess corporate holdings percentage**

- defined, for private foundations, 149.1(1)

**Excess EPSP amount**, *see* Employees profit sharing plan: excess EPSP amount**Excess FHSA amount**

- defined, 207.01(1)
- tax on, 207.021

**Excess liquidity**

- defined, for FAPI of banks, 90(15), 95(2.43)

**Excess money purchase transfer**

- re past service event, Reg. 8303(7.1)

**Excess TFSA amount**

- defined, 207.01(1)
- tax on, 207.02

**Excessive eligible dividend designation**

- defined, 89(1), 248(1)

**Excessive interest and financing expenses limitation (EIFEL)**

- alternative calculation, 18.21
- limited to 30% of EBITDA, 18.2(2)B(b)
- exclusions, 18.2(1)“excluded entity”, “excluded interest”
- group ratio alternative, 18.21
- partnership add-back, 12(1)(1.2)
- windup, effect of, 88(1.1), (1.11)

**Exchange period**

- defined, for SIFT unwinding rules, 85.1(7)(a)

**Exchange rate**, *see also* Foreign currency

- defined, 111(8)

**Exchange share**

- defined, for SIFT unwinding rules, 85.1(7)(b)

**Exchange-traded fund**

- rules for allocation to redeemers, 132(5.31)

**Exchanges of property**

- amalgamation, effect of, 87(2)(1.3)
- capital property, 44
- corporation controlling or controlled by taxpayer, 44(7)
- depreciable property, 13(4), (4.1)
- leasing properties, 16.1(5)–(7)
- non-qualifying security donated to charity, 118.1(15)
- non-resident, 44(7)

**Exchanges of shares**, *see* Share**Excise Tax Act**, *see also* Goods and services tax (GST)

- communication of information for enforcement of, 241(4)(d)(ii)
- fuel tax rebate under, 12(1)(x.1)
- GST included in taxable benefit, 6(7), 15(1.3)
- input tax credit under, deemed to be government assistance, 248(16)–(18)
- rebate under, deemed not to be reimbursement, 8(11)
- tax payable under Part IX, 248(1)“goods and services tax”

**Excluded account**

- defined, for Common Reporting Standard, 270(1)

**Excluded acquisition or disposition**

- defined, for FAPI stub-period rules, 91(1.3)

**Excluded amount**

- re expenses of financing
  - defined, 20(1)(e)(iv.1)
  - no deduction, 20(1)(e)
- re registered education savings plan
  - defined, 146.1(7.2)

- excluded from income, 146.1(7.1)(b)
- re split income
  - defined, 120.4(1)
- excluded from income-splitting tax, 120.4(1)“excluded amount”

**Excluded benefits (re registered pension plan)**

- defined, Reg. 8303(5)(f)–(l), 8504(10)
- excluded from normalized pension, Reg. 8303(5)

**Excluded building (re LNG liquefaction facility)**

- defined, Reg. 1104(2)
- excluded from additional CCA, Reg. 1104(2)“eligible liquefaction building”

**Excluded business**

- for Canadian Entrepreneur Incentive
  - defined, 110.63(1)
  - ineligible for incentive, 110.6(3)“qualifying Canadian entrepreneur incentive property”(a)(i)
- for tax on split income (TOSI)
  - defined, 120.4(1)

**Excluded consideration**

- defined, re corporation attribution rules, 74.4(1)
- excluded from attribution rules, 74.4(2)(f), 74.4(3)

**Excluded contribution (for retirement compensation arrangement)**

- defined, 207.5(1)

**Excluded contribution (to registered pension plan)**

- defined, Reg. 8300(1)
- excluded from pension credit, Reg. 8301(4)(a), 8301(5)(a), 8301(8)(e)
- excluded from provisional PSPA, Reg. 8303(8)

**Excluded corporation**

- charities, non-qualified investment rules
  - debt excluded from non-qualified investments, 149.1(1)“non-qualified investment”(a)(ii)
- defined, 149.1(1)“non-qualified investment”(d)–(f)
- refundable investment tax credit
  - defined, 127.1(2)
  - excluded from additional credit, 127.1(2)“refundable investment tax credit”(a) pre-(f), 127.1(2.01)

**Excluded disposition**

- defined, 150(5)
- does not require tax return to be filed, 150(1)(a)(i)(C), (D), 150(1.1)(b)(iii)

**Excluded dividend (for Part VI.1 tax)**

- defined, 191(1), 191(4)(d)
- excluded from dividend allowance, 191.1(2)
- excluded from “excepted dividend” for Part IV.1 tax, 187.1(d)
- excluded from Part VI.1 tax, 191.1(1)(a)(i)–(iii)

**Excluded entity**

- defined, for interest deduction restrictions, 18.2(1)
  - anti-avoidance rule, 18.2(15)
- excluded from interest deduction restrictions, 18.2(2) opening words
  - for partnership, 12(1)(1.2)B(i)

**Excluded equipment**

- clean technology investment tax credit
  - defined, 127.45(1)
- LNG liquefaction facility
  - defined, Reg. 1104(2)
  - excluded from additional CCA, Reg. 1104(2)“eligible liquefaction equipment”

**Excluded income**

- defined, for FAPI rules, 92(2.5)

**Excluded individual**

- defined, re disclosure of taxpayer information, 241(10)
- information about, not to be disclosed, 241(4)(l), (9.3), (9.4)

**Excluded interest**

- for interest deduction restrictions

## Index

### Excluded interest (*cont'd*)

- defined, 18.2(1)
- excluded from IFE, 18.2(1)“interest and financing expenses”A(a)(i)
- in partnership
- defined, 40(3.15)–(3.18)
- grandfathered from deemed-gain rules for passive partnership interest, 40(3.1)

### Excluded lease

- defined, for interest deduction restrictions, 18.2(1)
- excluded from restrictions, 18.2(1)“interest and financing expenses”A(f)

### Excluded loan

- defined, 12(11)
- not considered government assistance, 12(1)(x)(ix)

### Excluded MNE group

- defined, for country-by-country reporting, 233.8(1)

### Excluded obligation

- re debt forgiveness
- defined, 80(1)
- principal amount excluded from debt forgiveness rules, 80(1)“forgiven amount”B(j)
- proceeds of disposition for debtor, 79(3)F(b)(iv)
- re flow-through shares
- application to prescribed shares, Reg. 6202.1(1)(b), (c)
- deemed not to be a guarantee, security or similar indemnity, Reg. 6202(1)(m.1)
- defined, Reg. 6202.1(5)
- excluded from limited partnership at-risk rules, 96(2.2)(d)(vii)
- excluded from tax shelter at-risk adjustment, 143.2(3)(b)(iv)
- re non-resident withholding tax on interest
- defined, 214(8)
- sale of, by non-resident, 214(7)

### Excluded payment

- defined, re indexed debt obligations, Reg. 7001(7)

### Excluded period

- defined, re salary deferral arrangement, 6(13)(a)(ii)

### Excluded personal property, *see* Excluded right or interest

### Excluded platform operator

- defined, for digital platform operator reporting rules, 282(1)

### Excluded policy

- defined, for application of IFRS to insurers, 138(12)

### Excluded premium

- defined
- for Home Buyers' Plan, 146.01(1)
- for Lifelong Learning Plan, 146.02(1)
- excluded from repayment of eligible amount
- Home Buyers' Plan, 146.01(3)(a)
- Lifelong Learning Plan, 146.02(3)(a)

### Excluded production (re Canadian film/video credit)

- defined, Reg. 1106(1), (1.1)
- excluded from Canadian film or video production, Reg. 1106(4)

### Excluded property

- art flips, defined, 46(5)
- clean hydrogen tax credit
- defined, 127.48(1)
- excluded from credit, 127.48(1)“eligible clean hydrogen property”
- clean technology manufacturing ITC
- defined, 127.49(1)
- excluded from credit, 127.48(1)“CTM property”
- debt forgiveness rules
- adjusted cost base of, not reduced, 80(9)–(11)
- defined, 80(1)
- emigration, *see* Excluded right or interest

- foreign affiliate, of
- accrued gains, included in FAPI, Reg. 5907(13)(b)(i)
- defined, 95(1), Reg. 5907(1)
- excluded from FAPI calculation, 95(1)“foreign accrual property income”B, E, 95(1)“relevant tax factor”(a)
- net earnings from, Reg. 5907(1)“net earnings”(d)
- net earnings of foreign affiliate from, Reg. 5907(1)“taxable earnings”(b)(v)
- net loss from, Reg. 5907(1)“net loss”(d)
- net loss of foreign affiliate from, Reg. 5907(1)“taxable loss”(b)(iv)
- of second affiliate, 95(2)(a)(ii)(D)(III)
- settlement of debt, gain or loss relating to, 95(2)(i)
- mark-to-market rules
- defined, 142.2(1)
- extended reassessment period, 152(6.2)
- non-resident, of
- defined, 116(6), Reg. 810
- excluded from disposition certificate requirements, 116(1), (3), (5), (5.1)(a)
- personal-use property donated to charity, 46(5)
- prohibited investment of retirement compensation arrangement
- defined, 207.5(1)
- qualified investments for DPSP
- defined, 204
- RRSP, RRIF, TFSA, RESP and RDSP advantage rules
- defined, 207.01(1)
- trust, of
- defined, 108(1)
- excluded from rule preventing rollout to 75(2) trust, 107(4.1)

### Excluded remuneration (re registered pension plan)

- defined, Reg. 8503(14)(b)
- excluded from pension adjustment, Reg. 8503(14)(e)

### Excluded revenue

- defined, for FAPI rules, 92(2.5)

### Excluded right or interest

- defined, 128.1(10)
- excluded from deemed disposition
- on emigration, 128.1(4)(b)(iii)
- on immigration, 128.1(1)(b)(iv)

### Excluded security (for debt forgiveness rules)

- defined, 80(1)
- excluded from rule where share issued in exchange for debt, 80(2)(g)

### Excluded seller

- defined, for digital platform operator reporting rules, 282(1)

### Excluded share

- re Part X tax on DPSPs
- defined, 204
- excluded from equity share, 204“equity share”(a), (b)

### Excluded shares

- defined, for income-splitting tax, 120.4(1)

### Excluded subsidiary entity

- defined, for SIFT trust definition, 122.1(1)

### Excluded trust

- defined
- foreign reporting rules, 233.6(2)
- qualifying environmental trust rules, 211.6(1)
- shareholder benefit rules, 15(1.4)(d)

### Excluded withdrawal

- defined
- for Home Buyers' Plan, 146.01(1)
- for Lifelong Learning Plan, 146.02(1)
- not taxable, 146(8), (8.01)

### Exclusive economic zone

- application of legislation to, *Interpretation Act* 8(2.1)



**Exclusive economic zone** (*cont'd*)

- defined, *Interpretation Act* 35(1)
- SR&ED performed in, deemed performed in Canada, 37(1.3)

**Executive compensation repayment amount**

- defined, for Canada Emergency Wage Subsidy, 125.7(1)
- repayment of part of wage subsidy, 125.7(14), (14.1)

**Executive remuneration**

- defined, 125.7(1)

**Executor**, *see also* Legal representative

- certificate required by, before distribution, 159(2)
- deemed to be legal representative, 248(1)“legal representative”
- obligations of, 159
- return required by, 150(3)
- withholding tax, liable for, 227(5), (5.1)(i)

**Exempt activity**

- for tobacco manufacturers' surtax, 182(2)
- defined, 182(2)
- no surtax on, 182(2)“tobacco manufacturing”

**Exempt amount**

- defined, for non-resident trust rules, 94(1)

**Exempt capital gains balance (re flow-through entity)**

- after 2004, added to adjusted cost base, 53(1)(p)
- defined, 39.1(1), (7)
- used to reduce capital gain, 39.1(2)–(6)

**Exempt collective investment vehicle**

- defined, for Common Reporting Standard, 270(1)

**Exempt contribution (to TFSA)**

- defined, 207.01(2)
- permitted, 207.01(1)“excess TFSA amount”A(b), 207.01(1)“unused TFSA contribution room”B(ii)

**Exempt corporation**, *see also* Exempt person

- becoming or ceasing to be exempt, 149(10)
- capital dividend account, 89(1.2)
- deemed disposition/acquisition of depreciable property, 13(7)(f)
- loss carryover, restriction, 149(10)(c)
- resource expenses, rules, 66.7(10)
- electronic filing not required, Reg. 205.1(2)(d)
- for CCUS credit knowledge sharing, defined, 211.92(1)
- Parts IV, IV.1, VI and VI not applicable, 227(14)

**Exempt dealer compensation payment**

- defined, for hybrid mismatch rules, 18.4(1)

**Exempt deficit (of foreign affiliate)**

- defined, Reg. 5907(1)

**Exempt earned income**

- contribution of, to PRPP, 147.5(31)–(34)
- defined, for pooled registered pension plan, 147.5(1)

**Exempt earnings (of foreign affiliate)**

- defined, Reg. 5907(1)

**Exempt foreign trust**

- defined, 94(1)

**Exempt gains balance**, *see also* Exempt capital gains balance (re flow-through entity)

- defined, 14(5) [before 2017]
- effect of excessive election, 14(9) [before 2017]

**Exempt income**

- defined, 248(1)
- under treaty, used in calculating clawback, Canada-U.S. Tax Treaty:Art. XXIV:10

**Exempt-income contribution amount**

- defined, for pooled registered pension plan, 147.5(1)
- reduces unused RRSP deduction room, 146(1)“unused RRSP deduction room”B(iv)

**Exempt interest and financing expenses**

- defined, for interest deduction restrictions, 18.2(1)

**Exempt loan of transfer**

- defined, re loans to non-residents, 17(15)

**Exempt loss (of foreign affiliate)**

- defined, Reg. 5907(1)

**Exempt person**, *see also* Exempt corporation

- capital gains and losses, 40(2)(a)(i)
- exchanges of property, determination of gain, 44(7)
- for investments by deferred income plans
- defined, Reg. 4901(2)“connected shareholder”B), 4901(2)“designated shareholder”A(ii)
- for non-resident trust (NRT) rules
- defined, 94(1)
- excluded from NRT rules, 94(1)“contributor”, 94(1)“resident beneficiary”
- no reserve for amount not due until later year, 20(8)
- obligation issued at discount by, 16(2), (3)
- partnership of, effect where taxable partner joins, 96(8)
- sale of Canadian resource property by, 66.6
- U.S. charitable organization, Canada-U.S. Tax Treaty:Art. XXI

**Exempt policy**

- defined, 12.2(11), Reg. 306

**Exempt property**

- for specified leasing property CCA rules
- defined, Reg. 1100(1.13), (1.14)
- excluded from specified leasing property, Reg. 1100(1.11)
- for trusts' 21-year deemed disposition rule
- defined, 108(1)
- excluded from deemed disposition, 104(4), (5), (5.2)

**Exempt service**

- defined, for non-resident trust rules, 94(1)
- excluded from service being a deemed transfer of property, 94(2)(f)

**Exempt shares percentage**

- defined, for private foundations, 149.1(1)

**Exempt surplus (of foreign affiliate)**

- adjustment where gain deemed due to negative adjusted cost base, 93(1)(b)(ii)
- deduction for dividend paid out of, 113(1)(a), Reg. 5900(1)(a)
- defined, 113(1)(a), Reg. 5907(1)
- portion of dividend deemed paid out of, Reg. 5900(1)(a)

**Exempt trust**

- defined, for FAPI rules, 95(1)
- defined, foreign reporting rules, 233.2(1), *see also* Exempt foreign trust

**Exemption test policy**

- defined, Reg. 306(3)

**Exemption threshold**

- deemed capital gain on donation of flow-through share, 40(12)
- defined, 54

**Exemption-end time**

- defined, for TFSA, 146.2(9)(a)

**Exemptions**, 81, 149, *see also* Grandfathering

- agricultural organizations, 149(1)(e), 149(2)
- apportionment rule, 149(6)
- Association of Universities and Colleges of Canada, 149(1)(h.1)
- basic, re minimum tax, 127.53
- benevolent or fraternal benefit society, 149(4)
- limitation, 149(4)
- benevolent society, 149(1)(k)
- boards of trade, 149(1)(e), 149(2)
- capital gains, 110.6, *see also* Capital gains deduction
- principal residence, *see* Principal residence
- transfer of shares to employee ownership trust, 110.61
- chambers of commerce, 149(1)(e), 149(2)
- charitable organization, 149(2)
- compensation by Federal Republic of Germany, 81(1)(g)

## Index

### Exemptions (*cont'd*)

- Crown corporations, 149(1)(d)–(d.4)
- • exception, 27(1), (2)
- employee of foreign country, 149(1)(a)
- • family and servants of, 149(1)(b)
- expenses of gaining exempt income not deductible, 18(1)(c)
- fraternal benefit society/order, 149(1)(k)
- funeral arrangements, 148.1(2), 149(1)(s.1)
- general, 149
- Governor General's stipend, 81(1)(n)
- Halifax disaster pension, 81(1)(f)
- housing corporation, 149(1)(i), 149(2)
- income from aircraft operated by non-resident, 81(1)(c)
- income from international shipping, 81(1)(c), (c.1), 250(6)–(6.05)
- income from ship operated by non-resident, 81(1)(c)
- insurer of farmers and fishermen [repealed], 149(1)(t), 149(4.2)
- • limitation, 149(4.1)
- labour organizations, 149(1)(k)
- master trust, 149(1)(o.4)
- mines, Reg. Part XIX [Revoked]
- municipal authorities, 149(1)(c)
- municipal corporations, 149(1)(d.6)
- mutual insurance corporations, 149(1)(m)
- non-profit corporation for scientific research, 149(1)(j), 149(2)
- non-profit organizations, 149(1)(l), 149(2)
- • deemed trust, 149(5)
- pension corporation, 149(1)(o.1), (o.2)
- pension trust, 149(1)(o)
- personal, *see* Personal credits
- personal injury award, income from, 81(1)(g.1), (g.2)
- principal residence, *see* Principal residence
- prisoners of war, compensation paid to, 81(1)(d)
- prospecting, 81(1)(l)
- provincial corporations, 149(1)(d)–(d.4)
- provincial indemnity, 81(1)(q)
- RCA trust, 149(1)(q.1)
- RCMP pensions, 81(1)(i)
- registered charities, 149(1)(f)
- scholarships, *see* Scholarship exemption
- scientific research corporation (non-profit), 149(1)(j), 149(2)
- • control, rules re, 149(8)
- • rules as to income, 149(9)
- service and other pensions, 81(1)(d)
- service pension from other country, 81(1)(e)
- small business investment corporation, 149(1)(o.3)
- social assistance payments, 110(1)(f)(ii)
- societies, 149(1)(l), 149(2)
- • deemed a trust, 149(5)
- statutory, 81(1)(a)
- trust
- • deferred profit sharing plan, 149(1)(s)
- • employees profit sharing plan, 149(1)(p)
- • registered disability savings plan, 146.4(5), 149(1)(u.1)
- • registered education savings plan, under, 149(1)(u)
- • registered retirement income fund, 149(1)(x)
- • registered retirement savings plan, 149(1)(r)
- • registered supplementary benefit plan, 149(1)(q)
- • vacation pay plan, 149(1)(y)
- • war savings certificate, 81(1)(b)
- • workers' compensation, 110(1)(f)(ii)

### Existing guaranteed life insurance policy

- defined, 211(1)

### Existing plan

- defined, Reg. 8500(1)

**Exiting Canada**, *see* Ceasing to be resident in Canada

### Expectation of profit

- required for business deduction, 18(1)(h), 248(1)“personal or living expenses”

### Expected carbon intensity

- defined, for clean hydrogen tax credit, 127.48(1)

### Expenditure, *see also* Expenses

- carbon capture, *see* CCUS tax credit
- defined
- • for rule disallowing deductions or credits for option or share issuance, 143.3(1)
- • for ruling disallowing contingent amounts and “right to reduce”, 143.4(1)
- • for tax shelter investment, 143.2(1)
- matchable, *see* Matchable expenditure

### Expenditure pool (re investment tax credit), *see* SR&ED qualified expenditure pool

### Expenses, *see also* Deductions in computing income

- advertising in non-Canadian periodicals etc., not deductible, 19
- advertising on non-Canadian broadcast media, not deductible, 19.1
- allowances for
- • taxable, 6(1)(b)
- annual value of property, not deductible, 18(1)(d)
- appeal, of, 60(o)
- automobile of employee
- • deductions allowed, 8(1)(j)
- • depreciation, 13(11)
- away-from-home
- • railway employee, 8(1)(e)
- borrowing money, 18(11), 20(1)(e), 21
- cancellation of lease, payment for, 20(1)(z), (z.1)
- • limitation on deductibility, 18(1)(q)
- capital outlay, not deductible, 18(1)(b)
- clearing farm land, 30
- club dues, not deductible, 18(1)(l)(ii)
- commission agent's, 8(1)(f), 13(11)
- • automobile or aircraft, 8(1)(j), 8(9)
- • certificate of employer, 8(10)
- construction of building or ownership of land, 18(3.1)–(3.7)
- convention, 20(10)
- development, *see* Canadian development expense
- drilling and exploration, defined, 66(15)“drilling or exploration expense”
- election, tax credit for, 127(3)–(4.2)
- employee, of, 8(1), (2)
- employee's automobile or aircraft, 8(1)(j), 8(9)
- exploration, *see* Canadian exploration expense; Exploration and development expenses
- food, beverages, entertainment, *see* Entertainment expenses (and meals)
- general limitation, 67
- improving farm land, 30
- incurred to gain exempt income, not deductible, 18(1)(c)
- interest, 18(11), 20(1)(c), 20(3)
- • borrowed money, on, 20(1)(c), 20(2)
- • • used to acquire land, 18(3)
- • capitalization of, 21(1)
- • compound, 20(1)(d)
- • paid to acquire land, 18(2)
- • paid to non-resident shareholder, 18(4)–(8)
- • investigation of site, 20(1)(dd)
- • “investment expense” defined, 110.6(1)
- • issuing units, interests or shares, 20(1)(e)
- • land drainage system, 30
- • landscaping, 20(1)(aa)
- • limitations on deductibility, 18(1)
- • listing fee, 20(1)(g)
- • meals, limitation, 8(4)
- • medical, *see* Medical expenses

**Expenses** (*cont'd*)

- mining taxes, 20(1)(v)
- moving, *see* Moving expenses
- objection or appeal, of, 60(o)
- performing duties of office or employment, deduction, 8(1)(i)
- personal or living, not generally deductible, 18(1)(h)
- personal services business, limitation re, 18(1)(p)
- prepaid
  - amalgamation, on, 87(2)(j.2)
  - limitation on deductibility, 18(9)
- printing financial report, 20(1)(g)
- reasonableness criterion, 67
- recreational facilities, 18(1)(l)
- relieving telegrapher or station agent, 8(1)(e)
- representation, 20(1)(cc)
  - deemed capital cost allowance, 13(12)
  - election to defer, 20(9), Reg. 4100
- research and development, 37
- salesperson's, deduction, 8(1)(f)
  - certificate of employer, 8(10)
- scientific research and experimental development, 37
- selling units, interests or shares, 20(1)(e)
- share transfer fees, 20(1)(g)
- taxes on unproductive land, not deductible, 18(2)
- tile drainage, 30
- transport employee's, 8(1)(g)
- travelling, *see* Travelling expenses
- unpaid for more than 2 years, 78
- utilities service connection, 20(1)(ee)
- yachts, camps, clubs etc., no deduction, 18(1)(l)

**Exploration and development expenses**

- borrowing for, 21(4)
- Canadian, *see* Canadian exploration and development expenses
- foreign, *see* Foreign exploration and development expenses
- joint exploration corporation, *see* Joint exploration corporation
- limitation, 66(13)
- recovery of, 59(3.2)
- where change in control, 66(11.4), (11.5)

**Exploration and development grants, deductions**, 20(1)(kk)**Exploration and development shares**, *see also* Flow-through shares

- cost to taxpayer, 66.3(1)(a)(iii)
- whether inventory, 66.3(1)(a)(ii)

**Exploration and drilling rights**

- dealers in, limitation, 66(5)

**Export Development Canada**

- loan guaranteed by, no UK withholding tax, Canada-U.K. Tax Treaty:Art. 11:3(a)

**Exporting resource**, Reg. 1206(1)**Exposure to a designated country**

- defined, Reg. 8006

**Express consent**

- defined, Reg. 209(4)

**Expropriation**

- amount paid constitutes proceeds of disposition, 13(21)“proceeds of disposition”(d), 54“proceeds of disposition”(d)
- foreign assets, *see* Expropriation assets
- resource properties, 59.1
- rollover where property replaced, 13(4), (4.1), 44

**Expropriation assets**

- acquired from foreign affiliate, 80.1(4)–(6)
- adjusted cost base of, 80.1(2)(b)
- adjusted principal amount, 80.1(7)
- currency in which computed, 80.1(8)
- cost base, addition to, 53(1)(k)
- deductions from, 53(2)(n)

- election re, 80.1(1), Reg. 4500
- income from, computation of, 80.1(2)(a)
- interest and capital amounts received at same time, 80.1(3)
- interest on
  - election re, 80.1(2)
- sale of foreign property, for, 80.1

**Extended motor vehicle warranty**

- defined (insurance policy reserves) [repealed], Reg. 1408(1)

**Extension of time**

- to file appeal
  - by Tax Court, 167
- to file election or application, 220(3.2)
- to file notice of objection
  - by Minister, 166.1
  - by Tax Court, 166.2
  - deadline for requesting, 166.1(7)(a)
- to file notice of qualified dependant for Canada Child Benefit, 122.62(2)
- to file return, 220(3)
- to invest in labour-sponsored venture capital corporation, 127.4(5.1)
- to make or revoke election or designation, 220(3.2)
- to make RRSP contribution, 146(22)
- to post security for departure tax, 220(4.54)

**Extinct shellfish**, *see* Ammonite gemstone**Eyeball Networks case overruled**, 160(5)(c)**Eyeglasses, as medical expense**, 118.2(2)(j)**F****FABI**, *see also* Foreign accrual business income

- underlying, *see* Underlying FABI surplus tax

**FABI surplus**

- defined, 93.4(1)

**FACL**, *see* Foreign accrual capital loss**FAD**, *see* Foreign affiliate dumping**FAPL**, *see* Foreign accrual property income**FAPL**, *see* Foreign accrual property loss**FAPL year**

- defined, Reg. 5907(1.5)

**FATCA**, *see* Foreign Account Tax Compliance Act (U.S.)**FEDE**, *see* Foreign exploration and development expenses**FHSA**, *see* First Home Savings Account**FHSA carryforward**

- defined, 146.6(1)

**FICT**, *see* Fixed interest commercial trust**FIE**, *see* Foreign investment entity**FIGE**, *see* Financial institution group entity**FINTRAC**, *see also* Financial Transactions and Reports Analysis Centre (FINTRAC)

- provision of information by CRA to, for limited purposes, 241(4)(d)(xv)

**FMV**, *see* Fair market value**FOI**, *see* Foreign ordinary income; Freedom of information**FRE**, *see* Foreign resource expenses**FTC**, *see* Foreign tax credit**FTCMME**, *see* Flow-through critical mineral mining expenditure**FTS**, *see* Flow-through shares**FVA**, *see* Fair value amount**Facsimile machine**, *see* Fax machine**Factoring of accounts**

- income of foreign affiliate from, 95(1)“investment business”
  - accounts arising in active business of related corporation, 95(2)(a)(iii), Reg. 5907(1)“exempt earnings”(d)(ii)(J)

**Failure to file return**, *see* Returns: failure to file, penalty**Failure to keep records**, 230(3)

**Failure to remit withheld taxes, 227(9)**

- penalty applicable only on amounts over \$500, 227(9.1)
- salary or wages, from, 227(9.5)

**Failure to withhold tax, 227(8)**

- assessment for, 227(10)
- salary or wages, from, 227(8.5)

**Fair market value**

- charitable donation of property, limited to cost, 248(35)–(38)
- cultural property, donated, 118.1(10)
- deemed disposition at, *see* Disposition: deemed
- defined, 69(1) (Notes)
- ecological gift, 118.1(10.1)–(10.5)
  - certificate, 118.1(10.5)
- inadequate considerations deemed to be, 69
  - exceptions re pre-1972 property, ITAR 32
- inventory property, of, 10(1), (4)
- meaning of, 69(1) (Notes)
- property donated or contributed, limited to cost, 248(35)–(38)
- property of deceased, 70(5.3)
- publicly-traded securities held since before 1972, ITAR 26(11)
- share
  - disposed of on death, 70(5.3)
  - foreign affiliate, of, ITAR 26(11.1), (11.2)
  - that is not capital property, 112(4.1)
- transfer at, to spouse or minor, 74.5(1)
- trust, capital interest in, 107.4(4)
  - held as inventory, 107(1.2)
- trust for benefit of spouse, 70(8)(a)
- undivided interest in property transferred by tax debtor, 160(3.1)
- V-day election, Reg. 4700, Reg. Sch. VII

**Fair value amount**

- defined, for alternative interest-deduction restrictions, 18.21(1)

**Fair value property**

- defined, for mark-to-market rules, 142.2(1)

**Fairness package (1991), *see* Taxpayer relief****False statement, *see also* Penalty: false statement**

- defined, for third-party penalty, 163.2(1)
- offence, 239(1), (1.1)
- penalty, 163(2)
  - charity receipt, 188.1(9), (10)
  - third-party penalty, 163.2

**Family allowances, *see* Canada Child Benefit****Family Caregiver credit**

- additional amount, 118(1)B(a)(ii)C(A), 118(1)B(b)(iv)D(A), 118(1)B(b.1)
- base amount for infirm adult relative, 118(1)B(d)

**Family farm or fishing corporation/partnership**

- capital gains exemption on disposition, 110.6(2), (31)
- farm or fishing property leased to
  - transfer of, 70(9.8)
- interest in partnership, defined, 70(10)“interest in a family farm or fishing partnership”
- share of corporation, defined, 70(10)“share of the capital stock of a family farm or fishing corporation” 110.6(1)
- transfer of
  - *inter vivos*, 73(4), (4.1)
  - on death, 70(9.2), (9.21), (9.3), (9.31)
  - to parent, 70(9.6)

**Family law, *see* Province: laws of; Spouse****Family Orders and Agreements Enforcement Assistance Act**

- Canada Child Benefit payments not garnishable under, 122.61(4)(e)
- disclosure of taxpayer information for purposes of, 241(4)(e)(vii)

**Family Support Plan**

- payroll deduction reduces source withholding, Reg. 100(3)(d)

**Family Tax Cut (2014–15 only), 119.1****Farm Income Protection Act, *see also* Net income stabilization account; NISA Fund No. 2**

- payment received under, taxable, 12(1)(p)
- information return, Reg. 234–236
- premium paid under, deductible, 20(1)(ff)

**Farm land, *see also* Farm or fishing property**

- addition to adjusted cost base, 53(1)(i)
- improving, expenses deductible, 30
- instalment on sale of, not considered payment from production, 12(1)(g)

**Farm loss**

- amalgamation, on, 87(2.1)
- defined, 111(8)“farm loss”, (9), 248(1)
- determination of, by Minister, 152(1.1), (1.2), (1.3)
- drought, due to, *see* Drought or flood region: prescribed
- flood, due to, *see* Drought or flood region: prescribed
- includes fishing loss, 111(8)“farm loss”A(a)(i)
- limitation on deductibility, 111(3)
- partnership, from, 96(1)
- reassessment, 152(6)(c)
- reduction of, on debt forgiveness, 80(3)(b)
- restricted, 31(1), (1.1), *see also* Restricted farm loss

**Farm or fishing property**

- disposition by partnership, 101
- family farm or fishing corporation or partnership, transfer of, 70(9.2), (9.21)
- investment tax credit, 127(9)“qualified property”(c)(ii)
- leased, transfer of, 70(9.8)
- qualified
  - capital gains exemption, 110.6(2)
  - defined, 110.6(1)
- transfer of
  - from spouse’s trust, to children, 70(9.1), (9.11)
  - *inter vivos*, to child, 73(3), (3.1)
    - reserve, 44(1.1)
  - to farmer’s child, ITAR 26(18), (19)
    - on death, 70(9), (9.01)
  - to parent, 70(9.6)

**Farm quota**

- capital gains exemption, 110.6(1)“qualified farm property”(d)

**Farm support payments, *see also* Farm Income Protection Act**

- defined, Reg. 234(2)
- information slips for payments under, Reg. 234–236

**Farmer**

- capital gain
  - principal residence, exclusion of, 40(2)(c)
- cash method of computing income, 28(1)
- instalments, 155
- payments to, income, 12(1)(p)
- transfer of farm property by, to child
  - *inter vivos*, 73(3), (3.1)
  - on death, 70(9), (9.01)

**Farming**

- business
  - capital cost allowance (pre-1972 property), Reg. Part XVII
  - cash-base method of calculation, 28
  - ceasing to carry on, 28(4), (5)
  - expenses deductible, 30
  - inventory
    - acquisition of, 28(1.1)
    - valuation of, 28(1.2), (1.3), Reg. 1802
  - losses, deduction for
    - adjustment to cost base of land, 53(1)(i), 111(6)
  - partnership, disposition of land used in, 101, 111(7)
  - prepaid expenses, 28(1)(e), (e.1)
  - crop insurance, *see* Farm Income Protection Act



**Farming** (*cont'd*)

- defined, 248(1)
- drought, sales during, *see* Drought or flood region: prescribed
- exempt from tobacco manufacturers' surtax, 182(2)“exempt activity”(a)
- farm loss, defined, 111(8)
- flood, sales during, *see* Drought or flood region: prescribed
- income deferred from destruction of livestock, 80.3
- inventory
  - acquisition of, 28(1.1)
  - amalgamation, on, 87(2)(b)
  - transfer to corporation, 85(1)(c.2)
  - valuation of, 28(1.2), (1.3), Reg. 1802
  - winding-up, on, 88(1.6)
- losses, deduction for, 31
- reduction in basic herd, 29(2)
- election re, 29(1)
- restricted farm loss, *see* Restricted farm loss
- stabilization payments and fees, 12(1)(p), 20(1)(ff)

**Farming activities**

- for carbon tax refund to farmers, 127.42(1)

**Fax machine**

- capital cost allowance, Reg. 1101(5p), Reg. Sch. II:Cl. 10(f)

**Feasibility study**

- re investigation of site, deductible, 20(1)(dd)

**Federal body**

- defined, Reg. 237(1)

**Federal Court**

- defined, *Federal Courts Act* s. 4
- registration of certificate re amount payable, 223(3)
- charge on land, 223(5), (6)

**Federal Court of Appeal**

- appeal to
  - Canadian amateur athletic association, revocation or refusal to register, 172(3)(a)
  - charity revocation or refusal to register, 172(3)(a.1)
  - DPSP, refusal to register, 172(3)(c)
  - from Tax Court, *Tax Court of Canada Act* ss. 17.6, 18.24
  - qualified donee revocation or refusal to register, 172(3)(a.2)
  - RESP, refusal to register, 172(3)(e)
  - RRIF, refusal to register, 172(3)(f)
  - RRSP, refusal to register, 172(3)(b)
- defined, *Federal Courts Act* s. 3
- proceedings in camera, 179

**Federal credit union**

- defined, 248(1)
- excluded from definition of “bank”, 248(1)“bank”
- provincial allocation of income, Reg. 404.1

**Federal Crown corporation**, *see* Crown corporation**Federal government**, *see* Government**Federal-Provincial Fiscal Arrangements and Established Programs Financing Act**

- agreement under, 228

**Federal sales tax**

- refund of, taxable, 12(1)(x)(iv)

**Federal sales tax credit**, *see also* Goods and services tax (GST)**Fee**, *see also* Fees

- defined
  - for notifiable-transaction rules, 237.4(1)
  - for reportable-transaction rules, 237.3(1)

**Feeding oneself**

- defined, 118.4(1)(e)
- impairment with respect to
  - certification by occupational therapist or physician
    - for disability credit, 118.3(1)(a.2)(iv)
- eligibility for disability credit, 118.4(1)(c)(ii)

**Feedlot Health case overruled**, 37(8)(a)(ii)(B)(II)**Fees**

- directors, 6(1)(c)
- included in income, 6(1)(c)
- investment counsel, 20(1)(bb)
- share transfer, deduction for, 20(1)(g)
- withholding tax, 153(1)(g)

**Fees for an individual's tuition**

- defined, 118.5(3)

**Fellowship**, *see* Scholarship**Fence**

- capital cost allowance for, Reg. Sch. II:Cl. 6
- in amusement park, CCA, Reg. Sch. II:Cl. 37

**Ferrel case overruled**, 120.4**Fertility treatment**

- medical expense credit, 118.2(2)(v)
- medical infertility not required, 118.2(2.2)
- surrogacy expenses, 118.2(2.21)

**Festival organizer relief (COVID)**, Reg. 8901.1(2)(b)(xx)(A), *see also* Qualifying tourism or hospitality entity**Fiat currency**

- defined, for digital platform operator reporting rules, 282(1)

**Fiat demerger spinoff**, Reg. 5600(d)**Fibre-optic cable**

- capital cost allowance, Reg. Sch. II:Cl. 42(a)
- supporting equipment, Reg. Sch. II:Cl. 3(l)

**Fiduciary**, *see* Legal representative; Trustee**Field processing**, *see* Canadian field processing**Fifth Supplement**, *see* Revised Statutes of Canada, 1985 (5th Supp.)**Figueroa case responded to**, 127(3.3) Notes**Filing deadlines**, *see also* Deadlines

- agreement to transfer forgiven amount (debt forgiveness rules), 80.04(6)(a), 80.04(7)
- annual returns, 150(1)
- claims for SR&ED
  - deductions, 37(1), (8)
  - investment tax credits, 127(9)“investment tax credit”(m)
- designation to flow out capital gains from trust, 104(21)–(21.03)
- discontinued business, Reg. 205(2)
- election to trigger capital gains exemption, 110.6(24)
  - revocation or amendment, 110.6(25), (27)
- expiring on Sunday or holiday, *Interpretation Act* s. 26
- extension by Minister, 220(3)
- information returns (T4, etc.), Reg. 205(1)
  - distribution from foreign trusts, 233.5(1)
- foreign affiliates, 233.4(4)
- foreign property, 233.3(3)
- payments to non-residents, Reg. 202(7), (8)
- registered pension plan, Reg. 8409
- transfer of property to foreign trust, 233.2(4)
- interest offset applications, 161.1(3)(c)
- investment tax credit claims, 127(9)“investment tax credit”(m)
- preferred beneficiary election, 104(14)–(14.02)
- scientific research claims, 37(11), 127(9)“investment tax credit”(m)
  - no extension allowed, 220(2.2)
- section 85 rollover, 85(6), (7)
- tax returns, 150(1)

**Filing-due date**, 150(1)

- defined, 248(1)

**Filing electronically**, *see* Electronic filing**Film**, *see* Motion picture film

## Index

### Film agency

- prescribed person for Canadian film/video tax credit, Reg. 1106(10)

**Film credit**, *see* Canadian film or video tax credit; Film or video production services credit

**Film or video production services credit**, 125.5, *see also* Canadian film or video tax credit

- amalgamation of corporations, 87(2)(j.94)
- refund of credit before assessment, 164(1)(a)(ii)
- refundable credit, 125.5(3)
- revocation of certificate, 125.5(6)

### Film property

- defined, for minimum tax purposes, 127.52(3)

### Filter

- air or water, medical expense credit, Reg. 5700(c.1)

**Finance comfort letters**, *see* Table of Comfort Letters

### Financial account

- defined, for Common Reporting Standard, 270(1)

### Financial account identifier

- defined, for digital platform operator reporting rules, 282(1)

### Financial accounts of non-residents

- reporting required, *see* Common Reporting Standard; *Foreign Account Tax Compliance Act*

**Financial aid**, *see* Assistance/government assistance; Reimbursement

### Financial asset

- defined, for Common Reporting Standard, 270(1)

### Financial difficulty (taxpayer in)

- debt forgiveness reserve for insolvent corporation, 61.3
- replacement obligations, exemption from non-resident withholding tax, 212(3)
- share, 248(1)“term preferred share”(e), *see also* Distress preferred share

### Financial holding corporation

- defined, for EIFEL rules, 18.2(1)

**Financial institution**, *see also* Bank; Insurance corporation; Investment dealer; Moneylender; Restricted financial institution

- accounting rule changes, transitional rules, 142.51
- amalgamation of, 87(2)(g.2)
- bad debt deduction, 20(1)(p)(ii)
- becoming, 142.6(1)(a), (b)
- ceasing to be, 142.6(1)(a), (c)
- debt obligation owned by, *see* Specified debt obligation
- defined
  - for charitable donations, 118.1(20)
  - for Common Reporting Standard, 270(1)
  - for financial institutions capital tax, 190(1)
  - for insurance corporations, Reg. 2400(1)
  - for Large Corporations Tax, 181(1)
  - for mark-to-market rules, 142.2(1)
  - for stop-loss rules, 112(6)(c), 142.2(1)
  - re disposition by financial institutions, Reg. 9200(1)
- dividends received by
  - dividend deduction denied, 112(2.01)–(2.03)
  - mark-to-market property, effect on sale of share, 112(5)–(5.2)
- ineligible for election to treat Canadian securities as capital property, 39(5)(b)
- interference with remittance of tax, 227(5.2)–(5.4) (1995 draft, abandoned)
- mark-to-market property, *see* Mark-to-market property; Specified debt obligation
- non-resident, *see* Non-resident: financial institution
- Part VI tax, 190–190.211
  - deductible in computing branch tax liability, 219(1)(h)(i)
  - instalments, 157(1)
  - rates, 190.1(1)
  - short taxation year, 190.1(2)

- unused, reassessment re, 152(6)(e)
- prescribed
  - for foreign affiliate rules, 95(2)(a.3), 95(2.5)“specified deposit”, Reg. 7900
- remittance of tax through, 229 [repealed]
  - by large employers, required, 153(1), (1.4), Reg. 110
- reserve for doubtful debts, 20(1)(l)(ii)
- restricted, *see also* Restricted financial institution
  - election by mutual fund/investment corporation to not be, 131(10)
  - receiving dividends on taxable RFI shares
    - information return, 187.5
    - partnerships, 187.4
    - tax payable, 187.3(1)
    - time of acquisition of share, 187.3(2)
- safety deposit box rented from, no deduction, 18(1)(l.1)
- specified
  - defined, 248(1)
  - dividends received by, 112(2.1), (2.2)
  - guarantee agreement re shares, 112(2.2)–(2.22)
  - related corporations, 248(14)
  - superficial loss of, 18(13)–(16), 142.6(7)
  - transitional rules for accounting rule changes, 142.51
  - windup of, *see* Winding-up: financial institution

### Financial institution group entity

- defined, for interest deduction restrictions, 18.2(1)

### Financial instrument

- defined, for hybrid mismatch arrangement rules, 18.4(1)

**Financial intermediary corporation, defined**, 191(1)

### Financial Transactions and Reports Analysis Centre (FINTRAC)

- provision of charity information to, for security purposes, 241(9), (9.1)

**Financially dependent child or grandchild**, *see* Child: financially dependent

### Financing fees

- deduction for, 20(1)(e), (e.1)
- election to capitalize, 21

**Financing lease**, *see* Direct financing lease

### Financing subsidy

- provided by employer, taxable, 6(23)

### Fine

- imposed for offence under ITA, *see* Offences
- non-deductible, 67.6

**Finland**, *see also* Foreign government

- stock exchange recognized, 262

### Fire alarm indicator

- visual, for the hearing impaired, medical expense credit, Reg. 5700(q.1)

### Firefighter

- killed in line of duty, tax-free benefit to families, 81(1)(j)
- pension accrual to retire early, *see* Public safety occupation
- vehicle of, deemed not to be automobile, 248(1)“automobile”(b.1)
- volunteer
  - credit if performs 200 hours per year, 118.06(2)
  - employment income exemption, 81(4)

### First day of commercial operations

- defined, for CCUS credit, 127.44(1)

### First day of the compliance period

- defined, for clean hydrogen tax credit, 127.48(1)

### First Home Savings Account, 146.6

- administration fees, non-deductible, 18(1)(u)
- bankruptcy, effect of, 128(2)(d.3)
- carrying on business, 146.6(3)
- holder jointly liable with FHSA for tax, 146.6(4)
- ceasing to be, 146.6(17)

**First Home Savings Account** (*cont'd*)

- conditions for, 146.6(2)
- contribution to
  - attribution rules do not apply, 74.5(12)(d)
  - deduction for, 60(i), 146.6(5)
  - excess contribution, 207.01(1)“excess FHSA amount”, 207.021
    - survivor subject to overcontributions tax, 207.022
  - no deduction for interest on borrowed money, 18(11)(k)
- death of holder, 146.6(1)“annual FHSA limit”(c)(ii), 146.6(13)–(15)
- deduction for contribution to, 60(i), 146.6(5)
- deduction limit, 146.6(1)“annual FHSA limit”
- defined, 146.6(1), 248(1)
- disposition of property to, capital loss nil, 40(2)(g)(iv)(A)
- emigration of beneficiary, no deemed disposition, 128.1(10)“excluded right or interest”(e)(iii.1)
- excluded from annual interest accrual rules, 12(11)“investment contract”(d.2)
- excluded from various trust rules, 108(1)“trust”(a)
- exempt from tax, 146.6(3), 149(1)(u.4)
- income inclusion from, 56(1)(z.6), 146.6(3), (6), (9), (11), (14), (17)
- investment counselling fees, non-deductible, 18(1)(u)
- no tax on, 146.6(3), 149(1)(u.4)
- not required to report for FATCA, Reg. 9005(p), 9006(1)
- overcontributions, 207.01(1)“excess FHSA amount”, 207.021
  - survivor subject to 207.021 overcontributions tax, 207.022
- payment from
  - income inclusion, 56(1)(z.6), 146.6(6)
  - non-resident withholding tax, 212(1)(y)
  - withholding at source, 153(1)(v)
- reversionary trust rules do not apply, 75(3)(a)
- services in respect of, non-deductible, 18(1)(u)
- T3 trust return not required, Reg. 204(3)(h)
- tax on advantage, 207.05
- tax on excess contributions, 207.021
  - survivor subject to 207.021 overcontributions tax, 207.022
- tax on non-qualified investment or prohibited investment, 207.04(1)
- transfer from
  - tax-free to FHSA, RRSP or RRIF, 146.6(7), (8)
  - taxable, 146.6(9)
  - withdrawals included in income, 146.6(6)
- transfer to
  - capital loss deemed nil, 40(2)(g)(iv)(A)
  - from RRSP, 146(16)(a.2)
- used as security for loan, 146.6(11)
- withdrawals included in income, 146.6(6)

**First instalment base**

- of corporation, 157(4), Reg. 5301(1)

**First Nations**, *see also* Indian

- drinking water class action settlement, no tax, 81(1)(g.3)(i)(D)

**First Nations Tax**, *see also* Indian

- federal credit for, 120(2.2)
- instalments, 156.1(1)“net tax owing”(b)B, E, F, 156.1(1.3)
- tax evasion offences, 239(5)

**First project period**

- defined, for CCUS credit, 211.92(1)

**First recovery taxation year**

- defined, for CCUS credit, 211.92(1)

**First responders**

- fallen in duty, tax-free benefit to families, 81(1)(j)

**First term shared-use-equipment, for R&D investment tax credit**

- defined, 127(9)

**First-time donor**

- defined, 118.1(1)

- super-credit for charitable donations, 118.1(3.1), (3.2)

**First-time home buyer**

- credit, *see* First-Time Home Buyer's Credit
- Home Buyer's Plan eligibility, 146.01(1)“regular eligible amount”(e), (f)

**First-Time Home Buyer's Credit and Disability Home Purchase Credit**, 118.05

- amount of credit (\$1,500), 118.05(3)
- apportionment among multiple claimants, 118.05(4)

**First-year rule, depreciable property**, Reg. 1100(2)–(2.4)**Fiscal period**

- business, of, 11(2)
- change of control, on, 249(4)(d)
- deemed end on emigration, 128.1(4)(a.1)
- deemed end where exceeds 365 days, 249(3)(b)
- defined, 249.1
  - not to be changed without CRA permission, 249.1(7)
  - partnership election to align with corporate partners, 249.1(8)–(11)
- election for non-calendar year, 249.1(4), (5)
- annual income inclusion where election made, 34.1
- late filing, Reg. 600(b.1)
- election on termination of proprietorship, 25
- member of terminated partnership
  - election re, 99(2)–(4)
- ending in a taxation year, 249(2)(b)
- reference to, 249(2), (3)

**Fiscal year**

- of MNE group, defined for country-by-country reporting, 233.8(1)

**Fisher**, *see* Fishing**Fisherman**, *see also* Fishing

- defined, Reg. 105.1(1)

**Fishing**

- business
  - ceasing to carry on, 28(4), (5)
  - cash method, 28(1)
  - instalments required, 155
  - loss from, constitutes farm loss, 111(8)“farm loss”A(a)(i)
  - cod compensation, *see* compensation programs (*below*)
  - compensation programs
    - payments received under, taxable, 56(1)(a)(vi), Reg. 5502(c)
    - withholding of tax at source, 153(1)(m), Reg. 5502(c)
  - repayment of benefits, deductible, 60(n)(v)
- defined, 248(1)
- expedition, by CRA, 231.2(3)
- family fishing corporation or partnership, *see* Family farm or fishing corporation/partnership
- income from
  - election re source deductions, Reg. 105.1
  - instalments and payment of balance, 155
- losses, 111(8)“farm loss”A(a)(i), *see also* Farm loss
- not eligible for manufacturing & processing credit, 125.1(3)“manufacturing or processing”(a)
- property
  - *inter vivos*, 73(3)–(4.1)
  - investment tax credit, 127(9)“qualified property”(c)(ii)
  - on death, 70(9)–(9.31)
  - transferred to child
  - when available for use, 13(27)(g)
  - quota, 110.6(1)“qualified fishing property”(d)
- vessel
  - capital cost allowance, Reg. 1100(1)(i), 1101(2a), Reg. Sch. II:CI. 7
  - leased to controlled corporation, investment tax credit, 127(9)“qualified property”(d)(iv)

**Fishing camps relief (COVID)**, Reg. 8901.1(2)(b)(xii), *see also* Qualifying tourism or hospitality entity

**Fishing charters relief (COVID)**, Reg. 8901.1(2)(b)(vi), *see also* Qualifying tourism or hospitality entity

**Fishing expedition**, 231.2(3)

**Fitness clubs relief (COVID)**, Reg. 8901.1(2)(b)(ix)(A)(I), *see also* Qualifying tourism or hospitality entity

**Fitness credit**, *see* Children's Fitness Credit (pre-2017)

**Five full-time employees**, *see* Six employees test

**Fixed interest**, *see also* Specified fixed interest

- defined
- for loss restriction event rules for trusts, 251.2(1)
- for non-resident trust rules, 94(1)

**Fixed interest commercial trust**

- defined, for interest deduction restrictions, 18.2(1)

**Fixed location fuel cell systems or equipment**

- capital cost allowance, Reg. Sch. II:Cl. 43.1(a)(ii.1)

**Fixed payment obligation**

- defined, Reg. 9100

**Flared gas**, *see* Solution gas

**Flat benefit provision (of pension plan)**

- defined, Reg. 8300(1)

**Flipped property (housing unit)**

- deemed to be inventory and not capital property, 12(12)
- defined, 12(13)

**Flood region**, *see* Drought or flood region

**Floorcovering installer**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Flow-through**

- adjusted cost base of option, to share, partnership interest or trust interest, 49(3.01)
- Canadian development expense, to shareholder, 66(12.62)
- Canadian exploration expense, to shareholder, 66(12.6)
- Canadian oil and gas property expense, to shareholder, 66(12.64)
- corporate income to shareholder, *see* Integration
- corporation's capital gain, untaxed portion, 83(2)
- death benefit, through trust or estate, 104(28)
- entity, *see* Flow-through entity (re capital gains exemption)
- intercorporate dividends, 82(1)(a), (a.1), 112(1)
- investment tax credits on windup, 88(1)(e.3)
- paid-up capital deficiency, on conversion of shares, 51(3), 86(2.1)
- partnership income to partner, 96(1)
- limited to amount at risk, 96(2.1)–(2.7)
- qualifying environmental trust income to beneficiary, 107.3(1)
- shares, *see* Flow-through shares
- trust capital gains to beneficiary, 104(21)
- trust income to preferred beneficiary, 104(14)
- trust pension benefits to beneficiary, 104(27)

**Flow-through critical mineral mining expenditure**

- defined, 127(9)
- reduction for assistance received, 127(11.1)(c.21)
- investment tax credit for, 127(5)(a)(i), 127(9)“investment tax credit”(a.21)
- carryforward or carryback, 127(9)“investment tax credit”(c)
- reduces CCEE, 66.1(6)“cumulative Canadian exploration expense”L

**Flow-through entity (re capital gains exemption)**

- adjusted cost base, addition to, 53(1)(p)
- amalgamation of, 87(2)(bb.1)
- defined, 39.1(1)
- distribution of property to beneficiary, 107(2.2)
- reduction in capital gain, 39.1(2)–(6)
- sale of interest in, 39.1(7)

**Flow-through mining expenditure**

- defined, 127(9)
- reduction for assistance received, 127(11.1)(c.2)

- investment tax credit for, 127(5)(a)(i), 127(9)“investment tax credit”(a.2)
- carryforward or carryback, 127(9)“investment tax credit”(c)
- reduces CCEE, 66.1(6)“cumulative Canadian exploration expense”L

**Flow-through share class of property**

- deemed capital gain on donation of, 40(12)
- defined, 54

**Flow-through shares**, 66(12.6)–(12.75)

- amalgamation, effect of, 87(4.4)
- COVID-19 extensions, 66(12.6001), (12.731), 211.91(2.1)
- class of property, *see* Flow-through share class of property
- cost of, 66.3(3)
- defined, 66(15), 248(1)
- donation to charity, deemed capital gain, 40(12)
- capital dividend account impact, 89(1)“capital dividend account”(a)(i)(A), (B.1)
- subsequent rollover, 38.1
- information return, Reg. 228
- interest on renunciation for previous year, 211.91(1)
- minimum tax, 127.52(1)(d.2)
- mining exploration expenses in first 60 days of year, 66.1(8)
- not “tax shelter”, 237.1(1)
- oil, gas and coal eliminated as of April 2023, 66(12.6)(b.2)
- one-year look-back rule, 66(12.66)(a.1), 211.91
- paid-up capital, 66.3(4)
- prescribed, Reg. 6202.1
- renunciation of, 66(12.6), (12.62), (12.64), 66(12.73)
- Canadian development expenses
- conversion to CEE before 2019, 66(12.601), (12.602)
- Canadian exploration expenses, 66(12.6)
- Canadian oil and gas property expenses, 66(12.64)
- expenses in first 60 days of the year, 66(12.66)
- member of partnership, by, 66(19)
- mining properties excluded, 66(12.62)(b.1)
- restrictions, 66(12.67), (12.71), (19)
- selling instrument
- defined, 66(15)
- filing of, 66(12.68)
- late filing, 66(12.74), (12.75)

**Fluctuations in currency**, *see* Foreign exchange

**Fondaction**

- prescribed as labour-sponsored venture capital corporation, Reg. 6700(f), 6701(g)

**Food**, *see also* Entertainment expenses (and meals); Meals

- delivered after the end of the year, reserve for, 20(6)

**Food and animal waste**

- defined, Reg. 1104(13)

**Food waste**

- defined, Reg. 1104(13) [repealed]

**Football players**, *see* Athlete

**Foreclosure**, *see* Surrender: of property to creditor

**Foreign Account Tax Compliance Act (U.S.)**

- intergovernmental agreement for exchange of information, *see at end of Canada-U.S. Tax Convention*
- reporting required by Canadian financial institutions, 263–269
- information return of accounts held by U.S. persons, 266(1)
- records to be kept for 6 years, 267(3)
- U.S. taxpayer identifying number must be provided to financial institution, 162(6)

**Foreign accrual business income**

- defined, 93.4(1)

**Foreign accrual capital loss**

- application to FAPI, 95(1)“foreign accrual property income”F.1, Reg. 5903.1(1)
- defined, Reg. 5903.1(3), (4)



**Foreign accrual property income, *see also* Foreign affiliate**

- banks, rules for, 95(2.31), (2.43)–(2.45), (3.01)
- contract manufacturing, 95(3.2)
- currency hedging, 95(2)(g.01)
- defined, 95(1), 95(2), 248(1)
- definitions, 95(1), (4)
- foreign affiliate purchasing goods for use in Canada, 95(2)(a.1)
- fresh start rule, 95(2)(k)
- included in income, 91(1)
- insurance of risks in Canada, 95(2)(a.2)
- loss carryback, 152(6.1), Reg. 5903(1)(b)
- loss carryforward, Reg. 5903(1)(a)
- partnership, of, 93.1(5), (6)
- partnerships and trusts, 95(3.6)
- regulated foreign financial institution exception, 95(2.11)
- stub period, 91(1.1)–(1.5)
- transparent affiliate, Reg. 5907(1.091), (1.092)

**Foreign accrual property loss**

- carryback 3 years, Reg. 5903(1)(b)
- reassessment to permit, 152(6.1)
- carryforward 20 years, Reg. 5903(1)(a)
- defined, Reg. 5903(3)
- for interest deduction restrictions, 18.2(1)

**Foreign accrual tax**

- deduction from income, 91(4)
- defined
- for foreign accrual property income, 95(1)

**Foreign affiliate, *see also* Controlled foreign affiliate; Foreign accrual property income**

- absorptive merger of, 87(8.2)
- active business income, 95(2)(a), Reg. 5907(2)–(2.6)
- acquisition of shares of
  - from partnership, 91(7)
- assets acquired from
  - as consideration for settlement of debt, 80.1(5)
  - as dividend in kind, 80.1(4)
  - on winding-up, 80.1(6)
- becoming resident in Canada, 128.1(1)(d)
- benefit to shareholder from, 15(1)–(7), 90(6)–(15)
- capital gains
  - election re, Reg. 5902
- capital gains and losses, 95(2)(f)
  - currency fluctuation, from, 95(2)(g)–(g.02)
- capital gains of, *see* Exempt surplus (of foreign affiliate); Hybrid surplus (of foreign affiliate); Taxable surplus (of foreign affiliate)
- capital loss of, *see* Foreign accrual capital loss
- carrying on business in a country, Reg. 5906
- consolidated groups' liabilities, Reg. 5907(1.1)
- controlled, defined, 95(1)“controlled foreign affiliate”
- currency dealings of, 95(2.3), (2.5)“indebtedness”
- deductible loss, 95(1)“foreign accrual property income”F, Reg. 5903
- defined, 95(1), 248(1)
- look-through rule for shares held by partnership, 93.1
- definitions, Reg. 5907
- disposition of shares of
  - election re capital gains on, 93(1)
  - held by partnership, 93(1.2)
  - loss on, 93(2)–(2.3), (4)
  - share-for-share exchange, 85.1(3)–(6)
- disposition of shares of another foreign affiliate, 95(2)(c)
- dissolution of, 88(3)–(3.5), 95(2)(e), Reg. 5905(7)
- dividends from, 20(13), 113(1), Reg. 5900
- shares held by partnership, 93.1(2)
- “earnings” of, defined, Reg. 5907(1)
- “excluded property”
- debt related to, gain or loss on settlement of, 95(2)(i)

- defined, 95(1)
- “exempt earnings”
- defined, Reg. 5907(1)
- listed countries re, Reg. 5907(11)–(11.2)
- “exempt loss”
- defined, Reg. 5907(1)
- listed countries re, Reg. 5907(11)–(11.2)
- “exempt surplus” defined, Reg. 5907(1)
- foreign accrual property income of, defined, 95(1)
- “foreign accrual tax” defined, 95(1)
- hedge gain, stop-loss rule, 93(2)–(2.31)
- income bonds or debentures issued by, 95(5)
- income derived from indebtedness, 95(2)(a.3), 95(2.4), (2.5)“indebtedness”
- income from services, 95(2)(b)
- “services” defined, 95(3)
- information return re, 233.4
- insurer
- income of, 95(1)“investment business”, 95(2)(a.2)
- subject to Canadian rules, 95(2)(k)(iv)
- investment business of, *see* Investment business
- liquidation of, 88(3)–(3.5), 95(2)(e), Reg. 5905(7)
- lower tier liquidation and dissolution, 95(2)(e)
- loan to, 17(3), 247(7)
- loan to shareholder by, 15(2)–(2.6), 90(6)–(15)
- merger of, 87(8), (8.1), 95(2)(d), (d.1)
- “net earnings” defined, Reg. 5907(1)
- “net loss” defined, Reg. 5907(1)
- “net surplus” defined, Reg. 5907(1)
- participating percentage, Reg. 5904
- partnership interest
  - adjusted cost base of, 95(2)(j)
- qualifying interest in, *see* Qualifying interest (in respect of foreign affiliate)
- regulations, Reg. Part LIX
- “relevant cost base” of property, 95(4)
- “relevant tax factor” defined, 95(1)
- reporting requirements, 233.4
- residence of, Reg. 5907(11.2)
- return of capital, Reg. 5901(2)(b)
- second affiliate, 95(2)(a)(ii)(D)
- settlement of debt, gain or loss from, 95(2)(i)
- share of
  - adjusted cost base, 92
  - amalgamation, on, 87(2)(u)(i)
  - amount included in income re, 91(1)
  - reserve where foreign exchange restriction, 91(2)
  - disposition of, 85.1(3)–(6)
    - held by partnership, 93(1.2)
  - election re disposition, 93(1), (1.1), (1.11)
    - late-filed, 93(5)
    - penalty, 93(6)
    - special cases, 93(5.1)
    - unpaid balance of penalty, 93(7)
  - exempt dividends, 93(3)
    - on amalgamation, 87(2)(u)(ii)
  - fair market value, ITAR 26(11.1), (11.2)
  - held by partnership, 93.1(2)
  - issued to avoid tax, deemed not issued, 95(6)(b)
  - loss limitation on disposition of, 93(2)–(4)
  - participating percentage of, defined, 95(1)“participating percentage”
- special rules, Reg. 5905
- start-up rule, for non-active business, 95(2)(k)
- stock dividends from, 95(7)
- surplus distributions
  - how taxed, 113(1)
  - order, Reg. 5901
- “surplus entitlement percentage” defined, 95(1)

## Index

### Foreign affiliate (*cont'd*)

- tax, *see* Foreign taxes
- “taxable earnings” defined, Reg. 5907(1)
- “taxable loss” defined, Reg. 5907(1)
- “taxable surplus” defined, Reg. 5907(1)
- taxation year, 95(1)
- taxpaying affiliates’ losses, Reg. 5907(1.2)
- third affiliate, 95(2)(a)(ii)(D)
- windup of, distribution of property, 88(3)

### Foreign affiliate dumping, 212.3

- corporate emigration, 219.1(2)
- corporate immigration, 128.1(1)(c.3)

### Foreign assets

- reporting of, to CRA, 233.3

### Foreign bank, *see also* Authorized foreign bank

- defined
- • re FAPI, 95(1)
- fund deposited with, reporting requirement, 233.3

### Foreign-based information or document

- defined, 231.6(1)
- requirement to provide, 231.6(2)
- • consequence of non-compliance or incomplete compliance, 231.6(8)
- • notice of, 231.6(3)
- • review of, 231.6(4)–(6)
- • time during review not to count, 231.6(7)
- tax shelter investment, effect on, 143.2(13), (14)

### Foreign broadcasting undertaking

- defined, 19.1(4)
- no deduction for advertisement broadcast to Canadian market by, 19.1(1)

### Foreign business

- defined, for FAPI rules, 95(2)(j.1)(v), 95(2)(k.1)

### Foreign business corporation

- deemed resident in Canada, 250(4)(b)
- defined, 213(3)
- no withholding tax on dividend from, 213(1)

### Foreign charitable organization

- designation of, for donations to qualify, 149.1(26)

### Foreign charity

- qualifying for Canadian donations
- • charity that received gift from Canada, 149.1(1)“qualified donee”(a)(v), 149.1(26)
- • US charity, where donor has US-source income, Canada-U.S. Tax Treaty:Art. XXI:7
- US charity, no Canadian tax on, Canada-U.S. Tax Treaty:Art. XXI:1

### Foreign corporation, *see* Foreign affiliate; Non-resident

### Foreign country, *see* Foreign government; Foreign investment entity; Prescribed countries

### Foreign currency, *see also* Foreign exchange

- defined, 248(1)
- election to use for tax reporting, 261(3)

### Foreign currency debt

- defined, 111(8), 248(1)
- gain or loss on, after change of control, 40(10), (11), 111(12), (13)

### Foreign deduction component

- defined, for hybrid mismatch arrangement rules, 18.4(7)(b), 18.4(11)(c), 18.3(13)(c), 18.4(15)(b)

### Foreign divisive reorganization

- effect on shareholders, 15(1.5)

### Foreign exchange, *see also* Foreign currency

- adjustment, re specified debt obligation, Reg. 9104
- calculating currency defined, 95(1)
- calculation of income where foreign assets expropriated, 80.1(8)

- change of control of corporation, effect of, 111(12), (13)
- debt obligation denominated in
- • application of debt forgiveness rules, 80(2)(k), 80.01(11)
- • assumed by non-resident in Canadian business, 76.1(2)
- • moved by non-resident from Canadian business, 76.1(1)
- • surrender of property to creditor, calculation of proceeds, 79(7)
- exchange rate defined, 111(8), 248(1)
- fluctuations in
- • capital gain or loss, 39(1.1), (2)
- • debt parking and statute-barred debt rules to be ignored, 80.01(11)
- • foreign affiliate’s capital gain or loss from, 95(2)(g)–(g.02)
- • ignored in determining employee stock option deduction, 110(1)(d)(iii)
- • loan or lending asset, 248(1)“amortized cost”(c.1), (f.1)
- • revenue to real estate investment trust, 122.1(1.3)
- • specified debt obligation of financial institution, 142.4(1)“tax basis”(f), (o)
- income in blocked currency, waiver of interest on tax, 161(6)
- restriction, reserve where, 91(2), (3)

### Foreign expense restriction rule

- defined, for hybrid mismatch arrangement rules, 18.4(1), 113(3)

### Foreign exploration and development expenses, *see also*

Exploration and development expenses; Resource expenses

- borrowed money
- • capitalization of interest, 21(2), (4)
- • • reassessment, 21(5)
- country-by-country allocation, 66(4.1), (4.2)
- • successor rules, 66.7(2.1), (2.2)
- deduction for, 66(4)
- • short taxation year, 66(13.1)
- defined, 66(15)
- individual ceasing to be resident in Canada, 66(4.3)
- limitation, 66(12.4)
- reduction of, on debt forgiveness, 80(8)(e)
- short taxation year, 66(13.1)
- specified, *see* Specified foreign exploration and development expense
- successor corporation, rules, 66.7(2)
- • application, 66.6(1)

### Foreign government, *see also* United States

- bonds of, eligible for RRSP investment, 204“qualified investment”(c.1) (formerly Reg. 4900(1)(o))
- bribery of officials non-deductible, 67.5
- diplomats, exempt, 149(1)(a), Canada-U.S. Tax Treaty:Art. XXVIII
- employees of, exempt, 149(1)(a), Canada-U.S. Tax Treaty:Art. XIX, XXVIII
- expropriation by, 80.1
- social security plan of, excluded from RCA, Reg. 6802(g)
- stock exchanges recognized, 262
- tax paid to, *see* Foreign tax credit; Foreign taxes

### Foreign hybrid mismatch rule

- defined, for hybrid mismatch arrangement rules, 18.4(1)

### Foreign immigration trust, *see* Immigration trust

### Foreign income, *see also* Foreign accrual property income

- Canadian resident, generally taxable, 3(a)
- employment, tax credit for (pre-2016), 122.3
- foreign affiliate, of, *see* Foreign accrual property income
- non-resident, not taxable, 115(1)
- taxed by foreign country, *see* Foreign tax credit

### Foreign insurance subsidiary

- defined, Reg. 8605(4)

### Foreign investment entity, 94.1–94.4 [former draft, not implemented]

### Foreign investment income

- defined, 129(4)

**Foreign investment income** (*cont'd*)

- refund to private corporation in respect of, 129(1), (3)

**Foreign merger**

- absorptive merger, 87(8.2)
- defined, 87(8.1)
- effect of, 87(8)
- taxable Canadian property rollover, 87(8.4), (8.5)

**Foreign Missions and International Organizations Act**

- employment income from international organization, tax credit, 126(3)

**Foreign mutual fund trust**

- exemption from reporting requirement, 233.2(1)“exempt trust”(c)
- reporting requirement, 233.3

**Foreign non-profit organization**

- defined, Reg. 6804(1)

**Foreign oil and gas business**

- defined
  - for foreign tax credit, 126(7)
  - for FAPI, Reg. 5910(4)
- foreign tax credit for, 126(5)

**Foreign ordinary income**

- defined, for hybrid mismatch arrangement rules, 18.4(1), 18.4(8)

**Foreign plan (pension plan)**

- contributions made to, Reg. 6804(4)–(6)
- defined, Reg. 6804(1), 8308.1(1)
- electing employer with respect to, Reg. 6804(2), (3)
- PSPA of, Reg. 8308.1(5), (6)
  - information return, Reg. 8402(2)
- pension adjustment, prescribed amount, Reg. 8308.2
- pension credit of, Reg. 8308.1(2)–(4)

**Foreign policy loan**

- defined [repealed], Reg. 2400(1)

**Foreign policy pool**

- defined, for FAPI on insurance swaps, 95(2)(a.21)

**Foreign property**, *see also* Foreign reporting requirements

- investments in, annual information return, 233.3
- sale of, expropriation assets for, 80.1

**Foreign reporting requirements**, 233.1–233.7

- foreign affiliates, 233.4
- foreign property, 233.3
  - reassessment deadline extended if return not filed accurately, 152(4)(b.2)
- foreign trusts
  - distributions from, 233.5
  - indebtedness to, 233.5
  - transfer of property to, 233.3
- transactions with related non-residents, 233.1

**Foreign resource expenses**

- defined, 66.21(1)
- reduction of, on change of control, 66.7(13)
- specified amount of, for successor rules, 66.7(13.2)
- successor of, 66.7(2.3), (13.1)

**Foreign resource income**

- defined, 66.21(1)

**Foreign resource loss**

- defined, 66.21(1)

**Foreign resource pool expense**

- deduction against taxable income earned in Canada, 115(4.1)
- defined, 248(1)

**Foreign resource property**

- acquisition of, rules, 66.7(8)
- amount designated re
  - “outlay” or “expense”, 66(15)
- defined, 66(15), 248(1)

- disposal of, effect on successor rules, 66.7(15)
- disposition of, 59(1)
  - by partnership, 59(1.1)
  - no capital gain, 39(1)(a)(ii.1)
  - no capital loss, 39(1)(b)(ii)
- “eligible property” for transfer to corporation by shareholder, 85(1.1)(d)
- eligibility for section 85 rollover, 85(1.11)(a)
- in respect of a country, defined, 248(1)
- non-successor acquisitions, 66.7(16)
- original owner, defined, 66(15)
- predecessor owner, defined, 66(15)
- proceeds of disposition, 59(1)
- production from, defined, 66(15)“production”
- reserve amount, defined, 66(15)
- rules for trusts, 104(5.2)
- seizure of, exception to creditor rules, 79.1(2.1)
- successor rules, 66.7(15)

**Foreign retirement arrangement**

- amount credited to, exempt, 81(1)(r)
- benefit to trust, flow-through to beneficiary, 104(27)
- defined, 248(1), Reg. 6803
- eligible amount, 60.01
- emigration of retiree, no deemed disposition, 128.1(10)“excluded right or interest”(a)(x)
- excluded from annual interest accrual rules, 12(11)“investment contract”(d)
- excluded from reporting requirements, 233.2(1)“exempt trust”(a), 233.3(1)“specified foreign property”(n), 233.5(2)(a)
- excluded from various trust rules, 108(1)“trust”(a)
- income earned in account, exempt, 81(1)(r)
- Individual Retirement Account (U.S.), Reg. 6803
- lump-sum transfer, 60(j)(ii), 60.01
- payment out of
  - eligible for transfer to RRSP, 60(j)(ii), 60.01
  - included in income, 56(1)(a)(i)(C.1)
- prescribed plan or arrangement, Reg. 6803

**Foreign service**

- for registered pension plan
  - determination of provisional PSPA, Reg. 8303(10)
  - eligibility, 8503(3)(a)(vii)

**Foreign share**

- rollover on exchange for foreign share, 85.1(5), (6)

**Foreign spin-off**, 86.1

- foreign accrual property income, 95(2)(g.2)
- prescribed distribution, Reg. 5600

**Foreign stock exchange index units**

- prescribed distribution, Reg. 5600
- qualified for deferred income plans, Reg. 4900(1)(n.1)

**Foreign stock exchanges**, 262**Foreign tax credit**, 126

- addition to taxable income in respect of, 110.5
- change in, reassessment within 6 years, 152(4)(b)(iii)
- deduction for specified capital gains, and, 126(5.1)
- deduction from income, 20(11), (12), (12.1), 91(4)
- deduction from tax, 126
  - calculated separately for each foreign country, 126(6)
- definitions, 126(7)
- emigrant, 126(2.21)
- non-resident, re pre-Oct/96 disposition, 126(2.2)
- trust with non-resident beneficiary, 126(2.22)
- deemed tax on income or profits, 126(5)
- definitions, 126(7)
- employees profit sharing plan, deduction, 144(8.1)
- foreign oil and gas levies, 126(5)
- former resident, 126(2.21)
- trust beneficiary, 126(2.22)
- minimum tax, 127.54

**Foreign tax credit** (*cont'd*)

- no economic profit, 20(12.1), 126(4.1)
- non-business income tax, 20(12)
- not deductible by life insurer, 138(5.1), (8)
- overseas employment tax credit and, choice between, 126(1)(b)(i)
- payable, adjustment, 161(6.1)
- portion of foreign tax excluded, 126(4)
- profit not material, 20(12.1), 126(4.1)
- short-term securities acquisitions, 126(4.2), (4.3)
- special, for minimum tax purposes, 127.54
- tax deemed income or profits tax, 126(5)
- trust, deduction for, 104(22)–(22.4)
- U.S. estate taxes, Canada-U.S. Tax Treaty:Art. XXIX-B:6, (7)
- unused
  - carryover on amalgamation, 87(2)(z)
  - defined, 126(7)“unused foreign tax credit”
  - overpayment of tax as consequence of, 164(5), (5.1)
  - reassessment, 152(6)(c.1)
  - rules re, 126(2.3)

**Foreign taxation year**

- defined, for hybrid mismatch arrangement rules, 18.4(1)

**Foreign taxes**

- additional, or reimbursement of
  - reassessment within 6 years, 152(4)(b)(iv)
- credit for, *see* Foreign tax credit
- deduction for, 20(11), (12), (12.1)

**Foreign trust**, *see* Offshore trust; Trust (or estate): non-resident**Forest**

- access road, capital cost allowance, Reg. Sch. II:Cl. 10(p)
- management plan, prescribed, Reg. 7400

**Forestry professional, recognized**, Reg. 7400(2)**Forestry Revitalization Trust**

- remission of tax payable on, *British Columbia Forestry Revitalization Remission Order*

**Forfeited amount**

- defined, 147(1), Reg. 8500(1)

**Forfeiture**

- under deferred profit sharing plan, 201

**Forgiven amount (re settlement of debt)**

- deemed where amount designated following debt forgiveness, 80.03(7)(b)(ii)
- defined, 15(1.21), 80(1), 80.01(1), 80.03(1), 80.04(1)
- transfer of, under agreement, 80.04(4)

**Forgiveness of debt**, *see* Debt forgiveness**Form vs substance, for GAAR**, 245(4.1)**Form(s)**

- prescribed or authorized
  - defined, 248(1)“prescribed”
  - deviations acceptable, *Interpretation Act* s. 32
  - proof of, 244(16)
- waiver of requirement to file, 220(3.1)

**Former Act (pre-1972), references to**

- defined, ITAR 8

**Former business property**

- amalgamation, effect of, 87(2)(1.3)
- defined, 248(1)
- disposition of, 44(1), (6)

**Former employee**

- amount received from employer, whether taxable, 6(3)
- of predecessor employer, for pension plan rules, 147.2(8)
- stock option agreement, taxable benefit, 7(4)

**Former limit**

- defined, 147.1(1)

**Former limited-recourse indebtedness (tax shelter investment)**

- defined, 143.2(10)

**Former property**, *see also* Exchanges of property; Former business property

- defined, 13(4), 44(1)

**Former resident**, *see also* Ceasing to be resident in Canada

- credit for tax paid on emigration where stop-loss rule applies, 119
  - reassessment to permit credit, 152(6.3)
- foreign tax credit, 126(2.21), (2.22)
- returning to Canada, 128.1(6), (7)
- stop-loss credit, 119
  - reassessment to permit credit, 152(6.3)

**Former spouse, defined**, 252(3)**Formulas**

- negative amounts in, 257

**Forward averaging**, *see also* Averaging of income; Income-averaging annuity contract

- addition to tax, 120.1(2) [repealed]
- election, 110.4(2) [repealed]

**Forward purchase or sale agreement**

- deemed to be eligible derivative subject to mark-to-market election, 10.1(4)
- excluded from inventory writedown, 10(15), 18(1)(x)
- straddle transaction restrictions, 18(17)“position”(a)(vi), 18(9)

**Forward rate agreement**

- deemed to be eligible derivative subject to mark-to-market election, 10.1(4)
- excluded from inventory writedown, 10(15), 18(1)(x)
- straddle transaction restrictions, 18(17)“position”(a)(vi), 18(9)

**Fossil fuel**

- defined, 248(1), Reg. 1104(13)

**Fossilized shellfish**, *see* Ammonite gemstone**Foster child**

- payment relating to, exempt, 81(1)(h)

**Foster's-Treasury Wine spinoff**, Reg. 5600(e)**Foundation**, *see* Charitable foundation; Private foundation; Public foundation**Fourth project period**

- defined, for CCUS credit, 211.92(1)

**Fourth recovery taxation year**

- defined, for CCUS credit, 211.92(1)

**Fractional share**

- cash received for by trust, 107.4(2.1)
- is a share, 248(1)“share”

**France**, *see also* Foreign government

- stock exchange recognized, 262
- universities, gifts to, Reg. Sch. VIII, s. 3

**Franchise**

- capital cost allowance, Reg. 1100(1)(c), Reg. Sch. II:Cl. 14
- payment to U.S. resident on connection with, Canada-U.S. Tax Treaty:Art. XII:3(c)
- relationship not considered control, 256(5.1)
- representation expenses, 13(12), 20(1)(cc), 20(9)

**Fraser Papers Inc.**

- pension underfunding trust, Reg. 6802(h)(ii), 8502(b)(v.1)

**Fraternal benefit society/order**

- exemption, 149(1)(k)

**Fraud, justification for reassessment**, 152(4)(a)(i), 152(5)**Fraudulent conveyance**

- tax equivalent to provincial legislation, 160

**Fredette case overruled**, 34.2, 245(4)**Freedom of information**, 241(1) (Notes)**Freight haulage trucks and tractors**

- capital cost allowance, Reg. Sch. II:Cl. 16(g)

**Fresh-start date**

- defined, for donation of flow-through shares, 54



- Freshwater Fish Marketing Corporation, subject to tax**, 27(2), Reg. 7100
- Friesen case overruled**, 10(1.01)
- Frivolity penalty**
- where appeal filed to delay payment, 179.1
- Frontier exploration**
- allowances, Reg. 1207
  - prescribed area, Reg. 1215
- Frontier exploration base**
- defined, Reg. 1207(2)
  - expenses added to
  - • amounts receivable, portion included in income, 59(3.3)(e)
- Fruit growing, constitutes farming**, 248(1)“farming”
- Fuel**
- production of, 66(15)“principal-business corporation”(h)
- Fuel cell systems**
- fixed-location, capital cost allowance, Reg. Sch. II:Cl. 43.1(a)(ii.1), Sch. II:Cl. 43.1(d)(xii)
- Fuel LCA Model**
- defined, for clean hydrogen tax credit, 127.48(1)
- Fuel return specified**
- for carbon tax refund to small business, defined, 127.421(1)
- Fuel tax rebate (1992–1999)**
- 10 × inclusion, 12(1)(x.1)
  - abatement of prior years’ losses, 111(10), (11)
  - amalgamation, on, 87(2)(uu)
  - interest on prior year’s return not to be paid, 161(7)(a)(viii)
  - windup, on, 88(1)(e.2)
- Fuel upgrading equipment**
- capital cost allowance, Reg. Sch. II:Cl. 43.1(d)(ix), Sch. II:Cl. 43.2(b)
- Full-rate taxable income**
- defined, 123.4(1)
- Full-time student**
- defined, for Lifelong Learning Plan, 146.02(1)
- Fully collateralized arrangement**
- defined, 248(1)
- Fully exempt interest**
- defined, 212(3)
  - exempt from non-resident withholding tax, 212(1)(b)(i)
- Functional currency**
- defined, 261(1)
  - election to use, 261(3), (5)
  - • electronic filing not required, Reg. 205.1(2)(c)
  - rules, 261
- Functional currency year**
- defined, for functional currency rules, 261(1)
- Fund value benefit**
- under life insurance policy, defined, Reg. 310, 1401(3)
- Fund value of a coverage**
- under life insurance policy, defined, Reg. 310, 1401(3)
- Fund value of a policy**
- defined, Reg. 1401(3)
- Funder**
- defined, for back-to-back shareholder loan rules, 15(2.192)
- Funding arrangement**
- defined, for back-to-back shareholder loan rules, 15(2.192)
- Funds**
- defined, for electronic funds transfer reporting, 244.1
- Funeral and burial expenses benefit**
- paid to Canadian Forces member or veteran, exempt, 81(1)(d.1)(vii)(H)
- Funeral or cemetery services**, *see also* Eligible funeral arrangement
- defined, 148.1(1)
  - provision of under eligible funeral arrangement, 148.1(2)(b)(i)
- Funeral services**, *see also* Eligible funeral arrangement
- defined, 148.1(1)
  - provision of under eligible funeral arrangement, 148.1(2)(b)(i)
- Fur farming**, 248(1)“farming”
- Furnace**
- electric or sealed combustion, medical expense credit, Reg. 5700(c.2)
- Furniture**
- antique, whether CCA allowed, Reg. 1102(1)(e)
  - capital cost allowance, Reg. Sch. II:Cl. 8(i)
- Future benefits to be provided**
- under life insurance policy, defined, Reg. 1401(3)
- Future net premiums or cost of insurance charges**
- re life insurance policy coverage, defined, Reg. 1401(3)
- Future premiums or cost of insurance charges**
- re life insurance policy coverage, defined, Reg. 1401(3)
- Future obligations**, *see also* Reserve
- deduction for amount paid, 20(24)
- Futures agreement**
- deemed to be eligible derivative subject to mark-to-market election, 10.1(4)
  - excluded from inventory writedown, 10(15), 18(1)(x)
  - straddle transaction restrictions, 18(17)“position”(a)(vi), 18(9)
- ## G
- GAAP**, *see* Generally accepted accounting principles
- GAAR**, *see* General anti-avoidance rule
- GANBI**, *see* Group adjusted net book income
- GILTI**, *see* United States: global intangible low-taxed income
- GIS**, *see* Guaranteed Income Supplement, included in income
- GMTA**, *see* Global Minimum Tax Act
- GNIE**, *see* Group net interest expense
- GRE**, *see* Graduated rate estate
- GRIP**, *see* General rate income pool
- GSRA**, *see* Government-sponsored retirement arrangement
- GST**, *see* Goods and services tax (GST)
- GST/HST Credit**, *see* Goods and services tax: refundable credit
- Gagnon case overruled**, 56(12)
- Gains**, *see also* Capital gain; Capital loss; Capital gains and losses
- defined, for disposition of specified debt obligation, Reg. 9200
- Gala presentation**
- ineligible for Canadian film/video credit, Reg. 1106(1)“excluded production”(b)(v)
  - ineligible for film/video production services credit, Reg. 9300(2)(e)
- Gallantry Awards Order Statute**
- amount received under, exempt, 81(1)(d)
- Gallium**, *see* Critical mineral
- Gambling losses**, Canada-U.S. Tax Treaty:Art. XXII:3
- Game show**
- ineligible for Canadian film/video credit, Reg. 1106(1)“excluded production”(b)(iii)
  - ineligible for film/video production services credit, Reg. 9300(2)(c)
- Garnishment for taxes unpaid**, 224
- binding on federal and provincial governments, 224(1.4)
  - enhanced, 224(1.2)
  - failure to comply with order, 224(4), (4.1)
  - prevented while objection or appeal underway, 225.1
  - salary or wages, 224(1)
  - “super” garnishment priority over secured creditors, 224(1.2)
- Garry Bowl Ltd. case overruled**, 152(1.1)
- Gas, natural**, *see* Petroleum/natural gas

**Gas manufacturing/distributing equipment**

- capital cost allowance, Reg. Sch. II:Cl. 1(n), Sch. II:Cl. 2(d)

**Gas or oil well equipment**, Reg. 1104(2), Reg. Sch. II:Cl. 10(j)**Gaseous biofuel**

- defined, Reg. 1104(13)
- • for clean technology credit, 127.45(1), Reg. 1104(13)

**Gasoline expense**

- automobile, *see* Automobile: operating costs

**Gaspé Peninsula**

- defined, 127(9)
- prescribed area, for electrical energy or steam processing, 127(9)“qualified property”(c.1)
- prescribed designated region, 127(9)“specified percentage”(a)(vi), Reg. 4607
- qualified property acquired for use in, 127(9)“specified percentage”(a), (e)

**Gay couples**, *see* Common-law partner**Gemstones**, *see also* Listed personal property

- ammonite, *see* Ammonite gemstone

**General amending provision**

- of insurance policy, defined [repealed], Reg. 1408(1)

**General anti-avoidance rule**, 245

- application of rule, 245(2), (4)
- • application to tax treaties, 245(4)(a)(iv), *Income Tax Conventions Interpretation Act* s. 4.1
- avoidance transaction, defined, 245(3)
- determination of amounts following assessment, 152(1.11), (1.12)
- determination of tax consequences, 245(5)
- economic substance test, 245(4.1), (4.2)
- penalty when GAAR applies, 245(5.1)
- • exception — reliance on CRA or Court case, 245(5.2)
- preamble stating purpose of GAAR, 245(0.1)
- reassessment deadline extended 3 years, 152(4)(b)(viii)
- tax benefit, defined, 245(1)
- tax consequences, defined, 245(1)
- transfer pricing GAAR test, 247(2)(b)(ii)

**General corporate income tax rate**

- defined, for provincial SIFT tax rate, Reg. 414(1)

**General Motors of Canada Limited**

- payments to, exception to employee life and health trust rules, Reg. 9500

**General procedure appeals**, 175**General provisions**

- defined, Reg. 8006

**General-purpose electronic data processing equipment**

- capital cost allowance, Reg. Sch. II:Cl. 50
- defined, Reg. 1104(2)

**General rate factor**

- defined, for GRIP calculation, 89(1)

**General rate income pool**

- after amalgamation, 87(2)(vv), 89(5)
- after windup, 89(6), 88(1)(e.2)
- defined, 89(1), 248(1)
- • addition for 2006, 89(7)
- • addition on amalgamation, 89(5), 87(2)(vv)
- • addition on becoming CCPC, 89(4)
- • addition on windup, 89(6), 88(1)(e.2)(ix), 87(2)(vv)
- dividend paid from, 89(1)“eligible dividend”, “excessive eligible dividend designation”

**General rate reduction percentage**

- defined, 123.4(1)
- • application to manufacturing & processing credit, 125.1(1), (2)

**Generally accepted accounting principles**

- in computing income from business or property, 9(1)
- in determining adjusted equity, 20.2(2)

- modified for foreign bank branches, 20.2(1)“branch financial statements”

**Generating electrical energy**

- manufacturing and processing credit, 125.1(2)

**Generating equipment**

- capital cost allowance, Reg. 1100(1)(t), (ta), Reg. Sch. II:Cl. 1(k), Sch. II:Cl. 1(m), Sch. II:Cl. 2(a), Sch. II:Cl. 2(c), Sch. II:Cl. 8(f), Sch. II:Cl. 8(g), Sch. II:Cl. 9(a), Sch. II:Cl. 9(e), Sch. II:Cl. 9(f), Sch. II:Cl. 17(a.1), Sch. II:Cl. 29

**Genstar trusts**

- anti-avoidance rule, 104(7.1)

**Geothermal energy projects**

- Canadian renewable and conservation expense, Reg. 1219(1)(f)(ii), 1219(1)(h)
- clean-energy CCA, Reg. Sch. II:Cl. 43.1(d)(viii)
- compliance required with environmental law, Reg. 1104(17), 1219(5)

**Germany**, *see also* Foreign government

- compensation paid by, exempt, 81(1)(g)
- stock exchange recognized, 262
- universities, gifts to, Reg. Sch. VIII, s. 11

**Gift**

- attribution of income from gifted property, 74.1, 74.2
- by employer to employee, taxable, 6(1)(a), 6(3)
- by person with tax debt, recipient liable, 160
- capital gain on property given, 69(1)(b)(ii)
- charitable, *see* Gifts and donations (charitable)
- deemed disposition at fair market value, 69(1)(b)(ii)
- employer to employee, whether taxable, 6(1)(a) Notes
- political party or candidate, *see* Political contribution

**Gifting arrangement**

- collection of half of tax in dispute, 164(1.1)(d)(iii)(B), 225.1(7)
- constitutes tax shelter, 237.1(1)“tax shelter”
- defined, 237.1(1)

**Gifts and donations (charitable)**

- art created by the donor, 118.1(7), (7.1)
- art flips
- • donation valued at cost of art, 248(35)–(38)
- • no minimum \$1,000 cost, 46(5)
- • subject to tax shelter rules, 237.1(1)“gifting arrangement”, “tax shelter”
- capital dividend account, effect on, 89(1)“capital dividend account”(a)(i)(A)
- capital property, of, election for lower proceeds, 110.1(3), 118.1(6)
- carryback from year of death, 118.1(4)
- carryforward
- • credit, 118.1(1)“total charitable gifts”
- • deduction to corporation, 110.1(1)(a)
- charitable, *see also* Charity; Qualified donee
- • after donation of real estate or private company shares, 38(a.4), 38.3, 38.4 (abandoned)
- • by corporation, 110.1(1)(a)
- • by individual, 118.1(1)“total charitable gifts”, 118.1(3)
- • • minimum tax, 127.531(c)
- • collection of half of tax in dispute, 164(1.1)(d)(ii)(B), 225.1(7)
- • commuter’s, 118.1(9)
- • corporate, deduction for, 110.1(1)(a)
- • gifts of property, limitation on fair market value, 248(35)–(38)
- • listed securities, no capital gain, 38(a.1)
- • • partnership interests exchangeable for, 38(a.3)
- • total, 118.1(1)
- corporation, by
- • amalgamation, effect of, 87(2)(v)
- • capital property, election for lower proceeds, 110.1(2.1), (3)
- • deduction for, 110.1(1)
- • partnership, made by, 110.1(4)

**Gifts and donations (charitable) (*cont'd*)**

- proof of, 110.1(2)
- winding-up, claim by parent, 88(1)(e.6)
- Crown, to, 118.1(1)“total charitable gifts”(a), 149.1(1)“qualified donee”(d)
- cultural, 110.1(1)(c), 118.1(1)
- deadline for 2024 extended to Feb. 28, 2025, 110.1(18), 118.1(29)
- deduction from tax, 118.1(3)
- deemed disposition at fair market value, 69(1)(b)(ii)
- ecologically sensitive land, 110.1(1)(d), 118.1(1)“total ecological gifts”
- easement, servitude or covenant, value of, 110.1(5), 118.1(12)
- valuation applies for capital gains purposes, 43(2)
- first-time donor super credit, 118.1(3.1)
- flow-through shares, deemed capital gain, 40(12)
- capital dividend account impact, 89(1)“capital dividend account”(a)(i)(A), (B.1)
- subsequent rollover, 38.1
- gratuities, taxable as employment income, 5(1)
- institutions, to, 110.1(1)(c)
- insurance proceeds, direct designation, 118.1(5.2)(a)
- member of religious order vowing perpetual poverty, 110(2)
- municipality, to, 149.1(1)“qualified donee”(a)(ii)
- non-qualifying security, credit disallowed, 118.1(13)–(13.3)
- ordering of claims for donations
- credits, 118.1(2.1)
- deductions (corporation), 110.1(1.1)(b)
- partnership, made by, 110.1(4), 118.1(8)
- proof of, required, 118.1(2)
- property, of, 69(1)(b), (c)
- valued at cost, 248(35)–(38)
- RRSP or RRIF, direct designation, 118.1(5.2)(b)
- reassessment, 152(6)(c)
- receipts for, Reg. 3501
- returned to donor, donation denied
- corporate donor, 110.1(14)–(17)
- individual donor, 118.1(25)–(28)
- information return details, Reg. 3501.1
- shares, publicly traded, 38(a.1)
- partnership interests exchangeable for, 38(a.3)
- TFSA, direct designation, 118.1(5.2)(b)
- tax shelter, 237.1(1)“gifting arrangement”, “tax shelter”
- collection of half of tax in dispute, 164(1.1)(d)(ii)(B), 225.1(7)
- total, 118.1(1)
- United States charities, 118.1(9); Canada-U.S. Tax Treaty:Art. XXI:7
- will, by, 118.1(5) [before 2016], 118.1(5.1) [after 2016]
- publicly traded securities, reduced capital gain, 38(a.1)(ii)
- windup, on, 88(1)(e.6)

**Gladwin Realty case para. 47 overruled**, 245(1)“tax benefit”(c)

**Glasses, as medical expense**, 118.2(2)(j)

**Glazier**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Global foreign expenses**

- defined, for resource expenses of limited partner, 66.8(1)(a)(i)(D)

**Global foreign resource limit**

- defined, 66.21(1)

**Global Minimum Tax Act**, 95 [Proposed Amendments — Action 1]

**Gluten-free food costs, medical expense credit**, 118.2(2)(r)

**Goats**, 80.3(1)“breeding animals”

**Gold**, *see* Precious metals

**Golf course**

- expense not allowed, 18(1)(l)
- no COVID extended tourism relief, Reg. 8901.1(2)(b)(ix)(B)

**Goods**, *see also* Property

- defined, for digital platform operator reporting rules, 282(1)
- to be delivered
- amounts received for, income, 12(1)(a)(i)
- repayment of, deductible, 20(1)(m.2)
- undelivered, reserve for, 20(1)(m)

**Goods and services tax (GST)**, *see also* Excise Tax Act

- change of use, timing rule for GST liability, 248(15)
- credit, *see* refundable credit (*below*)
- defined, 248(1)
- employee benefits
- GST included in taxable benefit, 6(7)
- rebate included in income, 6(8)
- home purchase, excluded from moving expenses, 62(3)(f)
- input tax credit
- deemed to be assistance, 248(16), *see also* Assistance/government assistance
- repaid, deemed to be reduction in assistance, 248(18)
- interest on arrears, non-deductible, 18(1)(t)
- interest on refunds, taxable, 12(1)(c)
- penalty
- gross-negligence penalty non-deductible, 67.6
- ordinary penalty deductible, Reg. 7309
- rebate for employees and partners, *Excise Tax Act* s. 253
- deemed not to be reimbursement, 8(11)
- deemed to be assistance, 248(16), *see also* Assistance/government assistance
- included in income, 6(8), 12(1)(x)
- reduces capital cost of property, 6(8), 13(7.1)
- rebate, not paid until all income tax returns filed, *Excise Tax Act* s. 263.02
- refund, not paid until all income tax returns filed, *Excise Tax Act* s. 229(2)
- refundable credit, 122.5
- “adjusted income” defined, 122.5(1)
- advance payment, 122.5(3.1), (3.2)
- amount of credit, 122.5(3)
- applied to tax liability, timing, 164(2.1)
- determination by Minister, 152(1)(b)
- “eligible individual” defined, 122.5(1)
- limit to one per family, 122.5(5)
- overpayment not to require interest, 160.1(1)(b)
- penalty for false statement, 163(2)(c.1)
- prisoners ineligible, 122.5(2)(b)
- “qualified relation”
- defined, 122.5(1)
- jointly liable for repayment of excess, 160.1(1.1)
- repayment where excess credit paid, 160.1(1.1)
- restrictions, 122.5(2), (5)
- returns to be filed before income tax refund paid, 164(2.01)
- shareholder benefits
- GST included in taxable benefit, 15(1.3)
- transfer of income tax instalments or payments to GST account, 221.2(2)

**Goodwill**

- 2016 and earlier (eligible capital property), 14 [repealed]; 20(1)(b) Notes
- 2017 and later
- acquisition of, 13(34)(b), 13(35)
- CCA class, Reg. Sch. II:Cl. 14.1
- capital cost allowance, Reg. 1100(1)(a)(xii.1), 1100(1)(c.1)
- disposition of, 13(34)(c), (d), 13(37), (39)
- included in “property”, 248(1)“property”(e)
- pre-2017, Reg. Sch. II:Cl. 14.1
- rules for, 13(34)–(42)
- transitional rules from eligible capital property, 13(38)–(41)

**Goodwill** (*cont'd*)

- • • exempt gains balance from 1994 capital gains exemption, 40(15), (16)
- • • pre-1988 ECP, 40(13), (14)

**Goodwill amount**

- defined, for restrictive-covenant rules, 56.4(1)

**Governing plan**

- defined, Reg. 4901(2)

**Government**, *see also* Crown; Crown corporation

- administration of income tax, *see* Minister (of National Revenue); Canada Revenue Agency
- agreements
  - for tax transfer payments (federal-provincial), 154
  - with other countries, *see* Tax treaty
- assistance, *see* Assistance/government assistance
- bonds (and similar obligations)
  - Canada Savings Bonds, cash bonus, 12.1
  - “investment property” for deposit insurance corporation, 137.1(5)“investment property”(a)
  - issued at a discount, 16(3)
  - no non-resident withholding tax, 212(1)(b)(ii)(C)
- bound
  - by deemed trust for tax withheld, 227(4.3)
  - by garnishment orders, 224(1.4)
  - by regulations requiring information returns, 221(3)
  - by withholding tax requirements, 227(11)
- communication of confidential information to, 241(4)
- contract payments, information return, Reg. 237
- donation to, 149.1(1)“qualified donee”(d)
  - by corporation, deduction, 110.1(1)(a)
  - by individual, tax credit, 118.1(1)“total charitable gifts”
- employees abroad, deemed resident, 250(1)(b)–(f)
- foreign, *see* Foreign government
- gifts to, *see* donation to (above)
- grant, *see also* Assistance/government assistance
  - acquisition of depreciable property, towards, 13(7.1), (7.2)
  - cost base of property acquired, 53(2)(k)
  - energy conversion, 12(1)(u), 56(1)(s), *see also* Energy: conversion grant
  - home insulation, 12(1)(u), 56(1)(s), *see also* Home insulation grant
  - prescribed programs, under, 56(1)(s)
- Her Majesty, defined, *Interpretation Act* 35(1)
- international development assistance program, *see* Canadian International Development Agency
- lobbying, *see* Representation expenses
- obligation issued at discount by, 16(2), (3)
- officials, bribery of, no deduction, 67.5
- privatization of assets, debt qualifies for deferred income plans, Reg. 4900(1)(q)
- provincial, *see* Province
- public body performing function of, exempt, 149(1)(c)
- reporting of contract payments, Reg. 237
- representation, *see* Representation expenses
- rights from before 1972, transitional rules, ITAR 21
- -sponsored retirement arrangement, Reg. 8308.4
- excluded from registered pension plan eligibility, Reg. 8502(m)
  - information return, Reg. 8402.1
- support payments for farmers, information slips, Reg. 234–236
- volunteer emergency worker’s allowance paid by
  - exemption for, 81(4)

**Government assistance**, *see* Assistance/government assistance**Government entity**

- defined, re disclosure of taxpayer information, 241(10)

**Government of a country other than Canada**

- defined, for foreign tax credit, 126(6)

**Government payer**

- defined, Reg. 234(1)

**Government-sponsored retirement arrangement**

- defined, Reg. 8308.4(1)
- information return, Reg. 8402.1
- prescribed reduction in RRSP limit, Reg. 8308.4(2)

**Government verification service**

- defined, for digital platform operator reporting rules, 282(1)

**Governmental entity**

- defined, for Common Reporting Standard, 270(1)

**Governor General in Council**

- defined, *Interpretation Act* 35(1)

**Governor General (of Canada)**

- defined, *Interpretation Act* 35(1)
- salary taxable, 81(1)(n)

**Grace period to pay balance, no additional interest**, 161.2**Graduated rate estate**

- alternative minimum tax \$40,000 deduction available, 127.51:C
- defined, 248(1)
- exempt from Part XII.2 tax, 210(2)(a)
- graduated tax brackets apply, 117(2), 122(1)
- instalments not required, 156.1(2)(c)
- investment tax credits available to beneficiaries, 127(7)
- late assessment allowed to reduce tax, 152(4.2), 164(1.5)
- objection deadline extended during first year after filing, 165(1)(a)
- taxation year may be non-calendar year, 249(1)(b)
- treated as personal trust, 248(1)“personal trust”(a), 249(4.1)

**Grain**

- defined, 76(5)
- delivered, amount due deemed not income debt, 76(4)

**Grain elevator operators**

- taxable income earned in a province, Reg. 408

**Grain storage facilities**

- capital cost allowance, additional, Reg. 1100(1)(sb)

**Grandchild**

- dependent, 118(6)(a)
- financially dependent, *see* Child: financially dependent
- treated as child, *see* Child: extended meaning of

**Grandfathered plan (registered pension plan)**

- complying before March 1996 budget, Reg. 8509(13)
- defined, Reg. 8500(1)

**Grandfathered share**

- defined, 248(1)
- dividend on, where deemed to be interest, 258(3)(b)(i)
- excluded from definition of “short-term preferred share”, 248(1)
- excluded from definition of “taxable preferred share”, 248(1)
- excluded from restriction on dividend deductibility, 112(2.21)(b)
- may be a taxable RFI share, 248(1)“taxable RFI share”
- Part VI.1 tax, excluded from, 191(2)(b)(iii), 191.1(2)(b), 191.1(4)(b)
- share exchanged for, excluded from Part IV.1 tax, 187.3(2)

**Grandfathering**, *see also* Grandfathered share; Transitional rules

- Canadian newspaper, 19(7)
- passive partnership interest acquired before Feb. 22/94, 40(3.1), (3.15)–(3.18)
- RESP investments, 146.1(1)“qualified investment”(d)
- RRSP, RRIF, RESP and RDSP prohibited investments, 207.01(1)“transitional prohibited investment benefit”, 207.01(7)
- taxable Canadian property only since April 26/95, prorating of gain, 40(9)
- trust established before June 18/71, low tax rates, 122(2)



**Grandparent**

- care by, social assistance for, *see* Kinship care, social assistance for
- dependent, 118(6)(b)
- includes in-law or in common-law, 252(2)(d)

**Grant, *see also* Government: grant**

- apprentice, *see* Apprenticeship Incentive Grant or Apprenticeship Completion Grant
- Canada Oil Substitution Program, *see* Energy: conversion grant
- Canadian Home Insulation Program, *see* Home insulation grant
- exploration and development, 20(1)(kk)
- “non-government assistance” defined, 127(9)
- research
  - income from, 56(1)(o)
  - leaving Canada to pursue research under, 115(2)(b.1)

**Grantee organization**

- defined, for transfer by registered charity, 149.1(1)

**Graphite, *see* Critical mineral****Grass roots exploration, *see* Pre-production mining expenditure****Gratuities, *see* Tips****Grazing ungulates, 80.3(1)“breeding animals”****Great-aunt/great-uncle**

- defined, 252(2)(f)

**Great Britain, *see* United Kingdom****Green card holder**

- whether resident in U.S. for treaty purposes, Canada-U.S. Tax Treaty:Art. IV:1

**Green case overruled, 96(2.01), (2.1)(f), 96(2.11)****Green incentives**

- CRCE, *see* Canadian renewable and conservation expense
- Canada Carbon Rebate, 122.8
- electric vehicles, *see* Zero-emission vehicle
- environmental trust, *see* Qualifying environmental trust
- hydrogen vehicles, *see* Zero-emission vehicle
- investment tax credits, 127.44–127.492
- manufacturing and processing equipment, Reg. Sch. II:Cl. 43
- public transit passes, credit for, 118.02 [pre-2018]
- renewable power generating equipment, Reg. Sch. II:Cl. 43.1, Sch. II:Cl. 43.2
- research and development, 37(1), 127(9)“SR&ED qualified expenditure pool”

**Greenhouse**

- capital cost allowance for, Reg. Sch. II:Cl. 6(d), Sch. II:Cl. 8(m)

**Greenhouse Gas Pollution Pricing Act**

- offsetting credit (Canada Carbon Rebate), 122.8(4)
- offsetting refund to farmers, 127.42
- offsetting refund to small business, 127.421

**Grocery rebate (extra GST Credit for Jan. 2023), 122.5(3.003)****Gross Canadian life investment income**

- defined, Reg. 2400(1)

**Gross compensation**

- defined, 163.2(1), (12)(c)

**Gross cost**

- defined, Reg. 5202, 5204

**Gross entitlements**

- defined
- for tax-debt avoidance penalty, 160.01(1)
- for third-party penalty, 163.2(1)

**Gross investment revenue**

- insurer’s, defined, 138(12)“gross investment revenue”

**Gross negligence**

- effect on adjustment to related person’s tax, Canada-U.S. Tax Treaty:Art. IX:5
- failure to report exempt capital gain, exemption lost, 110.6(6)
- penalty for failure to remit tax withheld, 227(9)(b), 227(9.1)

- penalty for failure to withhold tax, 227(8)(b)
- penalty for false statements of omissions, 163(2)
- re flow-through share or joint exploration corporation, 163(2.2), (2.3)

**Gross REIT revenue**

- defined, for SIFT rules, 122.1(1)

**Gross resource profits**

- defined, Reg. 1204(1)

**Gross revenue**

- defined, 248(1)
- for international shipping rules, 250(6.01)
- for interprovincial allocation of corporate income, Reg. 402(4)–(6)
- limitation re non-profit R&D corporation, 149(9)
- special rules re transfer pricing, 247(5), (9)
- from a mine, defined, Reg. 1104(5.1), (5.2)

**Gross revenue insurance program**

- payments to farmers under, income, 12(1)(p)
- premiums in respect of, deductible, 20(1)(ff)

**Gross tax attributes (debt forgiveness rules)**

- defined, 80(14.1)
- inclusion in residual balance, 80(14)(a)

**Gross-up**

- dividends, 82(1)(b)

**Ground source heat pump system**

- capital cost allowance, Reg. Sch. II:Cl. 43.1(d)(i), Sch. II:Cl. 43.2(b)

**Group**

- defined
- for associated corporations, 256(1.2)(a)
- for surplus stripping rules, 84.1(2.2), 212.1(3)(d)(i)
- of taxpayers with same issue, Tax Court appeal binding on all, 174
- related, defined, 251(4)“related group”
- unrelated, defined, 251(4)“unrelated group”

**Group adjusted net book income**

- defined, for alternative interest-deduction restrictions, 18.21(1), (4)

**Group annuity contract**

- defined, for Common Reporting Standard, 270(1)

**Group cash value insurance contract**

- defined, for Common Reporting Standard, 270(1)

**Group disability benefits**

- top-up payments by employer on insolvency of insurer, 6(17), (18)
- reimbursement to employer, 8(1)(n.1)

**Group home care**

- medical expense credit, 118.2(2)(b.2)

**Group insurance plan**

- employer’s contributions to
- top-up payments on insolvency of insurer, *see* Group disability benefits
- whether included in employee’s income, 6(1)(a)(i), 6(1)(f)

**Group net interest expense**

- defined, for alternative interest-deduction restrictions, 18.21(1)

**Group of insurance contracts**

- defined
- for determining insurer’s capital, 138(12), 181(2), Reg. 8600
- for insurers’ IFRS transition rules, 138(12), Reg. 2400(1)
- for insurers’ policy reserves, Reg. 1408(1)

**Group of life insurance contracts**

- defined
- for insurers’ IFRS transition rules, 138(12), Reg. 2400(1)
- for insurers’ policy reserves, Reg. 1408(1)

**Group of life insurance contracts in Canada**

- defined
- for insurers’ IFRS transition rules, 138(12), Reg. 2400(1)

Group of life insurance contracts in Canada (*cont'd*)

- for insurers' policy reserves, Reg. 1408(1)

**Group of reinsurance contracts**

- defined
- for determining insurer's capital, 138(12), 181(2), Reg. 8600
- for insurers' IFRS transition rules, 138(12), Reg. 2400(1)

**Group of segregated fund policies**

- defined
- for insurers' IFRS transition rules, 138(12), Reg. 2400(1)

**Group plan amount [formerly "group RRSP amount"]**

- defined, 204.2(1.3)

**Group ratio**

- defined, for alternative interest-deduction restrictions, 18.21(1)

**Group sickness or accident insurance**, *see* Sickness and accident insurance

**Group term insurance policy**

- definition, re insurer, 138(15)
- demutualization of insurance corporation, effect on insured, 139.1(15)

**Group term life insurance policy**

- defined, 248(1)
- employee contributions to employee life and health trust deemed to be premiums if identified as such, 144.1(10)
- limitation on deduction of premiums, 18(9.01)
- taxable benefit from premiums, 6(4), Reg. 2700–2704

**Grubstaker**, 35

- receipt of shares by
- deduction from amount, 110(1)(d.2)

**Guarantee**

- acquired from insurer or moneylender in amalgamation, 87(2)(h)(iii)
- for controlled foreign affiliate, excluded from transfer pricing rules, 247(7.1)
- loan to spouse or minor, of, 74.5(7)
- of shares, *see* Guaranteed shares
- payment under
  - debt forgiveness rules, 80(2)(l)
  - when treated as debt, 39(12)
- reserve for, 12(1)(d.1), 20(1)(l.1)
- no deduction, 20(7)

**Guarantee agreement**

- defined, 112(2.2)(a)
- no deduction for dividend, 112(2.2)–(2.22)

**Guarantee fee**

- deductible, 20(1)(e), (e.1)
- no withholding tax, Canada-U.S. Tax Treaty:Art. XXII:4
- non-resident, 214(15)

**Guarantee fund**

- deduction for payment by insurance corporation to, Reg. 1400(3)G

**Guaranteed Income Supplement, included in income**, 56(1)(a)(i)(A)

- offsetting deduction, 110(1)(f) opening words

**Guaranteed shares**, *see also* Taxable preferred share; Term preferred share

- deemed dividend on reduction of paid-up capital, 84(4.3)
- restriction on dividend deductibility, 112(2.2)–(2.22), 258(3)

**Guardian, return by**, 150(1)(d), (e)

**Guide dog expenses**

- disability supports deduction, 64(a)A(ii)(Y)
- medical expense credit, 118.2(2)(l)

**Guilt**, *see* Offences

**Gulf Canada case overruled re resource allowance**, Reg. 1204(1)

**Gypsum**

- extraction of, 248(1)“mineral resource”(d)(ii)

**H**

**HBP**, *see* Home Buyers' Plan

**HBP balance**

- defined, for Home Buyers' Plan, 146.01(1)

**HBTC**, *see* Home Buyer's Tax Credit

**HMA**, *see* Hybrid mismatch arrangement

**HRDC**, *see* Human Resources Development Canada

**HRTC**, *see* Home renovation tax credit

**HWT**, *see* Health and welfare trust

**Habitation, right of (Quebec)**

- deemed to be trust, 248(3)

**Haida Gwaii**

- prescribed intermediate zone for northern residents' deduction, Reg. 7303.1(2)

**Hairstylist**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Haiti**

- Canadian Forces personnel and police serving in, no tax on income, 110(1)(f), Reg. 7500(b) [repealed]

**Half-year rule, depreciable property**, Reg. 1100(2)–(2.4)

**Halifax disaster pension, exempt**, 81(1)(f)

**Halite**

- extraction of, 248(1)“mineral resource”(d)(ii)

**Hamilton case overruled**, 118.4(1)(e)

**Handicapped persons**, *see* Mental or physical impairment

**Hangar, capital cost allowance**, Reg. Sch. II:Cl. 6(h)

**Hardest-hit business recovery program (COVID-19)**

- wage and rent subsidies, 125.7(1)“base percentage”(l)(ii), (m)(ii)

**Hardship**, *see* Undue hardship

**Hardwood flooring**

- disallowed as medical expense, 118.2(2)(l.2)(i), (ii), 118.2(2)(l.21)(i), (ii)

**Harness**

- capital cost allowance, Reg. Sch. II:Cl. 10(c)

**Headings in legislation**

- relevance of, *Interpretation Act* s. 14

**Head lease, defined**, 209(1)

- “term” defined, 209(1)

**Health and welfare trust**

- transfer of property to employee life and health trust, 144.1(16)–(17)
- treated as employee life and health trust, 144.1(14)–(15)

**Health Canada**

- Special Access Programme, *see* Special Access Programme

**Health care plan**, *see* Private health services plan

**Health counselling**, *see* Counselling services

**Health promotion surtax**, 182, 183

**Health services plan**

- employer's contribution to
  - not includable in employee's income, 6(1)(a)(i)
- private, premiums to, 118.2(2)(q)

**Hearing aid, medical expense**, 118.2(2)(i)

**Hearing impairment**, *see also* Deaf person

- devices to assist person with
  - business expense, 20(1)(rr)
  - medical expense credit, Reg. 5700(q.1)
- real-time captioning services for, *see* Captioning services
- sign language interpretation services for, *see* Sign language

**Hearing officer**

- powers of, 231.4(3), (4)

**Hearse**

- excluded from definition of automobile, 248(1)“automobile”(c)

**Heart pacemaker/monitor**

- medical expense, Reg. 5700(d)

**Heat production/distribution equipment**

- capital cost allowance, Reg. Sch. II:Cl. 1(p), Sch. II:Cl. 2(f)

**Heat pump system**, *see* Ground source heat pump system**Heat recovery equipment**

- capital cost allowance, Reg. Sch. II:Cl. 43.1

**Heating expenses**

- relief from, payments non-taxable, 81(1)(g.4), (g.5)

**Heavy duty equipment technician**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Heavy water**

- capital cost allowance for, Reg. Sch. II:Cl. 26

**Hedge**

- gain on, stop-loss rule on foreign affiliate share disposition, 93(2)–(2.31)
- straddle transactions, rules preventing income deferral, 18(17)–(23)

**Heir**, *see also* Legal representative

- acquisition of property on death, cost base, 70(5)(b)
- • resource property or land inventory, 70(5.2)
- deemed to be legal representative, 248(1)“legal representative”
- obligations of, 159
- return required by, 150(3)

**Henson trust**

- rollover of RRSP to, 60.011

**Hepatitis C trust**

- income of, non-taxable, 81(1)(g.3)

**Her Majesty**, *see* Crown; Government**Herbert Family Trust case overruled**, 214(3)(f)(i)(C)**Herd**, *see* Basic herd**High school**, *see* Secondary school**High value account**

- defined, for Common Reporting Standard, 270(1)

**Highest individual percentage**

- defined, 248(1)

**Hiring subsidy**, 125.7(2.2)**History preservation rules**, *see* Debt forgiveness: history preservation rules**Ho case overruled**, 152(4)(b)(iii)(B)**Hockey players or referees**, *see* Athlete**Hoefele case overruled**, 6(23)**Hogs**, *see* Swine**Hold**

- meaning of, 139.1(1)“mutual holding corporation” (Notes)

**Holder**

- of first home savings account (FHSA)
- • defined, 146.6(1)
- of registered disability savings plan (RDSP)
- • change in, notification required, 146.4(13)(a)
- • defined, 146.4(1)
- • liable for non-compliance by RDSP, 160.21
- of tax-free savings account (TFSA)
- • defined, 146.2(1)

**Holding corporation (insurance demutualization)**

- deemed not to be taxable Canadian property, 141(4)
- deemed to be public corporation, 141(3)
- defined, 139.1(1)
- dividend received by, no tax, 112(1)

**Holiday**

- deadline expiring on, *Interpretation Act* s. 26
- defined, *Interpretation Act* s. 35(1)
- includes Sunday, *Interpretation Act* s. 35(1)“holiday”

**Holocaust survivor's compensation, exempt**, 81(1)(g)**Home**, *see also* Principal residence; *Underused Housing Tax Act*

- Buyer's Plan, *see* Home Buyers' Plan
- construction costs, medical expense credit, 118.2(2)(1.21)
- cost of maintaining after move, deduction, 62(3)(g)
- defined, for Home Buyers' Plan withholding exemption, Reg. 104(4)
- driveway alterations, medical expense credit, 118.2(2)(1.6)
- insulation grant, *see* Home insulation grant
- loan to purchase, *see* Home purchase loan
- loss in value of, reimbursement, *see* Housing loss
- maintenance of after moving away, deduction, 62(3)(g)
- modifications to, for physically impaired person
- • accessibility credit, *see* Home accessibility tax credit
- • medical expense credit, 118.2(2)(1.2)
- mortgage, *see* Mortgage
- office expenses, *see* Work space in home
- principal, *see* Principal residence
- RRSP withdrawal to fund, *see* Home Buyers' Plan
- relocation loan, *see* Home relocation loan
- renovation of, *see* Home renovations
- sale of, *see* Principal residence
- search warrant of, 231.3
- sold within 1 year, deemed inventory, 12(12), (13)
- warrant for entry into, for audit purposes, 231.1(1)(c), 231.1(3)

**Home accessibility tax credit**

- bankruptcy, effect of, 118.041(6), (7)
- calculation of, 118.041(3)
- • apportionment among multiple claimants, 118.041(5)
- death, effect of, 118.041(7)(a)
- may double up with medical expense credit, 118.041(4)

**Home assistance benefit**

- paid to Canadian Forces member or veteran, exempt, 81(1)(d.1)(vii)(D)

**Home Buyers' Plan**, 146.01

- death of taxpayer, 146.01(6), (7)
- definitions, 146.01(1)
- first-time owner requirement, 146.01(1)“regular eligible amount”(e), (f)
- repayment of funds borrowed from RRSP, 146.01(3)
- withdrawal of funds from RRSP, Reg. 104(3)
- • within 90 days of contribution, deduction disallowed, 146(5)(a)(iv.1), 146(5.1)(a)(iv)
- withholding tax exemption, Reg. 104(3)–(4)

**Home Buyer's Tax Credit**, 118.05**Home construction costs**

- medical expense, 118.2(2)(1.21)

**Home insulation grant**

- included in income, 12(1)(u), 56(1)(s)
- information return re, Reg. 224
- non-resident taxable on, 212(1)(s)
- prescribed program, Reg. 5500

**Home modifications benefit**

- paid to Canadian Forces member or veteran, exempt, 81(1)(d.1)(vii)(A)

**Home modifications move benefit**

- paid to Canadian Forces member or veteran, exempt, 81(1)(d.1)(vii)(B)

**Home mortgage**, *see* Mortgage**Home office expenses**, *see* Work space in home**Home purchase loan**

- balance outstanding after 5 years deemed new loan, 80.4(6)
- defined, 80.4(7)
- employee or spouse, to, 15(2.4)(b)
- interest on, 80.4(4), (5)

**Home relocation loan**

- balance outstanding after 5 years deemed new loan, 80.4(6)
- deduction for, before 2018, 110(1)(j)

## Index

Home relocation loan (*cont'd*)

- defined, 248(1)
- interest on, 80.4(4), (5)

### Home renovation tax credit

- 2009 only, 118.04
- multigenerational, for family member to live in home, 122.92

### Home renovations

- credit for accessibility, 118.041
- credit for family member to live in home, 122.92
- medical expense, 118.2(2)(1.2), Reg. 5700
- driveway alterations, 118.2(2)(1.6)

**Homer case overruled**, 248(1)“trust”

**Homosexual relationships**, *see* Common-law partner

**Hong Kong**, *see also* Foreign government

- film or video under treaty co-production, Reg. 1106(3)(b)
- stock exchange recognized, 262
- universities, gifts to, Reg. Sch. VIII, s. 19

### Horse

- basic herd maintained since 1971, deduction, 29
- breeding, 80.3(1)“breeding animals”
- inventory, valuation of, 28(1.2)
- maintaining for racing, constitutes farming, 248(1)“farming”

### Horseback riding

- eligible for children’s fitness credit, Reg. 9400(5)

### Hospital bed

- medical expense, Reg. 5700(h)

### Hot tub

- disallowed as medical expense, 118.2(2)(1.2)(i), (ii), 118.2(2)(1.21)(i), (ii)

**Hot-air balloon rides relief (COVID)**, Reg. 8901.1(2)(b)(vi), *see also* Qualifying tourism or hospitality entity

**Hotels and motels relief (COVID)**, Reg. 8901.1(2)(b)(i), *see also* Qualifying tourism or hospitality entity

### House

- insulation, *see* Home insulation grant
- sale of, *see* Principal residence

### House of Commons

- election of members, contributions for, 127(3)–(4.2)

**Housing**, *see* Home

### Housing company

- limited-dividend
- exemption, 149(1)(n)

### Housing corporation

- donation to, 149.1(1)“qualified donee”(a)(i)
- by corporation, deduction, 110.1(1)(a)
- by individual, tax credit, 118.1(1)“total charitable gifts”
- exempt from tax, 149(1)(i)

**Housing loan**, *see* Home purchase loan

### Housing loss

- defined, 6(21)
- eligible
- defined, 6(22)
- taxable benefit from, 6(1)(a), 6(20)
- taxable benefit from, 6(1)(a), 6(19), (20)

### Housing subsidy

- taxable benefit, 6(23)

**Housing tax**, *see* Underused Housing Tax Act

**Housing unit**, *see also* Principal residence

- sold within 1 year, deemed inventory, 12(12), (13)

### Human Resources Development Canada

- advice re mental or physical impairment, 118.3(4)
- certification of educational institution, 118.5(1)(a)(ii), 118.6(1)“designated educational institution”(a)(ii)
- disclosure of information to, 241(4)(d)(vii.1), (x)

- eligible individuals for Canada Child Benefit, 122.62, 165(3.1), (3.2), Reg. 6301

- Social Insurance Number application, 237(1); Reg. 3800

**Hungary**, *see also* Foreign government

- universities, gifts to, Reg. Sch. VIII, s. 23

**Hunting camps relief (COVID)**, Reg. 8901.1(2)(b)(xii), *see also* Qualifying tourism or hospitality entity

**Husband and wife**, *see* Spouse

**Hutterite colonies, taxation**, 143, *see also* Communal organization

**Hybrid car**, *see* Zero-emission vehicle

### Hybrid deficit (of foreign affiliate)

- defined, Reg. 5907(1)

**Hybrid entity**, *see also* Limited liability company; Nova Scotia: unlimited liability company

- treaty benefit denial, Canada-U.S. Tax Treaty:Art. IV:7

### Hybrid financial instrument arrangement

- defined, 18.4(10)
- effect of, 18.4(11)

### Hybrid financial instrument mismatch

- defined, 18.4(11)

### Hybrid mismatch amount

- defined, 18.4(1)

### Hybrid mismatch arrangement

- anti-avoidance rules, 12.7, 18.4, 20(1)(yy), 113(5)
- deduction denied, 18.4(4)
- defined, 18.4(1)
- dividend deduction denied, 113(5)
- income inclusion, 12.7(3)
- tax consequences determined, 18.4(20)

### Hybrid surplus (of foreign affiliate)

- deduction for, 113(1)(a.1)
- defined, 113(1)(a.1)(i), Reg. 5901(1)(a.1), 5907(1), (1.01)
- election to come after taxable surplus, Reg. 5901(1.1)
- portion of dividend deemed paid out of, Reg. 5900(1)(a.1)

### Hybrid transfer arrangement

- defined, 18.4(12)
- effect of, 18.4(13)

### Hybrid transfer mismatch

- defined, 18.4(13)

### Hybrid underlying tax

- defined, Reg. 5907(1)

### Hybrid underlying tax applicable

- defined, Reg. 5907(1)

### Hydrocarbons

- determination of viscosity and density, Reg. 1107

### Hydrogen

- investment tax credit, *see* Clean hydrogen tax credit (investment tax credit)
- vehicle, *see* Zero-emission vehicle

**Hypothec**, *see* Mortgage

## I

**IAAC**, *see* Income-averaging annuity contract

**IATA**, *see* International Air Transport Association

**IBC**, *see* International banking centre until 2013

**ICS**, *see* Interest coupon stripping

**IEP**, *see* Immediate expensing property

**IFE**, *see* Interest and financing expenses

**IFR**, *see* Interest and financing revenues

**IFRS**, *see* International Financial Reporting Standards

**IPP**, *see* Individual pension plan

### IPP minimum amount

- defined, for Individual Pension Plan, Reg. 8500(1)

**IRA**, *see* Individual Retirement Account



**IRS**, *see* Internal Revenue Service (U.S.)

**ISC Register**, *see* Individuals with Significant Control (of corporations)

**ISIP**, *see* Indexed security investment plan

**ITAR (Income Tax Application Rules)**, *see after text of ITA*

**ITC**, *see* Investment tax credit

### Ice storm

- extended deadlines
- LSVCC investments, 127.4(5.1)
- RRSP contributions, 146(22)
- non-taxable employee reimbursements, *Ice Storm Employment Benefits Remission Order*

### Identical properties

- deemed, for superficial loss and pregnant loss rules
- capital property, 40(3.5)
- inventory, 18(16)
- right to acquire property, 54“superficial loss”(i)
- share of SIFT wind-up corporation, 54“superficial loss”(j)
- defined, 248(12)
- for matchable expenditure rules, 18.1(12)
- gain or loss from, 47
- life insurance corporation, of, 138(11.1)
- non-qualifying real property, 110.6(18)
- property owned since before 1972, ITAR 26(8)–(8.5)

**Identification number**, *see* Social insurance number; Tax shelter: identification number

### Identified individual

- defined, for annuity contracts, Reg. 301(1)(c)

**Ileostomy pads, as medical expense**, 118.2(2)(i)

### Illegal payments

- when not deductible, 67.5

### Immediate expensing limit (for CCA)

- defined, Reg. 1104(3.2)

### Immediate expensing property (for CCA)

- deduction for, 20(1)(a), Reg. 1100(0.1)
- defined, Reg. 1104(3.1)

**Immigrant trust**, *see* Immigration trust

**Immigration**, *see* Becoming resident in Canada

### Immigration Act

- refugee under, *see* Refugee

### Immigration trust

- five-year non-taxability until 2014, 94(1)“connected contributor”(a), 94(1)“resident contributor”(a)

**Immovable property**, *see also* Real property

- defined
- for digital platform operator reporting rules, 282(1)
- *Income Tax Conventions Interpretation Act*, s. 5
- *Quebec Civil Code*, art. 900–907

### Immune system deficiency

- air or water purifier for, medical expense credit, Reg. 5700(c.1), (c.2)

**Immunovaccine Technologies case overruled**, 12(1)(x)(ix), 12(11)“excluded loan”, 13(7.1)(b.2), 127(9)“government assistance”

### Impaired loans

- reserve for, 20(1)(l)(ii)
- no deduction when property seized by creditor, 79.1(8)
- no interest income inclusion, 12(4.1)

**Impairment**, *see* Mental or physical impairment

**Imposition of tax**, *see also* Liability for tax; Rates of tax

- Part VI.2 (for 2022), 191.5(2)

**Imprisonment**, *see* Offences

**Imputation**, *see* Attribution rules

### In camera proceedings

- discipline etc., of authorized individual, to protect taxpayer information, 241(4.1)

- in Federal Court, 179
- review of jeopardy assessment, 225.2(10)
- review of solicitor-client privilege claim, 232(5)

**“In trust for” accounts**, 104(1) (Notes)

### Inadequate consideration, 69

- exceptions to fair market value deeming provision, ITAR 32
- property acquired by gift or inheritance, 69(1)(c)
- property distributed to shareholder, 69(4), (5)
- purchase price in excess of fair market value, 69(1)(a)
- sale price below fair market value, 69(1)(b)

### Incentive claimant

- defined, for labour requirements for ITCs, 127.46(1)

### Incentive program

- for employees, taxable benefit, 6(1)(a)
- for RRSP, RRIF, TFSA, RESP or RDSP, 207.01(1)“advantage”(a)(v)

### Includes

- meaning of (in a definition), 118.1(5) (Notes)

### Income

- accumulating in a trust, 104(14), Reg. 2800
- active business, defined, 125(7)“income of the corporation for the year from an active business”
- alimony, 56(1)(b)
- allocation, *see* Income allocation
- annuity, 56(1)(d), (d.2)
- capital element, deductible, 60(a)
- assistance, *see* Older Worker Adjustment, Program for; Social assistance payment
- automobile standby charge, 6(1)(e)
- car salesperson/lessor, 6(2.1)
- reasonable amount, 6(2)
- automotive pact, transitional assistance, 56(1)(a)(v)
- averaging, *see* Averaging of income; Income-averaging annuity contract
- beneficiary of trust, 104(13), (14), (15)
- blocked currency, in, 161(6)
- bond, *see also* Bond
- bursary, 56(1)(n)
- business or property, from, *see* Business or property income
- Canada Pension Plan benefits, 56(1)(a)(i)
- capital and, combined, 16(1), (4), (5)
- paid to non-resident, 214(2)
- cash method of reporting (farming or fishing), 28(1)–(3)
- chief source of, 31
- cod fisherman, *see* Fishing: compensation programs
- computation of, *see* Computation of income
- death benefit, 56(1)(a)(iii)
- debenture, *see* Bond
- deferred profit sharing plan, receipts from, 56(1)(i)
- destruction of livestock, from, *see also* Livestock
- determination of, by Minister, 152(1.11), (1.12)
- dividends, 82(1)
- non-resident corporation, from, 90
- “earned” for RRSP purposes, defined, 146(1)“earned income”
- “earned in the year in a province” defined, 120(4)
- earned in the year in a province by an individual, defined, Reg. Part XXVI
- earned or realized by any corporation after 1971, 55(2), (5)(b), (c)
- employee benefits plan
- benefits, 6(1)(g)
- employment benefits, 6(1)
- employment insurance benefits, 6(1)(f), 56(1)(a)(iv)
- exclusions from, *see* Exemptions
- exempt, *see* Exemptions
- exploration and development expenses, recovery of, 59(3.2)
- “for the year” defined, 56(9)
- foreign resource property disposed of, 59(1)

## Index

### Income (*cont'd*)

- from active business, defined, 95(1), 125(7)
- from property, for dividend refund, 129(4)“income” or “loss”
- gaining or producing, purpose, 18(1)(a), Reg. 1102(1)(c)
- grants under certain government programs, 56(1)(s)
- indirect payments, 56(2)
- “investment income” defined, 110.6(1)
- *Labour Adjustment Benefits Act*, benefits under, 56(1)(a)(vi), Reg. 5502(a)
- legal costs recovered, 56(1)(l), (l.1)
- life insurance policy
- proceeds of disposition of interest in, 56(1)(j)
- logging operations, from, defined, 127(2)“income for the year from logging operations in the province”
- maintenance payments, 56(1)(b), (c), (c.2)
- non-resident, of, 250.1(b)
- none, equivalent to zero income, 3(f)
- office or employment, from, 5(1), 6(1)
- old age security, 56(1)(a)(i)
- other sources of, 56–59.1
- pension, 56(1)(a)(i), 57
- place, from sources in, 4
- policyholder’s, 148(1), (1.1)
- prize for achievement, 56(1)(n)
- professional business, from, WIP deferral until 2017, 34
- Program for Older Worker Adjustment, income assistance, 56(1)(a)(vi), Reg. 5502(b)
- property transferred to minor, from
- imputed to transferor, 75(2)
- property transferred to spouse, from, 212(12)
- property transferred to spouse or minor, 74.1
- Quebec Parental Insurance Plan benefits, 56(1)(a)(vii)
- refund of payments, deductible, 60(q)
- registered education savings plan, amounts received, 56(1)(q)
- registered retirement income fund, amounts received, 56(1)(t)
- registered retirement savings plan, amounts received from, 56(1)(h)
- repeated failures to report, penalty for, 163(1)
- research grant, 56(1)(o)
- resource property disposed of
- prior reserve for uncollected amount, 59(2)
- retirement compensation arrangement
- benefits under, 56(1)(x), (z)
- disposition of interest in, 56(1)(y)
- retiring allowance, 56(1)(a)(ii)
- rights to, transferred, 56(4)
- non-resident tax not applicable, 212(12)
- salary deferral arrangement, benefit under, 56(1)(w)
- Saskatchewan Pension Plan benefits, 56(1)(a)(i)(C)
- scholarship, 56(1)(n)
- refund of, 56(1)(p)
- social assistance payments, 56(1)(u)
- source, from, 4
- splitting, *see* Income splitting
- superannuation benefits, 56(1)(a)(i), 57
- supplementary unemployment benefits, 56(1)(g)
- support payments, 56(1)(b), (c), (c.2)
- tax on, *see also* Tax
- non-deductible, 18(1)(t)
- taxable, *see* Taxable income
- taxation year, for, 3
- transitional assistance under auto pact, 56(1)(a)(v)
- trust, of
- accumulating, *see* Accumulating income (of trust)
- defined, 108(3)
- workers’ compensation benefits, 56(1)(v)

**Income attribution**, *see* Attribution rules

**Income averaging**, *see* Averaging of income

### Income-averaging annuity contract

- defined, 61(4), 248(1)
- payment under
- non-resident, to, 212(1)(n)
- withholding tax, 153(1)(k)

### Income bond or income debenture

- defined, 248(1)
- excluded from annual interest accrual rules, 12(11)“investment contract”(e)
- interest paid on, not deductible, 18(1)(g)
- payment on deemed to be a dividend, 15(3), (4)

### Income from a mine

- defined, Reg. 1104(5), (6)

### Income from a non-qualifying business

- defined, for FAPI rules, 95(1)

**Income from an active business**, *see* Active business: income from

**Income from property**, *see* Property: income from

**Income interest in trust**, *see also* Trust (or estate)

- cost of, 106(1.1)
- defined, 108(1), 248(1)
- disposition of, 106(2)
- income inclusion, 106(1)
- property distributed in satisfaction of, 106(3)

### Income maintenance insurance plan

- employer’s contribution, whether a taxable benefit, 6(1)(a)(i)
- payment to employee under, taxable, 6(1)(f); ITAR 19

**Income replacement benefits, taxable**, 56(1)(r)

**Income setoff adjustment**, *see* Transfer pricing income setoff adjustment

### Income shortfall adjustment

- defined (for corporate inclusion of partnership income), 34.2(1)

**Income splitting**, *see also* Attribution rules

- Family Tax Cut (2014-15), 119.1
- partnership income, 103
- pension income, *see* Pension: income: splitting with spouse
- spouses or common-law partners, approved (2014-15), 119.1
- tax on children at high rate, 120.4, *see also* Split income: tax on
- testamentary trusts, 104(2)

### Income-splitting tax, 120.4

- death, consequence of, 120.4(1)“excluded amount”(a), (c); 120.4(1.1)(b), (c)(ii)
- spouse of person over 65, 120.4(1.1)(c)(i)

**Income tax**, *see* everywhere

**Income Tax Application Rules**, *see after text of ITA*

**Income Tax Conventions Interpretation Act**, *see* Table of Contents

**Income trust**, *see* SIFT trust

**Incontinent person**, *see also* Mental or physical impairment

- products for use by, medical expense credit, 118.2(2)(i)

**Incorporated employee**, *see* Personal services business

### Incorporated in Canada

- defined, 248(1)“corporation”, “corporation incorporated in Canada”

### Incorporation expenses

- deductible up to \$3,000, 20(1)(b)
- excess included in goodwill, Reg. Sch. II:Cl. 14.1

**Inc corporeal property**, *see* Corporeal property

**Indebtedness**, *see also* Debt; Loan

- defined, for deemed settlement of debt on amalgamation, 80(3)
- income of foreign affiliate from, 95(2)(a.3), 95(2.4), (2.5)“indebtedness”
- to non-resident trust, reporting requirement, 233.5(1)

**Indemnity**

- in agreement to sell business, does not trigger mandatory reporting rules, 237.3(1)“contractual protection”(a)(ii)(B)
- payment, provincial, excluded from income, 81(1)(q)
- reserve for, not deductible, 20(7)

**Independent engineer or geoscientist**

- defined, for CTM investment tax credit, 127.49(1)

**Independent personal services, Canada-U.S. Tax Treaty:Art. V:9, VII****Indexed debt obligation**

- adjusted cost base of, 53(1)(g.1), 53(2)(l.1)
- amount deemed paid and received as interest, 16(6), Reg. 7001
- deduction from income, 20(1)(c), 16(6)
- defined, 248(1)
- excluded from annual interest accrual rules, 12(3), 12(11)“investment contract”(k)
- interest included in income, 12(1)(c), 16(6)
- prescribed amount, Reg. 7001

**Indexed payment**

- defined, re indexed debt obligation, Reg. 7001(7)

**Indexed security investment plan**

- transition for 1986, 47.1(28)

**Indexing (for inflation)**

- Child Tax Benefit before July 2016 and starting July 2020, 122.61(5)
- tax brackets, credits and dollar thresholds, 117.1(1), (1.1)
- tax-free savings account contribution limit, 207.01(1)“TFSA dollar limit”(d)

**India, see also Foreign government**

- trust resident in, 93.3
- universities, gifts to, Reg. Sch. VIII, s. 24

**Indian**

- credit for First Nations Tax payable, 120(2.2)
- exemption from tax, 81(1)(a)
- exempt income eligible for contribution to pooled registered pension plan, 147.5(1)“exempt earned income”, 147.5(31)–(34)
- resident in Canada without permanent resident status
- entitled to Canada Child Benefit, 122.6“eligible individual”(e)(v)
- entitled to GST Credit, 122.5(2)(c)
- residential school settlement, *see* Indian Residential Schools Settlement trust
- tax evasion offences, 239(5)

**Indian Residential Schools Settlement trust**

- income of, non-taxable, 81(1)(g.3)(i)(C)

**Indicator re foreign trust, see Non-arm's length indicator****Indirect assistance**

- taxable, 12(1)(x)(i)(C)

**Indirect payments**

- corporation, by
- person paid through intermediary as proceeds of disposition of property, 183.1(5)
- deemed income, 56(2)
- distribution of corporate surplus, tax on, 183.1(5)

**Indirectly**

- meaning of, 17.1(1) (Notes)

**Individual**

- bankrupt, 128(2)
- computation of tax, 117–122.91
- computation of taxable income, order of application, 111.1(1)
- credits, 118–118.95
- defined, 248(1)
- excludes trust for purpose of home accessibility tax credit, 118.041(1)
- excludes trust for purpose of Multigenerational Home Renovation Tax Credit, 122.92(1)
- fiscal period of, 249.1(1)(b)(i)

- gifts, deduction from tax, 118.1(3)
- income earned in the year in a province, Reg. Part XXVI
- “income for the year” defined, 120(3)
- instalment base, Reg. 5300
- instalment payments, 155, 156
- “instalment base” defined, 161(9)(a)
- insufficient instalment payments
- interest limitation, 161(4)
- mentally or physically impaired, *see* Mental or physical impairment
- over 65, deduction, 118(2)
- unused, transfer to spouse, 118.8
- payment of tax, 155, 156
- instalment base, 155(2), 156(3)
- remainder, 158
- rates of tax, 117(2)
- abatement re provincial schooling allowance, 120(2)
- addition to tax for income not earned in province, 120(1)
- annual adjustment, 117.1
- resident for part of year, 114
- returns, 150(1)(d), (e)
- surtax, 180.1 [repealed]
- tax credits, 118
- ordering of, 118.92
- taxation year of, 249(1)(b)

**Individual pension plan**

- defined, Reg. 8300(1)
- Minister may waive definition, Reg. 8300(1.1)
- minimum amount, Reg. 8500(1)“IPP minimum amount”
- minimum withdrawal, Reg. 8503(26)
- permissible distribution, Reg. 8502(d)(x)
- provisional PSPA in relation to, Reg. 8304(10)
- special rules for designated plans, Reg. 8515

**Individual Retirement Account, see also Foreign retirement arrangement**

- exempt from Canadian withholding tax, Canada-U.S. Tax Treaty:Art. XXI:2
- prescribed as foreign retirement arrangement, Reg. 6803

**Individuals with Significant Control (of corporations)**

- disclosure of to CRA and the public, 150(1)(a) Notes
- provision of information by CRA to confirm CBCA compliance, 241(4)(u)

**Inducement payments**

- cancellation of lease, *see* Lease cancellation payment
- election re adjusted cost base, 53(2)(s), 53(2.1)
- election to offset against outlay or expense, 12(2.2)
- included in income, 12(1)(x)
- prescribed amount, Reg. 7300
- received by beneficiary of trust, or partner, 12(2.1)
- repayment of, 20(1)(hh)

**Industrial electrician**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Industrial instrument mechanic**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Industrial mechanic (millwright)**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Industrial mineral mines**

- capital cost allowance, Reg. 1100(1)(g), 1104(3), Reg. Sch. V

**Industrial minerals**

- producing, excluded from M&P credit, 125.1(3)“manufacturing or processing”(g)

**Ineligible individual**

- defined, 149.1(1)
- managing or controlling charity
- CRA can refuse to register charity, 149.1(25)

## Index

### Ineligible individual (*cont'd*)

- CRA can revoke registration of charity, 149.1(4.1)(e)
- CRA can suspend registration, 188.2(2)
- managing or controlling Canadian amateur athletic association
- CRA can refuse to register RCAA, 149.1(25)
- CRA can revoke registration of RCAA, 149.1(4.2)(c)

### Ineligible property

- defined, for cost base bump on windup, 88(1)(c)(iii)–(vi)

### Ineligible use

- for captured carbon, defined, 127.44(1)
- for clean electricity tax credit
- conversion to, credit recaptured, 127.491(17)–(19)
- *de minimis* exception, 127.491(23)
- defined, 127.491(1)
- for clean hydrogen tax credit [to be repealed]
- deemed not captured, 127.49(6)(c)
- defined, 127.44(1), 127.48(1)

### Infant

- prone to sudden infant death syndrome
- alarm, medical expense, Reg. 5700(r)

### Infirm beneficiary

- defined, 94(1)“exempt foreign trust”(a)(i)(A)

### Infirm dependant, *see also* Mental or physical impairment

- credit for, 118(1)B(d), (e)
- preferred beneficiary election, 108(1)“preferred beneficiary”(a)(ii)(A)
- training courses to care for, medical expense, 118.2(2)(1.8)

### Inflation adjustment period

- defined, re indexed debt obligations, Reg. 7001(7)

### Inflation indexing, *see* Indexing (for inflation)

### Influence over a corporation

- whether constitutes *de facto* control, 256(5.1), (5.11)

### Informal procedure appeals, 170

### Informant payments (for leads on international tax evasion)

- disclosure of information by CRA to informer, 241(4)(r)
- payment to province only after collected by CRA, 152(10)(b)
- payments included in income, 56(1)(z.4)
- deduction for repayment, 60(z.1)
- non-resident withholding tax, 212(1)(x)
- information return, Reg. 202(2)(m)
- withholding of tax at source, 153(1)(s), Reg. 103(9)

### Information

- communication of, 241
- demand for, 231.2(1)(a)
- exchange of between tax authorities, Canada-U.S. Tax Treaty:Art. XXVII
- failure to provide, in return, penalty for, 162(5)
- foreign-based, 231.6
- laid, *see* Information or complaint
- outside Canada
- foreign-based information or document, 231.6
- tax shelter investment information, 143.2(13), (14)
- requirement to provide, 231.2(1)(a)
- return, *see* Information return

### Information exchange agreement, *see* Tax information exchange agreement

### Information or complaint

- laid or made, 244(1)
- limitation on prosecutions, 244(4)
- territorial jurisdiction, 244(3)
- two or more offences in one, 244(2)

### Information return, Reg. 200–238

- actor (non-resident), payment to, Reg. 202(1.1)
- apprenticeship grant, Reg. 200(2)(b.1)
- avoidance transactions, 237.3(2)
- bond interest, accrued, Reg. 211

- Canada Savings Bonds, cash bonus, Reg. 220
- Canadian Wheat Board Farmers' Trust, 135.2(15)
- ceasing to be resident in Canada, value of assets, 128.1(9)
- certified films, Reg. 225
- charitable donation returned to donor, 110.1(16), 118.1(27), Reg. 3501.1
- charity, 149.1(14)
- construction contracts, Reg. 238
- contract payments
- construction, Reg. 238
- federal government, Reg. 237
- corporation
- transactions with non-resident, non-arm's length persons, 233.1
- country-by-country reporting, multinational groups, 233.8
- demand for, 233
- distribution of taxpayer's portion of, Reg. 209
- educational status, Reg. 203
- electric, gas or steam corporations, Reg. 213
- electronic filing required, Reg. 205.1
- penalty, 162(7.02)
- electronic funds transfers, 244.2(1), 244.6
- electronic mail of, Reg. 209(3)–(5)
- eligible funeral arrangement, Reg. 201(1)(f)
- email of, Reg. 209(3)–(5)
- emigration, value of assets, 128.1(9)
- employees stock option deferral, Reg. 200(5)
- employees profit sharing plan, Reg. 212
- energy conversion program, Reg. 224
- farm support payments, Reg. 234–236
- federal government contract, Reg. 237
- first home savings account, Reg. 219
- foreign affiliate, 233.4
- foreign plan PSPA, Reg. 8402(2)
- foreign property, investment in, 233.3
- foreign trust
- distributions from, 233.5
- indebtedness to, 233.5
- transfers to, 233.2(4)
- government contract, Reg. 237
- government-sponsored retirement arrangement, Reg. 8402.1
- home insulation program, Reg. 224
- interest expense denied, transferred to other group member, 18.2(5)
- international electronic funds transfers, 244.2(1), 244.6
- journalism organization, 149.1(14.1)
- labour organization or labour trust, 149.01 [repealed]
- legal representative, Reg. 206
- life insurer, Reg. 217
- making of regulations re, 221(1)(d)
- NISA Fund No. 2, Reg. 201(1)(e)
- non-profit organization, 149(12), 150(1)(a)
- non-profit R&D corporation, 149(7)
- non-qualified investment acquired by RRIF, Reg. 215(3)
- non-qualified investment acquired by RRSP, Reg. 214(2)
- non-qualified investment acquired by TFSA, Reg. 223(3)
- non-resident claiming treaty protection, 150(1)(a)(ii)
- non-resident transactions, 233.1–233.7
- oil substitution program, Reg. 224
- Part IV.1 tax, 187.5
- Part VI.1 tax, 191.4(1)
- partnership, Reg. 229, 229.1
- past service pension adjustment, Reg. 8402
- patronage payments, Reg. 218
- penalty for failure to file electronically, 162(7.02)
- penalty for failure to make, 162(7)(a)
- pension adjustment, Reg. 8401
- pension adjustment correction, Reg. 8402(4), 8402.01(4.1)
- pension adjustment reversal, Reg. 8402.01



Information return (*cont'd*)

- political contributions, 230.1(2), Reg. 2001
  - pooled registered pension plan, Reg. 213
  - public
    - registered charity, 149.1(14)
  - public partnership, Reg. 229.1
  - public trust, Reg. 204.1
  - qualified investments, Reg. 221
  - RRIF loss carryback to deceased's return, Reg. 215(6)
  - RRSP loss carryback to deceased's return, Reg. 214(6)
  - registered Canadian amateur athletic association, 149.1(14)
  - registered education savings plan, 146.1(13.1), (15)
  - registered journalism organization, 149.1(14.1)
  - registered pension plan, Reg. 8409
  - registered retirement income funds, Reg. 215
  - registered retirement savings plan, Reg. 214, 214.1
  - reportable transactions, 237.3(2)
  - resource flow-through shares, Reg. 228
  - SR&ED corporation, 149(7)
  - security transactions, Reg. 230
  - social assistance payment, Reg. 233
  - Social Insurance Number, use of, 237(2)
  - specified retirement arrangement PSPA, Reg. 8402(3)
  - stock option deferral, Reg. 200(5)
  - students, Reg. 203
  - TFSA, Reg. 223
  - tax shelter
    - participant, 237.1(6), 237.3(2)
    - promoter, 237.1(7), 237.3(2)
  - transactions with non-residents, 233.1–233.7
  - trust, Reg. 204, 204.1
  - trust or corporation re Part XI tax, Reg. 207
  - tuition fees, Reg. 203
  - union, 149.01 [repealed]
  - Universal Child Care Benefit, Reg. 200(6)
  - video tapes, Reg. 225
  - withholding of tax, Reg. 210
  - workers' compensation payment, Reg. 232
- Inheritance**, *see also* Death of taxpayer
- debt forgiveness rules do not apply, 80(2)(a)

**In-home care of relative**

- before 2017, tax credit, 118(1)B(c.1)

**Initial amounts**

- defined, for transfer pricing rules, 247(2.02)

**Initial deadline**

- defined, for insurance demutualization, 139.1(1)

**Initial non-qualified investment**

- defined, 204

**Initial transportation charges**

- defined (for pre-1966 cars), Reg. 1102(11)

**Injection substances**

- deduction for, 20(1)(mm)

**Injury, personal, property acquired as award for income from, exempt**, 81(1)(g.1), (g.2)**In-laws, dependent**, 118(6)(b)**Innovative regulatory capital**, *see* Regulated innovative capital**Input carbon intensity**

- defined, for clean hydrogen tax credit, 127.48(1)

**Input device**

- disability supports deduction, 64(a)A(ii)(U)

**Input tax credit**, *see* Goods and services tax (GST): input tax credit**Inquiry**

- authorized by Minister, 231.4
- compliance required, 231.51
- rights of person subjected to, 231.4(6)

- rights of witness at, 231.4(5)

- seizure of documents

- copies of, 232(13)

**Insider of a corporation**

- defined, Reg. 4803(1)

**Insolvency**, *see also* Bankruptcy; Financial difficulty (taxpayer in)

- insurance corporation, group disability insurance top-up payments, 6(17), (18)

**Inspection**, *see* Audit**Inspector**

- defined, for surveys under *Canada Shipping Act*, Reg. 3600(2)

**Installation project**

- more than 12 months, constitutes permanent establishment, Canada-U.S. Tax Treaty:Art. V(3)

**Installation taxation year**

- defined, for labour requirements for ITCs, 127.46(1)

**Instalment base**

- defined
  - corporations, 157(4), Reg. 5301
  - individuals, farming or fishing business, 155(2), Reg. 5300
  - other individuals, 156(3), 161(9), Reg. 5300

**Instalment payments (Instalments)**

- capital and income combined, 16(1)
- ceasing to be resident in Canada, 128.1(5)
- dependent on use, 12(1)(g)
- Part VI.2 tax paid over 5 years, 191.5(9)
- sale of property, *see* Reserve
- tax, of
  - amounts deemed to be, 161(8)
  - annual, deceased taxpayer's, Reg. 1001
  - contra interest, 161(2.2)
  - corporations, 157
  - *de minimis* rule, 156.1(1), 157(2.1)
  - death of taxpayer, not required after, 156.1(3)
  - deficient
    - interest offset method, 161(2.2)
    - interest payable, 161(2)
    - limitation re corporations, 161(4.1)
    - penalty, 163.1
    - when certain tax credits deemed paid, 161(10)
  - estate, whether exempt, 156.1(2)(c)
  - farming or fishing income (individuals), 155, 156.1(2)
  - individuals, 156, 156.1
  - instalment base, defined, 161(9)(a), Reg. Part LIII
  - late, penalty for, 163.1
  - mutual fund trust, 156(2), 157(2)
  - offset interest, 161(2.2)
  - Part XII.3 tax, 211.3
  - SIFT trust, 157(2)
  - small corporation, 157(1.1)–(1.5)
  - transfers between accounts, 221.2
  - trust distributing property to non-resident, 107(5.1)

**Instalment sale**

- reserve for capital gain, 40(1)(a)(iii)

**Instalment threshold**

- defined, 156.1

**Institution**

- costs of care in, as medical expense, 118.2(2)(e)
- gifts to
  - by corporation, deduction for, 110.1(1)(c)
  - by individual, credit for, 118.1(1)“total cultural gifts”

**Instrument**, *see* Musical instrument**Insulation grant**, *see* Home insulation grant**Insulator (heat and frost)**

- apprenticeship job creation credit, 127(9)“investment tax credit”

## Index

### Insulin, medical expense, 118.2(2)(k)

#### Insurance

- accidental death, not included in group life insurance benefit, Reg. 2700(2)
- corporation, *see* Insurance corporation
- defined to include reinsurance, 138(12)
- group plans
- employer's contributions not includable in employee's income, 6(1)(a)(i)
- life insurance, portion of premium taxable, 6(4)
- paid-up, deduction for, 18(9.01)
- policy, *see* Insurance policy
- premiums, *see* Premium
- proceeds
- in respect of depreciable property, taxable, 12(1)(f)
- risks in Canada, by foreign affiliate, 95(2)(a.2)
- sickness, accident, etc., benefits taxable, 6(1)(f); ITAR 19

#### Insurance agent or broker

- reserve for unearned commissions, 32

#### Insurance contract

- defined, for Common Reporting Standard, 270(1)

#### Insurance corporation, *see also* Financial institution; Life insurance corporation

- amalgamation, 87(2.2)
- amortized cost, where meaning varied, 138(13)
- bad debts
- deduction for, 20(1)(p)(ii)
- inclusion in income, 12.4
- cash flow adjustment, Reg. 2412
- computation of income, 138(1), (6), 138(9), 140
- deduction for amounts paid or credited to policyholders, 140(1)
- deductions not allowed, 138(5)–(5.2), (8)
- deemed not to be private corporation, 141.1
- defined, 248(1)
- definitions, 138(12)
- demutualization, 139.1
- deposit, *see* Deposit insurance corporation
- disposition of Canadian securities, 39(5)(e)
- dividend received by, whether deductible, 112(2.03)
- earthquake reserves, Reg. 1400(3)L
- electronic filing not required, Reg. 205.1(2)(a)
- exempt under Part IV, 186.1(b)
- farmers and fishermen, of
- exemption for, 149(1)(t) [repealed], 149(4.2) [repealed]
- limitation, 149(4.1)
- foreign affiliate, *see* Foreign affiliate: insurer
- gross investment revenue, defined, 138(12)
- guarantee fund, deduction for payment to, Reg. 1400(3)G
- guarantees etc.
- acquired from, in amalgamation, 87(2)(h)(iii)
- reserve for, 20(1)(l.1)
- IFRS 17 changes (2023), transitional rules, 138(16)–(25), 142.51
- inclusion in computing income for 1988 taxation year, 140(2)
- insolvent, group disability insurance top-up payments, 6(17), (18)
- liabilities of, determination for debt forgiveness reserve, 61.3(1)(b)C(ii)(B), (C)
- life, *see* Life insurance corporation
- loan/lending asset
- acquired from, in amalgamation, 87(2)(h)(ii)
- reduction in value of
- limitation on deduction re, 18(1)(s)
- loans etc. acquired in ordinary course of business, 20(27)
- mark-to-market rules apply, 138(10)
- mutualization proposal, 139
- negative reserves, 12(1)(e.1), 20(22), Reg. 1400(2)
- non-resident, Reg. 219(4)–(8), 800–805.1, 2401
- branch tax elections, Reg. 2403

- change in use rules, 138(11.3)–(11.41), (11.6)
- computation of income, 138(11.91)
- domestication of branch operation, 138(11.5)
- eligible property for transfer to corporation by shareholder, 85(1.1)(b)
- excluded property, Reg. 810
- qualified related corporation, 138(12)
- registered, *see* Registered non-resident insurer
- transfer of insurance business, 138(11.5)
- anti-avoidance provisions, 138(11.7)
- computation of income, 138(11.92)
- contributed surplus, computation of, 138(11.9)
- depreciable property, rules re, 138(11.8)
- paid-up capital, computation of, 138(11.7)
- non-segregated property, 138(12)
- participating life insurance policy, defined, 138(12)
- policy loan, defined, 138(12), 148(9)
- policy reserves, Reg. 1400–1408
- life insurance, 138(3)(a)(i)
- negative, 20(1)(e.1), 20(22), Reg. 1400(2)
- non-life insurance, 20(7)(c), Reg. 1400
- regulations, Reg. 1400–1408
- property acquired on default in payment, 138(11.93)
- “property used by it in the year in, or held by it in the year in the course of”, 138(12)
- defined, Reg. 2400
- registered, *see* Registered non-resident insurer
- regulations, Reg. Part XXIV
- reserve for unpaid claims, *see also* policy reserves; unpaid claims reserve adjustment
- life insurance, 138(3)(a)(ii)
- limitation, 18(1)(e.1)
- negative, 12(1)(e.1), 20(22), Reg. 1400(2)
- security used or held by
- “eligible property” for transfer to corporation by shareholder, 85(1.1)(g)
- segregated funds of, 138.1, Reg. Part LXI
- subsidiary, wound up, 88(1)(g)
- surplus funds derived from operations, 138(12)
- taxable capital gains, 138(2)(b), 142
- taxable income earned in a province, Reg. 403
- transfer of insurance business
- by non-resident insurer, 138(11.5)
- by resident insurer, 138(11.94)
- transitional rules for accounting rule changes (2023), 138(16)–(25), 142.51
- unpaid claims reserve adjustment, *see also* reserve for unpaid claims
- claims incurred but not reported, Reg. 1400(3)D, E
- deduction, 20(7), Reg. 1400(3)D, E
- variation in tax basis and amortized cost, 138(13)

#### Insurance holding corporation

- defined, for interest deduction restrictions, 18.2(1)

#### Insurance policy

- acquisition costs
- not deductible to insurer, 18(9.02)
- disposition of, 148
- no capital gain, 39(1)(a)(iii)
- no capital loss, 39(1)(b)(ii)
- life, *see* Life insurance policy
- loan, *see* Policy loan (life insurance)
- reserves (insurer), *see* Insurance corporation: policy reserves; Insurance corporation: reserve for unpaid claims
- rider, *see* Rider

#### Insurance proceeds

- constitute proceeds of disposition, 13(21)“proceeds of disposition”(c), 54“proceeds of disposition”(c)
- rollover where property replaced, 13(4), (4.1), 44

**Insurance swaps**

- application of FAPI, 95(2)(a.21), (a.22)

**Insured annuity**

- leveraged, *see* LIA policy

**Insurer, *see also* Insurance corporation**

- defined, re life annuity contracts, 148(10)(a), Reg. 217(1)

**Intangible property, *see also* Goodwill**

- patents, Reg. Sch. II:Cl. 14, Sch. II:Cl. 44
- relating to road, bridge, townsite, etc., capital cost, 13(7.5)(c)

**Integration**

- capital dividend flow-through, 83(2), 89(1)“capital dividend account”(b)
- corporate and personal tax, 82(1)(b), 121
- intercorporate dividend flow-through, 82(1)(a), (a.1), 112(1)
- Part IV tax flow-through, 186(1)(b)

**Intellectual property, *see* Copyright; Patent; Trade mark, representation expenses****Intention of legislation, *see* Purpose provisions****Inter vivos trust, *see also* Trust (or estate)**

- defined, 108(1)

**Interac Corp.**

- prescribed payment card corporation share, Reg. 9002.1(a)(i), (ii)

**Inter-American Development Bank**

- bonds of, qualified investment for RRSP etc., 204“qualified investment”(c.1) (formerly Reg. 4900(1)(l)(ii))

**Intercorporate dividends generally tax-free, 112, 113****Interest (in property, etc.)**

- beneficial, in trust, meaning of, 248(25)
- capital, in trust, *see also* Trust (or estate)
- family farm partnership, in, 110.6(1)
- family fishing partnership, in, 110.6(1)
- income, in trust, *see also* Trust (or estate)
- life, in real property, *see* Life estate in real property
- partnership, *see* Partnership interest
- policy loan, re, defined, 138(12), Reg. 1408(1)
- qualifying, *see* Qualifying interest (in respect of foreign affiliate)
- real property, in, defined, 248(4)
- taxable Canadian property, in, 248(1)“taxable Canadian property”(l)
- trust, *see* Trust (or estate): interest in

**Interest (money)**

- accrued
  - corporations, partnerships, trusts, 12(3)
  - deduction on disposition of debt obligation, 20(21)
  - deemed, 12(9)
  - inclusion in income, 12(3), (4), (9)
  - individuals, 12(4)
  - on amalgamation, 87(2)(j.4)
  - prescribed debt obligation, on, 12(9), Reg. 7000
  - to date of death, 70(1)(a)
- allowable refund of N.R.O., on, 133(7.01), (7.02)
- annual reporting, *see* accrued (*above*)
- benefit from loan, deemed to be, 80.5
- bond
  - accrued, to date of transfer, 20(14)
  - information returns, Reg. 211
  - purchased at discount, 16(3)
- borrowed money used to acquire land, on
  - defined, 18(3)“interest on debt relating to the acquisition of land”
  - not deductible, 18(2), (2.1)
  - partner, by, 18(2.1)
- borrowed money used to acquire property no longer owned, 20.1(1)
- borrowed money used to invest in deferred income plan, 18(11)

- borrowed money used to invest in shares, 20(1)(c)
- capital and, combined, 16(1)
- on expropriation assets, 80.1(3)
- capital gains refund, on
  - mutual fund corporation, 131(3.1), (3.2)
  - mutual fund trust, 132(2.1), (2.2)
- capitalization into cost of property, 21
- compounded daily, 248(11)
- coupons to be identified as to taxable and non-taxable obligations, 240(2)
- debt obligation, on, 20(14.1)
- mark-to-market property of financial institution, 142.5(3)
- debt relating to the acquisition of land, on
  - defined, 18(3)“interest on debt relating to the acquisition of land”
- deductible, *see also* borrowed money used ... (*above*)
  - general rule, 20(1)(c)
  - limited to 30% of EBITDA, *see* Excessive interest and financing expenses limitation (EIFEL)
  - paid under *Income Tax Act*, not deductible, 18(1)(t)
  - thin capitalization restrictions, 18(4)–(8)
  - deduction by certain corporations, limitation on, 18(4)–(6)
  - deduction restrictions, *see* deductible: limited to 30% (*above*)
  - deemed
    - amount paid by credit union re member's share, 137(4.1)
    - benefit from loan, 80.5
    - certain shares, on, 258(5)
    - non-resident tax, 214(6), (14)
    - preferred shares, on, 258(3)
  - deemed received by corporation on loan to non-resident, 17
  - defined, *Income Tax Conventions Interpretation Act* s. 6
  - dividend refund, on, 129(2.1), (2.2)
  - escalating interest GICs, Reg. 7000(2)(c.1)
  - expense
    - amount deductible, 20(1)(c), (d)
    - compound, 20(1)(d)
    - election to capitalize, 21(1)
    - employee's automobile or aircraft, 8(1)(j)(i)
    - limitation on deduction by certain corporations, 18(4)–(6)
    - minimum tax, 127.52(1)(b), (c), (c.2), (e.1), (k)
    - policy loans, on, 20(2.1), 138(12)“interest”, Reg. 4001
  - expropriation assets, on
    - election re, 80.1(2)
  - forgiven, 80(2)(b)
  - fully exempt, *see* Fully exempt interest
  - income bond, on, deemed dividend, 15(3)
  - non-resident corporation, 15(4)
  - income from business or property, 12(1)(c)
    - whether specified investment business, 125(7)“specified investment business”
  - increasing rates, income accrual, Reg. 7000(2)(c.1)
  - instalments of tax, late or insufficient, 161(2)
    - additional 3% payable, 161(3)
    - limitation, 161(4), (4.1)
    - not deductible, 18(1)(t)
    - offset, 161(2.2)
    - scientific research tax credit, when deemed paid, 161(10)
    - share-purchase tax credit, when deemed paid, 161(10)
    - where not payable, 161(2.1)
  - interest repaid, on, 164(4)
  - loss carryback, effect of, 161(7)
  - loss of source of income, 20.1(1)
  - obligation issued at a discount, 16(3)
  - offset
    - arrears interest against refund interest, 161.1
    - early instalments against late instalments, 161(2.2)
  - paid on death duties, deduction, 60(d)
  - paid or payable, deduction for, *see* deductible (*above*)
  - paid to non-resident, withholding tax, 212(1)(b)

## Index

### Interest (money) (*cont'd*)

- by wholly-owned subsidiary, 218
- to U.S. resident, Canada-U.S. Tax Treaty:Art. XI
- participating debt, *see* Participating debt interest
- payable
- carryback re minimum tax, no effect, 161(7)
- penalty, on, 161(11)
- penalty or bonus, treated as interest expense, 18(9.1)
- prepaid, deduction for, 18(9), (9.2)–(9.8)
- prescribed rate, Reg. 4301
- property transferred from spouse, 74.1
- rate of, Reg. 4301
- rate reduction payments, treated as interest expense, 18(9.1)
- refunds and repayments, on, 164(3)–(4)
- repayment of, deduction for, 20(1)(II)
- spouse, property transferred to, 74.1, *see also* Attribution rules
- stapled security, on, 18.3(3)
- student loan, paid, credit for, 118.62
- tax withheld but not remitted, on, 227(9.3)
- unclaimed at year-end
- withholding tax, 153(4)
- effect of remittance, 153(5)
- unpaid tax, on, 161(1), 227(9.3)
- adjustment of foreign tax, 161(6.1)
- grace period to pay balance, 161.2
- income in blocked currency, 161(6)
- loss carryback, effect of, 164(5), (5.1)
- none, re participation certificate, 161(5)
- not deductible, 18(1)(i)
- offset
- arrears interest against refund interest, 161.1
- early instalments against late instalments, 161(2.2)
- Part III, 185(2)
- Part III.1, 185.2(2)
- Part IV, 187(2)
- Part V, 189(7)
- Part X, 202(5)
- Part XII.3, 211.5
- Part XII.4 tax, 211.6(5)
- Part XII.5 tax, 211.82
- retroactive to application date of provision, 221.1
- up to \$25, may be cancelled, 161.3
- waiver of, 220(3.1)
- withholding tax, 212(1)(b)

### Interest and financing expenses

- defined, for interest deduction restrictions, 18.2(1), (13), 248(1)
- interest deduction limited to 30% of EBITDA, 18.2(2)

### Interest and financing revenues

- defined, for interest deduction restrictions, 18.2(1), (12), (14), 248(1)
- reduces limitation on interest expense, 18.2(2)A

### Interest coupon holder

- defined, 212(21)(a)

### Interest coupon stripping

- anti-avoidance rules, 212(1)(b)(i)(B), 212(21)–(23)

### Interest-free loan, *see* Loan: interest-free

### Interest gross-up period

- defined, for non-resident trust rules, 94(15)(c)(ii)C

### Interest in a family farm or fishing partnership

- defined, 70(10)
- rollover, 70(9)–(9.31), 73(3)–(4.1)

### Interest rate hedging

- allowable for unit trust definition, 108(2.1)

### Interference with remittances of tax withheld, 227(5.2)–(5.4) (1995 draft, abandoned)

### Intergenerational transfer

- attribution of income or loss, 74.1(2)

- business transfer, 84.1(2)(e), 84.1(2.3)–(2.32)
- capital gains reserve, 10 years, 40(1.2)
- gradual, 84.1(2.32)
- immediate, 84.1(2.31)
- joint liability of persons electing, 160(1.5)
- reassessment deadline extended, 152(4)(b.9)
- farm or fishing property
- *inter vivos*, 73(3)–(4.1)
- on death, 70(9)–(9.31)

### Interim receiver

- withholding tax, liability for, 227(5), (5.1)(d)

### Internal Revenue Service (U.S.), *see also* United States

- collection of Canadian tax, Canada-U.S. Tax Treaty:Art. XXVI A
- competent authority procedures, Canada-U.S. Tax Treaty:Art. XXVI
- exchange of information with CRA, Canada-U.S. Tax Treaty:Art. XXVII

### Internal waters

- defined, *Interpretation Act* 35(1)

### International agencies, prescribed, Reg. 806.1

### International Air Transport Association

- employment income of non-Canadians, deduction for, 110(1)(f)(iv)

### International Bank for Reconstruction and Development

- bonds of, qualified investment for RRSP etc., 204“qualified investment”(c.1) (formerly Reg. 4900(1)(l)(i))

### International banking centre until 2013, 33.1

### International development assistance programs

- person working on deemed resident in Canada, 250(1)(d)
- prescribed, Reg. 3400

### International Finance Corporation

- bonds of, qualified investment for RRSP etc., 204“qualified investment”(c.1) (formerly Reg. 4900(1)(l)(i.1))

### International Financial Reporting Standards

- effect of, 9(1) (Notes)
- IFRS 17 changes for insurers (2023), 138(16)–(25)
- insurers, application to, 138(17.1)
- liabilities and reserves to be computed gross of reinsurance, Reg. 2400(1)“Canadian reserve liabilities”
- transition year, 138(12)“transition year”(b)
- meaning of, 138(12.2)
- transitional changes for insurers (2023), 138(16)–(25)

### International organization

- defined, for Common Reporting Standard, 270(1)
- employment income from
- deduction, 110(1)(f)(iii)
- tax credit, 126(3)
- interest paid to, withholding tax exemption, Reg. 806

### International shipping

- aircraft used in
- lease payments exempt from withholding tax, 212(1)(d)(xi)
- corporation, residence of, 250(6)
- defined, 248(1)
- income of non-resident from, exempt, 81(1)(c)
- income of resident corporation from, exempt, 81(1)(c.1)
- non-resident's income from, exempt, 81(1)(c)
- residence of shipping corporation, 250(6)–(6.04)
- resident corporation's income from, exempt, 81(1)(c.1)
- service provider deemed to have international shipping as principal business, 250(6.02), (6.03)

### International sport federation, eligibility requirements of, *see* Amateur athlete trust

### International tax

- advisory panel, *see* Advisory Panel on International Taxation
- conventions, *see* Tax treaty
- dividends received from foreign corporations, 90, 113



**International tax (cont'd)**

- foreign accrual property income, 91, 95
- foreign tax credit, 126, *see also* Foreign tax credit
- treaties, *see* Tax treaty
- United States, rules re, *see* United States
- withholding tax, 212, *see also* Withholding

**International traffic, *see also* International shipping**

- aircraft operated by non-resident in
  - capital gains on, 248(1)“taxable Canadian property”(b)(ii)
  - income of non-resident exempt, 81(1)(c)
  - residence of corporation, 250(6)
- capital tax on ships and aircraft, Canada-U.S. Tax Treaty:Art. XXIII:3
- defined, Canada-U.S. Tax Treaty:Art. III:1(h); Canada-U.K. Tax Treaty:Art. 3.1(i)
- employee employed in, Canada, Canada-U.S. Tax Treaty:Art. XV:3
- profits from, Canada-U.S. Tax Treaty:Art. VIII

**Interpolation time**

- re life insurance policy coverage, defined, Reg. 1401(3)

**Interpretation, 248–260**

- definitions, 248(1)
- *Income Tax Conventions Interpretation Act*, *see* Table of Contents
- *Interpretation Act*, *see* Table of Contents

**Interpretation services**

- sign language
  - disability supports deduction, 64(a)A(ii)(A)
  - medical expense credit, 118.2(2)(1.4)

**Inventory**

- adding property to, non-resident, 10(12), (14)
- adjustment
  - amalgamation, on, 87(2)(j.1)
  - deduction from income, 20(1)(ii)
  - inclusion in income, 12(1)(r)
- adventure in the nature of trade, 10(1.01)
  - superficial loss rule, 18(14)–(16)
- allowance, repealed [was 20(1)(gg)]
- amalgamation, on, 87(2)(b)
- artistic endeavour, of, 10(6)–(8)
- ceasing to use in business, non-resident, 10(12), (14)
- cost of
  - non-deductible expenses included in, 10(1.1)
- defined, 12(12)(b), 248(1)
  - flipped property (residential) deemed to be, 248(1)
  - specified debt obligation and mark-to-market property excluded, 142.6(3)
- “eligible property” for transfer to corporation by shareholder, 85(1.1)(f)
- examination of property in, 231.1
- exploration and development shares, 66.3(1)
- farming business, of, *see* Farming: inventory
- financial institutions, *see* Mark-to-market property
- manner of keeping, Reg. 1800
- mark-to-market rules, *see* Mark-to-market property
- non-resident, 10(12)–(14)
- removing property from, non-resident, 10(12), (14)
- reserve on sale of, 20(1)(n), 20(8)
  - where property repossessed by creditor, 79.1(4)
- sale of
  - after ceasing to carry on business, 23(1)
  - included in income, 9(1)
  - repossession by vendor in same taxation year, 79.1(5)
- share held as, stop-loss rules on disposition, 112(4)–(4.2)
- transfer to corporation, 85(1)(c.1), (e.3)
- valuation of, 10, Reg. 1801
  - adventure in the nature of trade, 10(1.01), (9)
    - change in control of corporation, 10(10)
  - consistency required, 10(2.1)
  - farming business, 28(1.2), (1.3), Reg. 1802
  - incorrect, 10(3)
  - shares, 112(4.1)
  - writedown, 10(1)
    - adventure in the nature of trade, 10(1.01), (9)
      - change in control of corporation, 10(10)
    - derivatives excluded, 10(15)
    - of loan, denied, 18(1)(s)
    - superficial loss rule, 18(14)–(16)

**Investigation**

- covert investigation warrant, 231.31
- search warrant, 231.3, 231.31

**Investing in a Diversified Alberta Economy Act**

- prescribed labour-sponsored venture capital corporation, Reg. 6700(h)
- share registered under, qualified investment for RRSP etc., Reg. 4900(1)(i.14)

**Investment**

- allowance, *see* Investment allowance
- business, *see* Investment business
- corporation, *see* Investment corporation
- counselling, *see* Investment counselling fees
- defined
  - for foreign affiliate dumping, 212.3(10)
  - for SIFT trust and partnership distributions, 122.1(1)
- income, *see* Investment income
- offshore, *see* Offshore investment fund
- prohibited, *see* Prohibited investment
- property, *see* Investment property
- qualified, *see* Qualified investment
- registered, tax re, 204.4–204.7
- tax credit, *see* Investment tax credit
- tax shelter, *see* Tax shelter: investment
- time, *see* Investment time

**Investment advice, *see* Investment counselling fees****Investment allowance**

- defined
  - for large corporations tax, 181.2(4), 181.3(4)
  - for Part XIV branch tax, 219(1)(j), Reg. 808

**Investment business, *see also* Specified investment business**

- of foreign affiliate
  - defined, 95(1)
  - excluded from active business, 95(1)“active business”(a)
  - start-up rule, 95(2)(k)(i)

**Investment club**

- tax treatment, Information Circular 73-13 (no ITA provision)

**Investment contract, *see also* Debt obligation**

- anniversary day
  - accrued interest, 12(4)
  - defined, 12(11)
- defined, 12(11)

**Investment contract corporation, prescribed, Reg. 6703**

- exempt from Part IV tax, 186.1(b)

**Investment corporation, 130**

- deduction from tax, 130(1)
- defined, 130(3)(a), 248(1)
- election not to be restricted financial institution, 131(10)
- election re capital gains dividend, Reg. 2104
- information return where share claimed to be qualified investment, Reg. 221
- mortgage, *see* Mortgage investment corporation
- not subject to mark-to-market rules, 142.2(1)“financial institution”(c)(i)
- special tax rate, 130
- taxed capital gains, 130(3)(a)
- that is not mutual fund corporation, 130(2)

## Index

### Investment counselling fees

- deductible, 20(1)(bb)
- for FHSA, RRSP, RRIF or TFSA, non-deductible, 18(1)(u)

### Investment dealer, *see also* Financial institution; Registered securities dealer

- defined, 142.2(1)
- subject to mark-to-market rules, 142.2(1)“financial institution”

### Investment entity

- defined, for Common Reporting Standard, 270(1)

### Investment expense, defined, 110.6(1)

### Investment fund

- defined, for loss restriction event rules for trusts, 251.2(1)

### Investment-grade debt

- qualified investment for RRSP etc., 204“qualified investment”(c.1) (formerly Reg. 4900(1)(l)(i.3), (o)); Reg. 4900(1)(j.2)

### Investment income, *see also* Property: income from

- aggregate, *see* Aggregate investment income
- associated corporation, from, 129(6)
- Canadian, defined, 129(4)
- defined, 110.6(1)
- foreign, defined, 129(4)
- information returns, Reg. 201
- life insurer's, tax on, 211–211.5
- refundable tax on, 123.3

### Investment interest

- in a business, ITAR 23(5)“investment interest”, “1971 receivables”

### Investment loss

- business, *see* Business investment loss

### Investment manager

- defined, 44.1(1)“eligible pooling arrangement”

### Investment property

- defined
- for deposit insurance corporation, 137.1(5)
- foreign affiliate, 95(1)
- insurer, Reg. 2400(1)

### Investment shortfall

- for labour-sponsored venture capital corporation, 204.82(2.1), (2.2)

### Investment tax credit, 127(5)–(36)

- addition to, 127(10.1)
- amalgamation, on, 87(2)(j.6)
- annual limit, defined, 127(9)
- apprenticeship expenditures, 127(9)“investment tax credit”(a.4)
- assistance or government assistance, effect of, 127(18)–(21)
- continuation of predecessors, 87(2)(qq)
- associated corporations, 127(10.3)
- failure to file agreement, 127(10.4)
- Atlantic provinces, 127(9)“investment tax credit”(a), 127(9)“specified percentage”(a)(iii)(D), (a.1)
- available-for-use rule, 127(11.2), 248(19)
- CCUS, *see* CCUS tax credit
- carbon capture, *see* CCUS tax credit
- carryforward, 127(9)“investment tax credit”(c)–(h)
- transitional rules for change to 20 years, 127(9.01), (9.02), (36)
- certified property
- ascertainment of, 127(10)(a), (b)
- prescribed areas, Reg. 4602
- child care space creation, 127(9)“investment tax credit”(a.5)
- recapture if not kept for 5 years, 127(27.1)–(27.12)
- clean hydrogen, 127.48, *see also* Clean hydrogen tax credit (investment tax credit)
- clean technology manufacturing, 127.49, *see also* CTM investment tax credit (Clean technology manufacturing investment tax credit)
- conversion of property to commercial use, 127(9)

- cooperative corporation, 127(6)
- critical minerals, 127(9)“investment tax credit”(a.21)
- defined, 127(9), (11.1), (12)–(12.2)
- definitions, 127(9)
- depreciable property acquired before change of control, 13(24), (25)
- expenditure limit, determination of, 127(10.2), (10.6)
- filing deadline, 37(11), 127(9)“investment tax credit”(m)
- flow-through critical mineral mining expenditure, 127(9)“investment tax credit”(a.21)
- flow-through mining expenditure, 127(9)“investment tax credit”(a.2)
- hydrogen, 127.48, *see also* Clean hydrogen tax credit (investment tax credit)
- included in income, 12(1)(t)
- year of death, 70(1)(b)
- limited partner, of, 127(8.1)
- non-arm's length transactions, 127(11.6)–(11.8), (24)
- overpayment of tax as consequence of, 164(5), (5.1)
- parent's, after subsidiary wound up, 88(1)(e.3)
- partnership, allocation to partners, 127(8)–(8.5)
- carbon capture (CCUS) credit, 127.44(11)
- non-limited partners, 127(8.3)
- recapture of, 127(28)
- pre-production mining expenditures, 127(9)“investment tax credit”(a.3)
- qualified property, Reg. 4600
- defined, 127(9), (11)
- R&D, *see* scientific research (*below*)
- reassessment, 152(6)(d)
- recapture of, 127(27)–(36)
- deduction in later year, 37(1)(c.2)
- refundable, 127.1
- defined, 127.1(2)
- depreciable property acquired before change of control, 13(24), (25)
- renunciation of, by general partner, 127(8.4)
- repayment of assistance, 127(9)“investment tax credit”(e.1), 127(10.7)
- scientific research
- basic 20% credit, 127(9)“investment tax credit”(a.1)
- extra 15% credit, 127(10.1)
- small business, 127(9)“qualified small-business property” [repealed], 127(9)“specified percentage”(i)
- specified percentage, 127(9)
- super-R&D allowance by province, federal bonus, 127(9)“super-allowance benefit amount”, 127(10.1)(b)
- trusts, allocation to beneficiaries, 127(7)
- reduces cumulative Canadian exploration expense, 127(12.3)
- unpaid amounts, 127(26)
- where control of corporation acquired, 127(9.1), (9.2)
- windup of corporation, flow-through to parent, 88(1)(e.3)

### Investment time

- defined
- for foreign affiliate dumping, 212.3(1)

### Investment trust, *see* Mutual fund trust

### Investor

- defined, for intercorporate dividends, 112(2.6)

### Involuntary dispositions

- resource property, 59.1

### Ireland, *see also* Foreign government

- stock exchange recognized, 262
- universities, gifts to, Reg. Sch. VIII, s. 10

### Iron

- processing ore, whether manufacturing or processing, 125.1(3)“manufacturing or processing” Reg. 5203

### Iron lung, as medical expense, 118.2(2)(i)

**Ironworker**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Irrigation pipe**

- construction costs deductible by farmer, 20(1)(ee)

**Israel, *see also* Foreign government**

- bonds of, *see* Israel Bonds
- Canadian Forces personnel and police serving in, no tax on income, 110(1)(f), Reg. 7500(c)–(e) [repealed]
- debt of, *see* Israel Bonds
- stock exchange recognized, 262
- universities, gifts to, Reg. Sch. VIII, s. 8

**Israel Bonds**

- eligible for RRSPs and RRIFFs, 204“qualified investment”(c.1) (formerly Reg. 4900(1)(o))

**Issue estoppel, 169(2)****Issuer**

- FHSA, defined, 146.6(1)
- RDSP, defined, 146.4(1)“disability savings plan”(a)(i)
- RRSP, defined, 146(1), Reg. 214(7)
- TFSA, defined, 146.2(1)

**Italy, *see also* Foreign government**

- stock exchange recognized, 262

**J****JEC, *see* Joint exploration corporation****JJ Herbert Family Trust case overruled, 214(3)(f)(i)(C)****Jail, *see* Offences****Jamaica, *see also* Foreign government**

- universities, gifts to, Reg. Sch. VIII, s. 15

**Japan, *see also* Foreign government**

- currency of, use as functional currency, 261(1)“qualifying currency”(c.1)
- film or video under treaty co-production, Reg. 1106(3)(c)
- stock exchange recognized, 262

**Jeopardy assessment or jeopardy order**

- re collection restrictions, 225.2(2)
- refund not to be paid, 164(1.2)

**Jesuit**

- income of, not taxed, 110(2)

**Jetty, capital cost allowance for, Reg. Sch. II:Cl. 1(e), Sch. II:Cl. 3****Jewellery, *see* Listed personal property****Jig, capital cost allowance, Reg. Sch. II:Cl. 12(d)****Job coaching services**

- disability supports deduction, 64(a)(ii)(K)

**Job retraining**

- employment insurance benefit, not included in income, 56(1)(a)(iv)
- reimbursed tuition fees, no credit unless included in income, 118.5(1)(a)(iii)

**Joint and several liability, *see* Liability for tax: joint and several****Joint contributor (to non-resident trust)**

- attribution of trust's income to electing contributors, 94(16)(a)(ii)
- defined, 94(1)
- liability for joint contribution to trust, 94(17)

**Joint election, *see also* Election(s)**

- defined, for pension income splitting, 60.03(1)

**Joint exploration corporation**

- agreed portion, defined, 66(15)
- defined, 66(15)
- share, adjusted cost base, 53(2)(f.1)
- shareholder corporation, defined, 66(15)

**Joint liability, *see* Liability for tax: joint and several****Joint partner trust, *see* Joint spousal or common-law partner trust****Joint spousal or common-law partner trust, *see also* Post-1971 spousal or common-law partner trust; Trust (or estate): spouse, for**

- deduction from income, 104(6)(b)B(i)
- defined, 104(4)(a)(iv)(B), (C), 248(1)
- distribution of property to person other than taxpayer or spouse, 107(4)(a)(iii)
- preferred beneficiary election by, 104(15)(a)
- principal residence exemption, 54“principal residence”(c.1)(iii.1)(A)
- transfer by, to another trust, 104(5.8)
- transfer to, rollover, 73(1.01)(c)(iii)

**Journalism, *see also* Qualified Canadian journalism organization; Qualifying journalism organization; Registered journalism organization**

- digital news subscription credit, 118.02
- donations to, 149.1(1)“qualified donee”(b.1)
- online news subscription credit, 118.02
- refundable labour tax credit, 125.6

**Judge, *see also* Court**

- application to, re seized documents, 232(4), (8)
- bribery of, non-deductible, 67.5
- defined
- for jeopardy assessment and collection, 225.2(1)
- for search and seizure, 231
- income from professional practice, 24.1 [repealed]
- issue of search warrant, 231.3(1)–(4), 231.31
- pension plan, Reg. 8309
- powers in jeopardy proceedings, 223(11), (12)
- review of requirement to provide foreign-based information, 231.6(5)
- RRSP contribution room, Reg. 8309(2)

**Judicial notice**

- regulations, etc., 244(12)

**Jurisdiction**

- territorial, 244(3)

**Juror's fees**

- taxable, 3 (*per* IT-377R)

**Jury duty, *see* Juror's fees****K****KST, *see* Knowledge sharing taxpayer****Kaolin**

- extraction of, 248(1)“mineral resource”(d)(ii)
- included in definition of “mineral”, 248(1)

**Key employee**

- defined, for employee life and health trust (ELHT), 144.1(1)
- ELHT must not be operated primarily for, 144.1(3)(b)
- ELHT must not give more rights to, 144.1(2)(e), (f)

**Kickbacks, *see* Illegal payments****Kiddie tax, *see* Income-splitting tax****Kidney machine, medical expense, 118.2(2)(i)****Kilns**

- capital cost allowance for, Reg. Sch. II:Cl. 8

**Kilometres driven, allowance for, Reg. 7306****Kinder Morgan pipeline corp taxable, Reg. 7100(k)****Kinship care, social assistance for**

- payments do not increase net income, 81(1)(h.1)
- payments do not prevent Canada Workers Benefit single-parent status, 122.7(1.2)
- payments do not reduce Canada Child Benefit, 81(1)(h.1)

**Kitchen utensils**

- capital cost allowance for, Reg. Sch. II:Cl. 12(c)

**Kiwi loans, *see* Weak currency debt**

**Know your customer procedures**, *see* Anti-money laundering and know your customer procedures

**Knowledge sharing CCUS project**

- defined, for CCUS knowledge sharing, 211.92(1)
- requirement to file knowledge-sharing report, 211.93(1)(a)

**Knowledge sharing report**

- defined, for CCUS credit, 211.92(1)
- required, 211.93(1)(a)
- • penalty for failure to publish, 211.93(4)

**Knowledge sharing taxpayer**

- defined, for CCUS knowledge sharing, 211.92(1)
- requirement to file knowledge-sharing report, 211.93(1)(a)

**Koller case overruled**, 81(1)(g)

**Korea**, *see also* Foreign government

- film or video under treaty co-production, Reg. 1106(3)(d)

**Kruger Inc. case overruled**, 10.1(7)

**Krull case overruled**, 6(23)

**Kuwait**

- Canadian Forces personnel and police serving in, no tax on income, 110(1)(f), Reg. 7500(f) [repealed]

**L**

**LCGE (Lifetime capital gains exemption)**, *see* Capital gains deduction

**LCT**, *see* Large corporations tax (Part I.3)

**LIA policy**

- annual accrual taxation, Reg. 306(1)
- defined, 248(1)
- FMV of property disposed of on death, 70(5.31)
- no deduction for premiums paid, 20(1)(e.2)
- no increase in CDA for death benefit, 89(1)“capital dividend account”(d)(ii)

**LIF**, *see* Life income fund

**LIRA**, *see* Locked-in retirement account

**LLC**, *see* Limited liability company (U.S.)

**LLP**, *see* Lifelong Learning Plan; Limited liability partnership

**LLP balance**

- defined, 146.02(1)

**LNG**, *see* Liquefied natural gas

**LPP**, *see* Listed personal property

**LRE**, *see* Loss restriction event

**LRIP**, *see* Low rate income pool

**LSVCC**, *see* Labour-sponsored venture capital corporation (LSVCC)

**La Survivance case overruled**, 256(9)

**Laboratory services, as medical expense**, 118.2(2)(o)

**Labour Adjustment Benefits Act**

- benefits under
  - • income, 56(1)(a)(vi), Reg. 5502(a)
  - • withholding of tax at source, 153(1)(m), Reg. 5502(a)
- repayment of overpayment under, deduction for, 60(n)(v)

**Labour credit**

- journalism, 125.6

**Labour expenditure (re Canadian film/video tax credit)**

- defined, 125.4(1)
- qualified, *see* Qualified labour expenditure (re Canadian film/video tax credit)

**Labour mobility deduction**, 8(1)(t)

**Labour organization**

- exemption, 149(1)(k)

**Labour requirements for CCUS and clean technology credits**, 127.46

**Labour-sponsored funds tax credit**

- acquisition of share by RRSP, 127.4(1)“qualifying trust”, 127.4(3) [repealed]

- computation of, 127.4(3), (4)
- cooling-off period, three years, 127.4(3)
- deduction of, 127.4(2)
- defined, 127.4(1), (6), 204.8(1), 211.7(1)
- eliminated by 2017, 127.4(5), (6)
- provincial, does not reduce ACB of investment, 53(2)(k)(i)(C)
- RRSP, 127.4(1)“qualifying trust”, 127.4(6)(a)
- recovery of
  - • disposition of share, 211.8
  - • national LSVCC, Reg. 6706
  - • provincial LSVCC, 211.7

**Labour-sponsored venture capital corporation (LSVCC)**, *see also* Labour-sponsored funds tax credit

- amalgamation or merger of, 127.4(1.1), 204.85
- deemed to be mutual fund corporation, 131(8)
- discontinuance of venture capital business, 204.8(2), 204.841
- dissolution of, 204.85
- no new applications accepted (federally) since March 21/13, 204.81(1)
- prescribed, Reg. 6701
- • deemed not a public corporation unless listed, 89(1)“public corporation”(b), (c)
- • disposition of shares, capital loss, 40(2)(i)
- • exempt from Part IV tax, 186.1(b)
- • income eligible for dividend refund, 125(7)“specified investment business”
- • prescribed assistance, Reg. 6702
- • shares of
  - • • prescribed assistance, deduction from cost base, 53(2)(k)(i)(C)
- province discontinuing LSVCC credit program, 204.81(8.3), (8.4)
- provincial, tax on, 204.82(5)
- registered, 204.8–204.87
- • deemed to be prescribed LSVCC, Reg. 6701(c)
- • defined, 248(1)
- • disposition of, clawback, 211.8
- • eligible investment, 204.8(1)
- • refund of tax where no monthly deficiency, 204.83
- • registration conditions, 204.81(1)
- • return and payment of tax, 204.86
- • revocation of registration, 204.81(6)–(9)
- • shares of
  - • • acquisition by RRSP, 127.4(1)“qualifying trust”, 127.4(3)
  - • • adjusted cost base not reduced by credit, 53(2)(k)(i)(C)
  - • • credit for purchase, 127.4
  - • • redemption restrictions, 204.81(1)(c)(vii)
  - • • transfer restrictions, 204.81(1)(c)(vii)
- • tax where insufficient eligible investments, 204.82
- • rules re, 131(11)
- • voluntary de-registration, 204.81(8.1)

**Labour union**, *see* Union

**Labrador**

- deduction for individuals residing in, Reg. 7303.1(1)(f)

**Land**

- adjusted cost base, additions to, 53(1)(h), (i)
- allocation of proceeds of disposition between land and buildings, 13(21.1), 70(5)(d)
- clearing, levelling, draining, 30
- costs relating to ownership of
  - • limitation on deductibility, 18(3.1)–(3.7)
- defined
  - • for restrictions on deductible expenses, 18(3)
  - • generally, 70(5.2) (Notes)
- donation of, *see* Ecological gifts
- drainage system, deduction, 30
- ecological, *see* Ecological gifts
- interest on debt relating to acquisition of
  - • defined, 18(3)



**Land (cont'd)**

- limitation on deductibility, 18(2)
- inventory
- cost to include non-deductible expenses, 10(1.1)
- deceased taxpayer's, 70(5.2)
- meaning of, *see* "defined" (above)
- not depreciable, Reg. 1102(2)
- rent paid before acquisition, deemed depreciable property, 13(5.2)(c)
- tillage of soil, 248(1)"farming"
- unproductive
- limitation on deductibility of expenses, 18(2)
- used in farming business, *see also* Farm land
- disposition of
  - loss, added to cost base, 111(6)
  - transferred to child on death, 70(9)
- used in farming business of partnership
- disposition of, 101

**Land drainage system, deduction, 30****Land registry**

- lien on property for various debts owing, 223(5)–(11)

**Landfill gas**

- defined, Reg. 1104(13)
- included in eligible waste fuel, Reg. 1104(13)"eligible waste fuel"

**Landscaping grounds**

- deductible expense, 20(1)(aa)

**Lapse-supported policy**

- defined, Reg. 1408(1)

**Large corporation**

- appeal by, only on grounds raised in objection, 169(2.1)
- capital tax on, *see* Large corporations tax (Part I.3)
- defined, 225.1(8)
- notice of objection, requirements, 165(1.11)–(1.14)
- R&D investment tax credits limited, 127(10.2)
- required to remit 1/2 of taxes in dispute, 164(1.1)(d)(ii), 225.1(7)
- required to remit source withholdings through financial institution, 153(1), Reg. 110
- exception, 153(1.4)
- small business deduction limited, 125(5.1)(a)

**Large corporations tax (Part I.3), 181–181.71 (before 2006)****Large employer**

- required to remit source withholdings through financial institution, 153(1), Reg. 110
- exception, 153(1.4)

**Large print-on-screen device, for use by blind person**

- disability supports deduction, 64(a)(ii)(C)
- medical expense credit, Reg. 5700(o)

**Laryngeal speaking aid, as medical expense, 118.2(2)(i)****Laser-disk, *see* Digital video disk (DVD)****Last, capital cost allowance, Reg. Sch. II:Cl. 12(d)****Late-filed elections or documents**

- detail on notice of objection, 165(1.12)
- generally, 220(3.2), Reg. 600
- resource taxation, 66(12.74)–(12.75)
- s. 85 rollover, 85(7)–(8)
- to trigger capital gain before corporation goes public, 48.1(3)

**Late-filed return**

- penalty, 162(1), 235

**Lather (interior systems mechanic)**

- apprenticeship job creation credit, 127(9)"investment tax credit"

**Lavrinenko case overruled, 122.6"shared-custody parent"(b)****Law Society**

- bar admission examination fees, tuition credit, 118.5(1)(d)

- membership fees, deductible to employee, 8(1)(i)(i)

**Lawyer**

- appointed a judge, deferral of income, 24.1 [repealed]
- books and records required to be kept, 230(2.1)
- defined, 232(1), 248(1)
- examination fees to qualify as, tuition credit, 118.5(1)(d)
- incorporated, *see* Professional corporation
- income of, *see* Professional practice
- misrepresentation by, penalty, 163.2
- partnership, *see* Professional partnership
- solicitor-client privilege, 232
- trust account of, excepted from rule that trust paying no tax must file T3, 150(1.2)(c), 150(1.4)

**Lead performer (for Canadian film/video tax credit)**

- defined, Reg. 1106(8)(a)

**Lead voice (for Canadian film/video tax credit)**

- defined, Reg. 1106(8)(b)

**Leads (given to CRA), *see* Informant payments (for leads on international tax evasion)****Leaf tobacco**

- processing, exempt from tobacco manufacturers' surtax, 182(2)"exempt activity"(b)

**Learning disability**

- tutoring for
- disability supports deduction, 64(a)(ii)(H)
- medical expense credit, 118.2(2)(1.91)

**Lease**

- financing, *see* Direct financing lease
- option to purchase, *see* Option

**Lease cancellation payment, 13(5.5), 20(1)(z), (z.1)**

- amalgamation, on, 87(2)(j.5)
- limitation on deductibility, 18(1)(q)

**Lease financing amount**

- defined, for interest deduction restrictions, 18.2(1)
- subject to deduction restrictions, 18.2(1)"interest and financing expenses"A(f)

**Lease inducement payments**

- taxable as income, 12(1)(x)

**Lease-leaseback arrangement**

- rental payments included in cost for CCA, 13(5.4)

**Lease obligation**

- defined, for FAPI rules, 95(1)
- income of foreign affiliate from, 95(2)(a.3)

**Leasehold interest, *see also* Interest (in property, etc.)**

- capital cost allowance, Reg. 1100(1)(b), 1102(4)–(6), Reg. Sch. II:Cl. 13, Reg. Sch. III
- deemed disposition of, 13(5.1)
- property acquired, rules, 13(5.1)
- separate classes, Reg. 1101(5h)

**Leasing costs**

- non-resident withholding tax, 212(1)(d)
- passenger vehicle
- limitation on deductibility, 67.3
- where more than one lessor, 67.4

**Leasing properties**

- amalgamations, 16.1(4)
- assignments, 16.1(2), (3)
- capital cost allowance, Reg. 1100(15)–(20), 1101(5c)
- defined, Reg. 1100(17)–(20)
- non-arm's length exception, Reg. 1102(20)
- minimum tax, 127.52(1)(b), (c.2)(ii), 127.52(3)"rental or leasing property"
- replacement property, 16.1(5)–(7)
- rules re, 16.1
- rules where election filed, 16.1(1)–(4)
- subleases, 16.1(2), (3)
- windings-up, 16.1(4)

**Leave of absence**, *see* Sabbatical arrangement

**Leaving Canada**, *see* Ceasing to be resident in Canada

**Lebanon**, *see also* Foreign government

- universities, gifts to, Reg. Sch. VIII, s. 9

**Legacy hybrid deficit**

- defined, Reg. 5907(1)

**Legacy hybrid surplus**

- defined, 113(1)(a.1)(i), Reg. 5907(1)

**Legacy hybrid underlying tax**

- defined, Reg. 5907(1)

**Legacy hybrid underlying tax applicable**

- defined, Reg. 5907(1)

**Legal costs**, *see also* Court: costs

- collecting or establishing right to pension benefit
  - deduction for, 60(o.1)
  - reimbursement of, taxable, 56(1)(l.1)
- collecting or establishing right to retiring allowance or severance pay
  - deduction for, 60(o.1)
  - reimbursement of, taxable, 56(1)(l.1)
- collecting or establishing right to wages
  - deduction for, 8(1)(b)
  - reimbursement of, taxable, 6(1)(j)
- conducting appeal, of, 60(o)
- deductible, 8(1)(b), 20(1)(e), 20(1)(cc), 60(o), (o.1), 62(3)(f), 118.2(2)(l.1)(i)
- financing, 20(1)(e)
- income when awarded or reimbursed, 6(1)(j), 56(1)(l), (l.1)
- lobbying, 20(1)(cc)
- moving expenses, 62(3)(f)
- objecting to assessment, 60(o)
- objecting to determination, 152(1.2)
- purchase of new home, 62(3)(f)
- relating to organ or bone marrow transplant, 118.2(2)(l.1)(i)
- representation expenses, 20(1)(cc)
- seizure of chattels, 225(2), (4)

**Legal documents**

- cost of revising for change of address, deduction, 62(3)(f)

**Legal owner (bare trustee)**

- defined, 150(1.31)(a)(i)

**Legal representative**

- appropriation of property by, 159(3.1)
- clearance certificate, 159(2)
- defined, 248(1)
- liability for taxpayer's obligations, 159(1), (3)
- obligations of, 159(1)

**Legal representative of deceased taxpayer**

- application to Minister re vesting of properties, 70(5.2), (6), (9), (9.2)
- election re amounts receivable, 70(2)
- revocation of, 70(4)
- election re losses, 164(6)
- reassessment, 152(6)
- election re payment of tax in instalments, 159(5)–(7)
- election re reserves, 72(2)
- information return, Reg. 206
- return of income, when due, 70(7)

**Legislation**

- amendment of, *see* Amendment
- citation of, *Interpretation Act* s. 40
- deemed remedial, *Interpretation Act* s. 12
- definitions, effect of, *Interpretation Act* s. 15
- headings or titles, *Interpretation Act* s. 14
- in-force date, *see* Amendments: when in force
- interpretation of, *Interpretation Act*
- marginal notes, *Interpretation Act* s. 14
- repeal of, *Interpretation Act* s. 43–45

- titles of sections, *see* Marginal notes

**Legislative assembly (or Legislature)**

- defined, *Interpretation Act* s. 35(1)
- member of, expense allowance exempt, 81(2) [before 2019]

**Lehigh Cement case overruled**, 212(1)(b)(i)(B)

**Lending asset**, *see also* Specified debt obligation

- cost amount of, 248(1)“cost amount”(d.1)
- defined, 248(1)
- for FAPI purposes, 95(1)“lending of money” closing words

**Lending of money**, *see also* Loan

- defined, for FAPI rules, 95(1)

**Lesbian couples**, *see* Common-law partner

**Level-yield method (for allocation return from specified debt obligation)**

- defined, Reg. 9102(2)

**Leveraged insured annuity**, *see* LIA policy

**Leveraged leasing, CCA restrictions**, Reg. 1100(15)–(20)

**Lewin case overruled**, 214(3)(f)(i)(C)

**Liabilities**

- determination of, for debt forgiveness reserve, 61.3(1)(b)C(ii)

**Liability for incurred claims**

- defined, 138(12), Reg. 1408(1), Reg. 2400(1)

**Liability for remaining coverage**

- defined, 138(12), Reg. 1408(1), Reg. 2400(1)

**Liability for tax**

- alternative minimum tax, 127.5
- failure to withhold tax on payment to non-resident, 215(6)
- general, 2
- income from property transferred at non-arm's length, on, 160(1)–(3)
- income-splitting tax, 120.4(2)
- income trusts distributions tax, 122(1)(b)
- joint and several
  - assessment of, 160.1(3)
  - charitable organization and charitable foundation, 188(4)
  - charity making gift to second charity to delay expenditures, 188.1(11)
  - charity revocation tax, 188(2)
  - debt forgiveness reserve, asset transfer, 160.4
  - debtor and transferee following transfer of forgiven amount, 80.04(11)
  - directors and corporation, source withholdings and other amount, 227.1
  - excessive election re capital dividend or capital gains dividend, 185(4), (6)
  - excessive eligible dividend designation, 185.2(3), (5)
  - GST credit overpayment, 160.1(1.1)
  - income-splitting tax, 160(1.2)
  - intergenerational business transfers, 160(1.5)
  - legal representative and taxpayer, 159(1)
  - non-resident trust, Canadian beneficiary and contributor, 94(3)(d)(i)
  - Part III tax, 185(4), (6)
  - Part III.1 tax, 185.2(3), (5)
  - payor and non-resident, withholding tax, 227(8.1)
  - person responsible for withholding taxes, 227(5)
  - property transferred not at arm's length, 160(1)
  - property transferred to use other taxpayer's benefit, 160(1.1)
  - RCA benefits received by another, 160.3
  - RRIF, amounts received under, 160.2(2)
  - RRSP, amounts received under, 160.2(1)
  - reportable avoidance transactions penalty, 237.3(9), (10)
  - secured creditor, for remittances, 227(5.2)–(5.4) (1995 draft, abandoned)
  - transferred Part VI.1 tax, 191.3(1)(e)
  - trustee and person whose property is being managed, withholding, 227(5), (5.1)
  - trustee in bankruptcy and bankrupt corporation, 128(1)(e)

**Liability for tax (*cont'd*)**

- • UI premium tax credit, 160.1(2.2)
- minimum tax, 127.5
- non-resident corporation
  - carrying on business in Canada, 219
- not affected by incorrect assessment, 152(3)
- Part I, 2
- Part I.2, 180.2(2)
- Part II, 182(1)
- Part II.1, 183.1(2)
- Part II.2, 183.3(2)
- Part III, 184
- Part III.1, 185.2
- Part IV, 186(1)
- Part IV.1, 187.2, 187.3(1)
- Part V, 188
- Part VI, 190.1(1), (1.1), (1.2)
- Part VI.1, 191.1(1)
- Part VI.2 (for 2022), 191.5(2)
- Part IX, 196(1)
- Part IX.1, 197(2)
- Part X, 198(1), (3), 199(1), 201
- Part X.1, 204.1
- Part X.2, 204.6
- Part X.3, 204.82(1)–(3), (5), (6), 204.841
- Part X.4 tax, 204.91
- Part X.5 tax, 204.94(2)
- Part XI.01, 207.02, 207.021, 207.03, 207.04(1), (6), 207.05(1), (3)
- Part XI.1, 207.1
- Part XI.2, 207.3
- Part XI.3, 207.7(1)
- Part XI.4, 207.8(2)
- Part XI.5, 207.9(2)
- Part XII.1, 209(2)
- Part XII.2, 210.2(1), (2)
- Part XII.3, 211.1(1)
- Part XII.4, 211.6(2)
- Part XII.5, 211.8(1), 211.81
- Part XII.6, 211.91(1)
- Part XII.7, 211.92
- Part XIII, 212
- Part XIII.1, 218.2(1)
- Part XIII.2, 218.3(2)
- Part XIV, 219
- partnerships distributions tax, 197(2)
- transfer of property to spouse or minor, 160(1)
- trustee, etc., 159

**Library books**

- capital cost allowance, Reg. Sch. II:Cl. 12(a)

**License**

- capital cost allowance, Reg. 1100(1)(c), Reg. Sch. II:Cl. 14
- representation expense, 13(12), 20(1)(cc), 20(9)

**Licensed annuities provider**

- defined, 147(1), 248(1)
- RESP-eligible investments, 146.1(1)“qualified investment”(c)
- RRIF-eligible investments, 146.3(1)“qualified investment”(b.1), (b.2)
- RRSP-eligible investments, 146(1)“qualified investment”(c)–(c.2)

**Licensing of property**

- defined, for FAPI rules, 95(1)

**Lieutenant governor**

- defined, *Interpretation Act* 35(1)
- pension plan, Reg. 8309
- RRSP contribution room, Reg. 8309(1)

**Life annuity**

- for disabled person, rollover to RRSP, 60.011(2)(b)

**Life estate in real property**

- defined, 43.1(1)
- effect of retaining, 43.1(1)
- termination of, 43.1(2), 53(1)(o)

**Life income fund, *see* Registered retirement income fund****Life insurance, *see also* Life insurance corporation; Life insurance policy**

- business, defined, 248(1)
- definitions, 148(9)
- group plan, whether premiums an employment benefit, 6(1)(a)(i), 6(4)
- net cost of pure insurance, Reg. 308
- policy, *see* Life insurance policy
- policy loan, *see* Policy loan (life insurance)
- policyholder
  - “adjusted cost basis” of policy, 148(9)“adjusted cost basis”
  - “child” of, 148(9)
  - deemed dispositions, 148(2)
  - disposition of interest at non-arm’s length, 148(7), (8)
  - disposition of part of interest, 148(4)
  - income from disposition of interest in policy, 148(1), (4)
- premiums, *see* Premium
- proceeds received as annuity, 148(6)
- “relevant authority” defined, 148(9)
- rules re certain policies, 148(3)

**Life insurance capital dividend, *see also* Capital dividend account**

- brought into capital dividend account, 89(1)“capital dividend account”(e)
- defined, 248(1)

**Life insurance corporation, *see also* Insurance corporation**

- accounting rule changes, transitional rules, 138(16)–(25)
- accumulated 1968 deficit, defined, 138(12)
- additional taxes on, 123.6 [annual], 191.5 [2022 only]
- building under construction etc., amount included in income re, 138(4.4)–(4.6), Reg. 2410
- capital gain on pre-1969 property, 138(11.2)
- capital tax, 190.1(1)
- change in use rules, 138(11.3), (11.4), (11.41), (11.6); ITAR 26(17.1)
- computation of income, 138(1)–(6)
- deductions, 138(3), Reg. 1401
- Part XII.3 tax, 138(3)(g)
- deemed a public corporation, 141(2)
- defined, 248(1)
- definitions, 138(12)
- demutualization, 139.1
- dividends from taxable corporations, 138(6)
- foreign taxes not deductible, 138(5.1), (8)
- identical properties of, 138(11.1)
- information returns, Reg. 217
- maximum tax actuarial reserve, 138(12)
- non-resident, 219(4)–(8), Reg. 2401
- branch tax elections, Reg. 2403
- provincial, conversion to mutual corporation, 139
- real property, vacant or under development, amount included in income re, 138(4.4)–(4.6) Reg. 2410
- “relevant authority” defined, 138(12)
- reserves, 138(3)(a), Reg. 1400–1408
- unpaid claims, 138(3)(a)(ii) [repealed]
- rules applicable to, 138
- segregated funds of, 138.1, Reg. 6100
- surtaxes on, 123.6 [annual], 191.5 [2022 only]
- tax on investment income, 211–211.5
  - Canadian life investment income, 211.1(3)
  - interest on overdue tax, 211.5
  - payment of tax, 211.4, 211.5
  - rate of tax, 211.1(1)
  - return, 211.2

## Index

### Life insurance corporation (*cont'd*)

- taxable Canadian life investment income, 211.1(2)
- taxable income of, 138(7)
- transitional rules for accounting rule changes, 138(16)–(25)
- Life insurance policy**, *see also* Annuity contract
  - accrued income, 12.2
  - amounts included in income on anniversary, 12.2(1)
  - anniversary day, defined, 12.2(11)
  - deduction for over-accrual, 20(20)
  - acquisition costs of
    - not deductible to insurer, 18(9.02)
  - “adjusted cost basis” of, to policyholder, 148(9)
  - anniversary day, defined, 12.2(11)
  - annuity, proceeds received as, 148(6)
  - charity designated as beneficiary, 118.1(5.2)(a)
  - corporation beneficiary under, where, 89(2)
  - deemed disposition of, 148(2)
  - defined, 12.2(10), 138(4.01), 138(12), 211(1), 248(1), Reg. 1408(1)
    - in Canada, 138(12), 211(1), 248(1), Reg. 1408(1)
    - registered, 211(1)
  - disposition by non-resident
    - certificate, 116(5.2)
    - presumption, 116(5.4)
    - purchaser liable for tax, 116(5.3)
    - rules, 116(5.1)
  - disposition of
    - amount included in income, 148(1.1)
    - deduction, 20(20)
    - defined, 148(9)“disposition”, 248(1)“disposition”(b.1)
    - no capital gain, 39(1)(a)(iii)
    - no capital loss, 39(1)(b)(ii)
    - non-arm’s length, 148(7), (8)
    - policyholder’s income, 148(1), (4)
    - proceeds of
      - defined, 148(9)“proceeds of the disposition”
      - income, 56(1)(j)
  - distribution of proceeds
    - by corporation, 89(1)“capital dividend account”(d)(iii)
    - by partnership, 53(1)(e)(iii)
  - dividends, 148(2)
  - enhanced capital gains deduction, effect on, 110.6(15)
  - exempt policy, Reg. 306
    - defined, 12.2(11)
  - group term, defined, 248(1)
  - in Canada, defined, 138(12), 211(1), 248(1), Reg. 310, 1408(1)
  - income from, 148
  - interest in
    - amount to be included, 12.2(1)
    - owned under deferred profit sharing plan, 198(6)–(8)
    - “value” defined, 148(9)“value”
  - life annuity contract, 148(10)
  - loan, *see* Policy loan (life insurance)
  - mortality gains and losses, Reg. 308
  - net cost of pure insurance, Reg. 308
  - participating, *see* Participating life insurance policy
  - premium, *see* Premium
  - “prescribed increase” in benefit on death under, Reg. 309(2)
  - prescribed premium, rules, Reg. 309
  - proceeds of the disposition of, defined, 148(9)
  - retirement compensation arrangement funded by, 207.6(2)
  - riders, 12.2(10)
  - rollover
    - to child, 148(8)
    - to spouse, 148(8.1), (8.2)
  - segregated fund, 138.1, Reg. 6100
    - defined, 138(12)
  - “tax anniversary date” defined, 148(9)

- third anniversary amounts, defined, 12.2(11)“anniversary day”
- transfer not at arm’s length, 89(1)“capital dividend account”(d)(v), 148(7)
- transfer to child, 148(8)
- transfer to spouse
  - breakdown of marriage, on, 148(8.1)
- death, on, 148(8.2)
- value of, for valuing shares etc. on death, emigration or immigration, 70(5.3)

### Life insurance policy in Canada, *see* Life insurance policy: in Canada

### Life insurer, *see also* Life insurance corporation

- defined, 248(1)

### Life interest, *see* Life estate in real property

### Life interest trust, *see* Alter ego trust

### Lifelong Learning Plan, 146.02

- definitions, 146.01(1)
- income inclusions, 56(1)(h.2), 146.02(4)–(6)
- repayment of amount borrowed from RRSP, 146.02(3)
- withdrawal of funds from RRSP, 146(8), Reg. 104.1
  - within 90 days of contribution, deduction disallowed, 146(5)(a)(iv.1), 146(5.1)(a)(iv)
- withholding exemption, Reg. 104.1

### Lifetime benefit trust

- defined, 60.011(1)

### Lifetime disability assistance payments

- defined, 146.4(1)

### Lifetime retirement benefits

- defined, Reg. 8500(1)

### Lift, power-operated (for wheelchair etc.)

- medical expense, Reg. 5700(m)

### Lift truck, industrial

- capital cost allowance, Reg. Sch. II:Cl. 29

### Limitation of benefits rule, Canada-U.S. Tax Treaty:Art. XXIX-A

### Limitation periods, *see also* Filing deadlines; Reassessment; Statute-barred debt, deemed settled; Table O-6 at beginning of book

- collection of tax debt, 10 years, 222(4)
- prosecution for offences, 244(4)
- requesting adjustment to past return, 10 years, 152(4.2)
- requesting past Canada Child Benefit, 10 years, 122.62(2)
- requesting refund of past year, 10 years, 164(1.5)
- requesting waiver of interest or penalty, 10 years, 220(3.1)

### Limited-dividend housing company

- defined, Reg. 3700
- exemption, 149(1)(n)

### Limited liability company (U.S.)

- equity interests treated as shares, 93.2(2)
- look-through for treaty purposes, Canada-U.S. Tax Treaty:Art. IV:6
- treated as corporation, 248(1)“corporation”
- treated as foreign affiliate, Reg. 5907(11.2)(b)

### Limited liability partnership

- at-risk rules inapplicable, 96(2.4)(a)
- capital gain not triggered by negative ACB, 40(3.14)(a)
- United Kingdom, Canada-UK treaty Interpretative Protocol (2014)

### Limited partner, *see also* Limited partnership; Specified member (of partnership)

- at-risk rules, 96(2.1)–(2.7)
- deemed capital gain on negative adjusted cost base, 40(3.1)(a)
- deemed not to carry on partnership’s business, 253.1
- defined, 96(2.4)
- for clean economy ITC allocation, 127.47(1)
- for investment tax credit, 127(8.5)
- for minimum tax purposes, 127.52(3)



**Limited partner** (*cont'd*)

- for partnership interest negative ACB, 40(3.14)
- for tax shelter investments, 143.2(1)
- investment tax credit, 127(8.1)
- CCUS (carbon capture) credit, 127.44(11)
- limit on cost of investment, 143.2(1)“tax shelter investment”(b), 143.2(6)
- minimum tax, 127.52(1)(c.1)
- research and development losses, 96(1)(g)
- resource expenses, 66.8

**Limited partnership**, *see also* Limited partner; Partnership; Tax shelter: investment

- debt of, qualified investment for RRSP etc., Reg. 4900(1)(n.01)
- deemed not a business of the partner, 253.1
- losses, *see* Limited partnership losses
- mutual fund commissions financing, 18.1
- service of documents on, 244(20)(b)(ii)(A)
- unit
  - qualified investment for RRSP etc., Reg. 4900(1)(n)
  - small business investment, Reg. 5102

**Limited partnership losses**, *see also* Limited partnership

- adjusted cost base of partnership interest, reduction for, 53(2)(c)(i.1)
- amalgamation, on, 87(2.1)(a), (b)
- at-risk amount, 96(2.1)
- artificial transactions to increase, 96(2.6), (2.7)
- defined, 96(2.2)
- carryforward of, 111(1)(e)
- deductibility, 96(2.1)
- limitation on, 111(3)(a)
- defined, 96(2.1), 248(1)
- determination of, by Minister, 152(1.1), (1.2), (1.3)
- minimum tax, 127.52(1)(c.1)
- order of deduction, 111(3)(b)
- partnership interest acquired by subsequent person, 96(2.3)
- winding-up, on, 88(1.1)

**Limited partnership unit**, *see* Limited partnership: unit**Limited-recourse amount**

- defined, for tax shelter investments, 143.2(1), (7)

**Limited-recourse debt**

- application to definition of tax shelter, 237.1(1)“gifting arrangement”(b)
- application to determination of advantage received, 248(32)(b)
- defined, 143.2(6.1)
- repayment of, 248(34)

**Linefill**

- in pipeline, no CCA, Reg. 1102(1)(k)

**Linen**

- capital cost allowance, Reg. Sch. II:Cl. 12(g)

**Linked note**

- sale of
  - deemed interest inclusion, 20(14.2)
  - information return, Reg. 201(1)(g)

**Lipson (2012 TCC) case overruled**, 248(1)“trust”**Liquefaction of natural gas**, *see also* Eligible liquefaction facility

- income from, determination of, Reg. 1104(18)

**Liquefied natural gas**

- facility for, *see* Eligible liquefaction facility

**Liquid biofuel**

- defined, Reg. 1104(13)
- for clean technology credit, 127.45(1), Reg. 1104(13)

**Liquidation entitlement**

- defined
- capital gains deduction, Reg. 6205(1)(a)(i)(B), 6205(4)(b)

- flow-through shares, Reg. 6202.1(1)(a)(ii), 6202.1(1.1)(a), 6202.1(3)(b)
- taxable preferred shares, 248(1)“taxable preferred share”(b)(ii)
- taxable RFI shares, 248(1)“taxable RFI share”(b)

**Liquidator**, *see also* Legal representative

- certificate before distribution, 159(2)
- deemed to be legal representative, 248(1)“legal representative”
- obligations of, 159
- return required by, 150(3)
- withholding tax, liability for, 227(5), (5.1)

**List of amounts**, *see* Dollar amounts in legislation and regulations**List of taxes and tax rates**, *see* Rates of tax**Listed country**

- for foreign affiliate purposes, Reg. 5907(11)–(11.2)

**Listed election**

- defined, Reg. 5911(2)

**Listed financial institution**

- defined
- for Canadian reporting of US persons' interests in accounts, 263(1)

**Listed international agreement**

- disclosure of information as permitted by, 241(4)(e)(xii)

**Listed personal property**, *see also* Art; Personal-use property

- defined, 54
- loss from
  - defined, 41(3)
  - reassessment, 152(6)(b)
- usable only against LPP gains, 3(b)(ii), 41(2)
- net gain from disposition, 41(2)

**Listed securities**, *see* Publicly-traded securities**Listed terrorist entity**

- ceasing to be, 149.1(1.02)
- defined, 149.1(1)
- individual ineligible to be director of charity, 149.1(1)“ineligible individual”(e)–(h)
- revocation of charity, 168(3.1)
- deemed year-end on notice of revocation, 188(1)

**Literary work, copyright royalties**

- no withholding tax, 212(1)(b)(vi), 212(9)(b)

**Lithium**, *see* Critical mineral**Lithium from brine**

- included in mineral deposit, 248(1)“mineral resource”(d)(ii)
- included in minerals for CDE, 66(21), 66.2(5)“Canadian development expense”(c.2), (d)
- included in minerals for CEE, 66(15)“principal-business corporation”(f.1), (g), 66(21)
- well for extracting, deemed mine for CDE, CEE, 66(21)

**Litigation, costs of**, *see* Court: costs**Little Egypt bump**

- prevention of, 98(5)(d) [repealed]

**Liver extract, as medical expense**, 118.2(2)(k)**Livestock**

- destruction of
  - deferral of income from, 80.3(2)
  - exceptions, 80.3(6)
  - inclusion of deferred amount, 80.3(3)
  - amalgamation, on, 87(2)(tt)
- exhibiting and raising, 248(1)“farming”
- sales of, in prescribed drought or flood region, *see* Drought or flood region: prescribed

**Living together, deemed spouses**, *see* Common-law partner**Loan**, *see also* Borrowed money; Debt; Interest (money)

- acquired in ordinary course of business of insurer or moneylender, 20(27)
- back-to-back, to spouse or minor, 74.5(6)

## Index

### Loan (*cont'd*)

- charity, by, 118.1(16)
- corporation to, to reduce income, 74.4(2)
- • outstanding amount, 74.4(3)
- cost amount of, 248(1)“cost amount”(d.1)
- employee, to, included in income, 6(9), 80.4(1)
- foreign affiliate’s income from, 95(2)(a.3)
- forgiveness of, *see* Debt forgiveness
- guarantee fee, deductible, 20(1)(e)
- home purchase, *see* Home purchase loan
- interest-free or low-interest
  - • to child, 74.1(2)
  - • to employee, 80.4(1)
  - • to non-arm’s length person, 56(4.1)
  - • to non-resident, 17
  - • to shareholder, 15(2)–(2.6)
  - • to spouse, 74.1(1)
- inventory write-down restricted, 18(1)(s)
- minor, to, 74.1(2), 74.5(6)–(11)
  - • for value, 74.5, (2)
  - • repayment of, 74.1(3)
- non-arm’s length person, to, 56(4.1)–(4.3)
  - • used to repay existing indebtedness, 56(4.3)
- non-resident, to, by corporation, 17
- partnership interest, of, 96(1.8)
- personal services business, to
  - • inclusion in income, 12(1)(w)
- policy, repayment of, 60(s)
- reduction in value of
  - • limitation on deduction re, 18(1)(s)
- related person, to, *see* non-arm’s length person (*above*)
- shareholder, to, by corporation, 15(2)–(2.6), 80.4(2)
  - • back-to-back rules, 15(2.16)–(2.192)
  - • capacity test, 15(2.4)(e)
  - • deemed benefit, 15(9)
  - • exception for “pertinent loan or indebtedness”, 15(2.11), 17.1
    - • forgiveness of, 15(1.2)
    - • from foreign affiliate, 90(6)–(15)
    - • non-residents, 15(2.2), (8), 227(6.1)
    - • persons connected with, 80.4(8)
    - • repayment of, 20(1)(j)
- spouse, to, 74.1(1)
  - • for value, 74.5(2)
  - • repayment of, 74.1(3)
- value, for, to non-arm’s length person, 56(4.2)
- wholly-owned subsidiary, to, 17, 218

### Loanbacks

- property or money donated to charity, 118.1(16)

### Lobbying, *see* Representation expenses

### Local

- of union, deemed same employer as union, 252.1

### Local Lockdown Program (COVID-19)

- wage and rent subsidies, 125.7(1)“base percentage”(l)(i)(B)(II), (m)(i)(B)(II)

### Lockdown support (COVID-19), 125.7(2.1)B

### Locked-in annuity

- held by RRIF, 146.3(1)“qualified investment”(b.2)

### Locked-in retirement account, 147.3(1) (Notes)

### Locomotive, *see* Railway: locomotive

### Lodge, expense of, not deductible, 18(1)(l)

### Lodging, *see* Board and lodging

### Logging equipment, Reg. Sch. II:Cl. 10(o)

### Logging operations

- income from, in the province, defined, 127(2)“income for the year from logging operations in the province”

### Logging property

- investment tax credit, 127(9)“qualified property”(c)(iii)

### Logging tax

- deduction from income tax, 127(1), Reg. Part VII
- defined, 127(2)
- provincial legislation imposing, Reg. 700(3)
- rules applicable to, 127(1)

### Long-haul truck

- defined, for meals percentages, 67.1(5)

### Long-haul truck driver

- defined, 67.1(5)
- food and beverages, percentage allowed, 67.1(1.1)

### “Long-term debt” defined, 181(1), 190(1)

### Long-term resident

- defined, Canada-U.S. Tax Treaty:Fifth Protocol (2007), Annex B, para. 11

### Look-back rule (for flow-through shares)

- interest charged as tax, 211.91(1)
- renunciation permitted, 66(12.66)(a.1)

### Look-through rule (for partnerships), *see* Tiers of partnerships

### Loss(es)

- amalgamation, on, 87(2.1)
- capital, *see* Capital loss
- carryback, *see* Carryback
- carryforward, *see* Carryforward
- carryover of, 111
  - • corporation or trust, by, 111(5)–(5.5)
    - • • anti-avoidance provision, 111(5.5)(b)
    - • • change in control of corporation, 111(4)
  - • farming business, from, 111(1)(c), (d), 111(6), (7)
  - • restricted, for corporation becoming or ceasing to be exempt, 149(10)(c)
- defined, for disposition of specified debt obligation, Reg. 9200
- determination of, by Minister, 152(1.1), (1.2), (1.3)
- disposition of debt in exchange for replacement obligation, 40(2)(e.2)
- disposition of debt owing by related person, deemed nil, 40(2)(e.1)
- disposition of share of, foreign affiliate, on, 93(2)–(4)
- farm, defined, 111(8)
- farming, *see also* Farm loss
  - • after land disposed of, 111(6)
  - • carryover of, 111(1)(d)
  - • deduction limited, 31
  - • effect on cost base of land, 53(1)(i)
  - • limitation on deductibility, 111(3), (6), (7)
  - • partnership, of, 101, 111(7)
  - • reduction on debt forgiveness, 80(3)(b), (c)
  - • restricted farm loss, *see* Restricted farm loss
- fishing, 111(8)“farm loss”A(a)(i), *see also* Farm loss
- foreign affiliate, of
  - • deductible, Reg. 5903
  - • defined, Reg. 5907(1)
- foreign bank’s Canadian affiliate, 142.7(12)
- housing, *see* Housing loss
- insurer’s, 138(2)
- limitations on deductibility, 111(3), *see also* Stop-loss rules
- net capital, *see* Net capital loss
- non-capital, *see* Non-capital loss
- office or employment, from, 5(2)
- order of reduction, on settlement of debt, 80(2)
- place, from sources in, 4
- post-emigration, 128.1(8)
- reduction of, on property previously owned by trust, 107(6)
- restrictions on deductibility, *see* Loss restriction event; Stop-loss rules
- share that is capital property, on, 112(3), (4)
- source, from, 4

**Loss(es) (cont'd)**

- stop-loss rules, *see* Stop-loss rules
- superficial
  - business of lending money, 18(13), (15)
  - capital property, 40(2)(g)(i), 54
  - defined, 54
  - inventory held as adventure in nature of trade, 18(14)–(16)
- terminal
  - deduction for, 20(16)
  - no deduction re motor vehicle, 20(16.1)
- transfer of, *see* Suspension of losses; Transfer of losses
- windup, on, 88(1.1)

**Loss of income source, deduction for interest expense, 20.1****Loss offset program, *see* Fuel tax rebate (1992–1999)****Loss restriction event, *see also* Control of corporation: change of**

- deemed acquisition of control of corporation, 256(7), (8)
- deemed year-end, 249(4)
- defined, 251.2
- loss carryovers restricted
  - bad debts, 111(5.3), (5.5)
  - business losses, 111(5)
  - capital losses, 40(3.4)(b)(iii), 53(2)(b.2), 111(4), (5.5), 111(8)“net capital loss”C(c), 111(12)
  - cumulative unused excess capacity (for interest deduction restrictions), 111(5.01)
  - debt forgiveness, 80(1)“relevant loss balance”(b), 80(1)“unrecognized loss”, 80(15)(c)(iv), 80.04(4)(h)
  - depreciable property, 13(21.2)(e)(iii)(D), 13(24), (25), 111(5.1), (5.5)
  - doubtful debts, 111(5.3)
  - farm losses, 111(5), (5.5)
  - foreign currency debt, 111(12)
  - interest deduction restrictions, 111(5), (5.01)
  - inventory, 10(10), (11)
  - investment tax credit, 127(9)“investment tax credit”(j), (k), 127(9.1), (9.2)
  - matchable expenditure rules, 18.1(1)(b)(ii)
  - net capital losses, *see* capital losses (above)
  - non-capital losses (business losses), 111(5)
  - resource expenditures, 66(11.4)–(11.6)
  - SR&ED expenditures, 37(1)(h), 37(6.1)
  - superficial loss, 54“superficial loss”(f)
  - undepreciated capital cost, 111(5.1)

**Lottery**

- capital gain or loss nil, 40(2)(f)
- cost of prize won is its fair market value, 52(4)
- prize winnings, not taxed (no taxing provision)

**Low RTF amount**

- defined, 89(1)“capital dividend account”(h)(ii)

**Low rate income pool**

- after amalgamation, 87(2)(ww), 89(9)
- after windup, 87(2)(ww), 88(1)(e.2)(ix), 89(10)
- defined, 89(1), 248(1)
- addition on amalgamation, 87(2)(ww), 89(9)
- addition on ceasing to be CCPC, 89(8)
- addition on windup, 87(2)(ww), 88(1)(e.2)(ix), 89(10)
- dividend paid from, 89(1)“eligible dividend”, “excessive eligible dividend designation”

**Low threshold qualifying labour expenditure**

- defined, 125.6(1)

**Lower value account**

- defined, for Common Reporting Standard, 270(1)

**Lump-sum payment**

- employment income
  - defined, Reg. 103(6)
  - withholding of tax, Reg. 103(4)
- retroactive spreading over past years

- addition to tax for earlier years, 120.31
- deduction in current year, 110.2

**Lump-sum premium**

- defined, Reg. 2700(1)

**Luxembourg, *see also* Foreign government**

- stock exchange recognized, 262

**Luxury Items Tax, 18(1)(t) (Notes)**

- interest paid under, not deductible, 18(1)(t)(iv)

**Luxury vehicle, *see* Luxury Items Tax; Passenger vehicle: luxury****M****M&P, *see* Manufacturing or processing: credit****METC, *see* Medical expenses [tax credit]; Mineral Exploration Tax Credit****MFPP, *see* Member-funded pension plan****MHRTC, *see* Multigenerational Home Renovation Tax Credit****MIB, *see* Majority-interest beneficiary****MIC, *see* Mortgage investment corporation****MIGB, *see* Majority-interest group of beneficiaries****MLI [Multilateral Instrument], *see before* Canada-US Tax Treaty****MNE group, *see* Multinational enterprise group****MP, *see* Member: Parliament****MPP, *see* Maximum participation period; Money purchase provision****MURB, *see* Multiple-unit residential buildings****Machine part, cutting or shaping**

- capital cost allowance, Reg. Sch. II:Cl. 12(j)

**Machinery and equipment**

- capital cost allowance for, Reg. Sch. II:Cl. 8, Sch. II:Cl. 29

**Machinist**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**MacMillan Bloedel case overruled, 39(2) opening words****Magazine advertising**

- limitation, 19.01

**Magdalen Islands**

- prescribed intermediate zone for northern residents' deduction, Reg. 7303.1(2)

**Magnesium, *see* Critical mineral****Mail**

- notice of objection, 165(2)
- presumption re mailing date, 244(14)
- proof of service by, 244(5)
- receipt of things mailed, 248(7)

**Maintenance, *see* Support payments (spousal or child)****Maintenance costs**

- automobile, *see* Automobile: operating costs
- trust property, of, 105(2)

**Majority-interest beneficiary**

- defined, 251.1(3), 251.2(1)

**Majority-interest group of beneficiaries**

- defined, 251.1(3), 251.2(1)

**Majority-interest group of partners**

- defined, 251.1(3), 251.2(1)

**Majority-interest partner**

- acquisition of control of corporation that is, 13(24), 66(11.4)
- capital loss denied on disposition to partnership, 40(3.3), (3.4)
- defined, 248(1)

**Malta, *see also* Foreign government**

- film or video under treaty co-production, Reg. 1106(3)(e)

**Management fee**

- paid to non-resident, 212(1)(a)
- defined, 212(4)
- whether deductible, 67 (Notes)

**Mandatory disclosure**, 237.3, 237.4, 237.5, *see also* Notifiable transaction; Reportable transaction; Uncertain tax treatment

**Manitoba**, *see also* Province

- labour-sponsored venture capital corporation of
  - prescribed, Reg. 6700(a)(iii), (xii)
  - recovery of LSVCC credit, 211.7
- *Mineral Exploration Incentive Program Act*, assistance under, Reg. 6202.1(5)“excluded obligation”(a)(i)
- northern, *see* Northern Canada
- prescribed stock savings plan, Reg. 6705(e)
- Rural Development Bonds, eligible for RRSP investment, Reg. 4900(1)(i.1)
- tax rates, *see* introductory pages

**Manrell case overruled**, 56.4

**Manufacturing or processing**

- assets, capital cost allowance, Reg. Sch. II:Cl. 43
- building used for, additional CCA, Reg. 1100(1)(a.1)
- business
  - deemed capital cost of property acquired for, 13(10)
- credit, 125.1, Reg. Part LII
- defined
  - for Class 29 CCA, Reg. 1104(9)
  - for investment tax credit, 127(11)(a)
  - for M&P credit, 125.1(3)“manufacturing or processing”
  - for manufacturing and processing credit, 125.1(3)“manufacturing or processing”
- property used in, capital cost allowance, Reg. 1102(15), (16), (16.1), Reg. Sch. II:Cl. 29, Sch. II:Cl. 43
- separate class for each property if election made, Reg. 1101(5s)
- tobacco, surtax on, 182, 183

**Marginal notes**

- effect of, *Interpretation Act* s. 14
- relevance to legislation, *Interpretation Act* s. 14

**Marihuana**, *see* Marijuana

**Marijuana**

- medical expense credit, 118.2(2)(u)

**Marina relief (COVID)**, Reg. 8901.1(2)(b)(ix)(A)(III), *see also* Qualifying tourism or hospitality entity

**Marine railway**

- capital cost allowance, Reg. Sch. II:Cl. 7

**Mark-to-market property**, 142.5, *see also* Specified debt obligation

- amalgamation, effect of, 87(2)(e.4), (e.5)
- annual recognition of gain or loss, 142.5(2)
- cost amount of, 248(1)“cost amount”(c.1)
- debt obligation, interest on, 142.5(3)
- deemed disposition of, 142.5(2)
- defined, 142.2(1)
  - for stop-loss rules, 112(6)(c)
  - where election made re derivatives, 10.1(4)(a)
- disposition of
  - adjustment for dividends received, 112(5)–(5.2)
  - deemed
    - annual, 142.5(2)
    - on windup, 88(1)(i)
  - income treatment, 142.5(1)
  - no capital gain, 39(1)(a)(ii.2)
  - no capital loss, 39(1)(b)(ii)
- dividend deduction denied to financial institution, 112(2.01)–(2.03)
- mark-to-market treatment required, 142.5(2)
- rollover not permitted, 85(1.1)(g)(iii)
- stop-loss rules restricted, 112(5.6)
- superficial loss rule not applicable, 142.6(7)
- winding-up, effect of, 88(1)(a.3), (h), (i)

**Mark-to-market treatment**

- eligible derivative, by election, 10.1

- financial institution’s property, 142.5(2)

**Markedly restricted**

- defined, for disability credit, 118.3(1)

**Marketing board**

- patronage dividends where board used, 135(8)

**Markevich case overruled**, 222(3)–(10)

**Marriage**, *see also* Spouse; Common-law partner

- breakdown of, *see* Divorce and separation
- meaning of, *Civil Marriage Act* s. 2
- notice to CRA required for Canada Child Benefit purposes, 122.62(7)(a)
- same-sex, *see* Same-sex marriage

**Married status**

- tax credit, 118(1)B(a)
- limitation, 118(4)

**MasterCard**

- prescribed payment card corporation share, Reg. 9002.1(a)(i), (ii)

**Master trust (or Pooled fund trust)**

- defined, Reg. 4802(1.1)
- excluded from various trust rules, 108(1)“trust”(a)
- exemption from Part I tax, 149(1)(o.4)
- exemption from Part XII.2 tax, 210(2)(c)
- minimum tax not payable by, 127.55(f)(iii)
- rollover to new trust, 248(1)“disposition”(f)(vi)

**Matchable expenditure**

- deemed to be a tax shelter investment, 18.1(13)
- defined, 18.1(1)
- deduction restricted, 18.1(2)–(4)
- film shelters shut down, 18.1(17)
- non-arm’s length disposition, 18.1(8)–(10)
- reinsurance commissions excluded, 18.1(15)
- rules apply only to tax shelters, 18.1(16)

**Matching rule**, 18(9), *see also* Matchable expenditure

**Material interest**

- defined, 149.2(1)

**Material transaction**

- defined, for private foundations, 149.1(1), 149.2(2)

**Maternity leave**

- qualifying period for pension earnings, Reg. 8507(3)

**Matrimonial regime, dissolution of**, 248(22), (23)

**Maturity**

- registered retirement savings plan, of, 146(1)“maturity”

**Maximum benefit rule**

- for registered pension plan, Reg. 8504

**Maximum participation period**

- defined, 146.6(1)
- no deduction after MPP ends, 146.6(1)“annual FHSA limit”(c)(i)
- no deduction before MPP starts, 146.6(1)“FHSA carryforward”(c)

**“May”**

- meaning of, *Interpretation Act* s. 11

**McCool case overruled**, 20(1)(c)(ii)

**McGillivray Restaurant case overruled**, 256(5.11)

**Meads v. Meads case**, 2(1) (Notes)

**Meals**, *see also* Entertainment expenses (and meals)

- employee’s, deduction limited, 8(4)

**Mean Canadian investment fund**

- defined, insurers, Reg. 2412

**Mean Canadian outstanding premiums**

- defined [repealed], Reg. 2400(1)

**Mean Canadian reserve liabilities**

- defined, insurers, Reg. 2400(1)



**Mean maximum tax actuarial reserve**

- defined, insurers, Reg. 2400(1)

**Mean policy loans**

- defined [repealed], Reg. 2400(1)

**Mechanic**, *see* Apprentice: mechanic

**Media**, *see* Journalism

**Medical devices and equipment**

- prescribed, 118.2(2)(m), Reg. 5700

**Medical doctor**, *see also* Physician

- certification for disability credit, 118.3(1)(a.2)
- defined, 118.4(2)
- examination fees to qualify as, tuition credit, 118.5(1)(d)
- fees of, medical expense credit, 118.2(2)(a)
- income of, *see* Professional practice

**Medical expenses**, 64, 118.2

- air conditioner, Reg. 5700(c.3)
- alarm for infant, Reg. 5700(r)
- altered auditory feedback device, Reg. 5700(z.1)
- ambulance, 118.2(2)(f)
- animal trained to assist impaired person, 118.2(2)(l)
- artificial eye, 118.2(2)(i)
- attendant care, 64(a)A(ii)(J), 118.2(2)(b), (b.1), (c)
- artificial limb, 118.2(2)(i)
- balance disorder, pressure pulse therapy device for, Reg. 5700(z.4)
- blind aids, *see* Blind person
- bliss symbol board, 64(a)A(ii)(N), Reg. 5700(x)
- blood sugar measuring device, Reg. 5700(s)
- bone marrow transplant, 118.2(2)(l.1)
- braille note-taker, 64(a)A(ii)(O), Reg. 5700(y)
- captioning services, 64(a)A(ii)(A), 118.2(2)(l.4)
- catheters and catheter trays, 118.2(2)(i.1)
- celiac disease patients, gluten-free food costs, 118.2(2)(r)
- closed-caption TV decoder, Reg. 5700(q)
- colostomy pad, 118.2(2)(i)
- cosmetic purposes, expenses disallowed, 118.2(2.1)
- credit for
  - non-refundable, 118.2
  - refundable, 122.51
- crutches, 118.2(2)(i)
- deaf-blind intervening services, 118.2(2)(l.44)
- deduction for, 64
- deemed, 118.2(3)
- deemed payment of, 118.2(4)
- defined, 118.2(2)
- denture costs, 118.2(2)(p)
- devices and equipment, Reg. 5700
- diapers for incontinence, 118.2(2)(i.1)
- driveway alterations, 118.2(2)(l.6)
- drugs, 118.2(2)(n), (s), Reg. 5701
- elastic support hose, Reg. 5700(u)
- electrotherapy device, Reg. 5700(z.2)
- extremity pump, Reg. 5700(u)
- eyeglasses, 118.2(2)(j)
- fertility treatment, 118.2(2)(a), 118.2(2.2)
- full-time attendant for physically or mentally impaired person, 118.2(2)(b), (c)
- gluten-free food costs, 118.2(2)(r)
- group home care, 118.2(2)(b.2)
- guide dog, 64(a)A(ii)(Y), 118.2(2)(l)
- hardwood flooring disallowed, 118.2(2)(l.2)(i), (ii), 118.2(2)(l.21)(i), (ii)
- Health Canada Special Access Programme, 118.2(2)(s), (t)
- hearing aid, 118.2(2)(i)
- hearing loss, rehabilitative therapy, 118.2(2)(l.3)
- home construction for disabled person, 118.2(2)(l.21)
- home renovations, 118.2(2)(l.2)

- duplicate claim of home accessibility tax credit permitted, 118.041(4)
- hospital bed, Reg. 5700(h)
- hot tub disallowed, 118.2(2)(l.2)(i), (ii), 118.2(2)(l.21)(i), (ii)
- ileostomy pad, 118.2(2)(i)
- *in vitro* treatment, 118.2(2)(a), 118.2(2.2)
- incontinence-related products, 118.2(2)(i.1)
- inductive coupling osteogenesis stimulator, Reg. 5700(v)
- infusion pump, Reg. 5700(s)
- insulin, 118.2(2)(k)
- iron lung, 118.2(2)(i)
- kidney machine, 118.2(2)(i)
- laboratory procedures, 118.2(2)(o)
- laryngeal speaking aid, 118.2(2)(i)
- learning disability, tutoring, 64(a)A(ii)(H), 118.2(2)(l.91)
- limb brace, 118.2(2)(i)
- lip reading training, 118.2(2)(l.3)
- liver extract, injectible, 118.2(2)(k)
- marijuana, 118.2(2)(u)
- medical equipment and devices, 118.2(2)(i), (k)
  - prescribed, 118.2(2)(m)
- medical practitioners etc., references to, 118.4(2)
- mental or physical impairment, 118.2(2)(b)–(e), 118.3
- transfer of unused credit to spouse, 118.8
- modifications to dwelling for physically impaired person, 118.2(2)(l.2)
- moving expenses, 118.2(2)(l.5)
- navigation device for low vision, Reg. 5700(z.5)
- notch provision, 118.2(1)D
- note-taking services, 64(a)A(ii)(F), 118.2(2)(l.41)
- optical scanner, 64(a)A(ii)(D), (Q)
- orthopaedic shoe, etc., Reg. 5700(e)
- oxygen concentrator, 118.2(2)(i)
- oxygen, oxygen tent and oxygen equipment, 118.2(2)(k)
- pacemaker, Reg. 5700(d)
- page turner, Reg. 5700(z), 64(a)A(ii)(P)
- partial dependency, 118.3(3)
- phototherapy equipment, 118.2(2)(i)
- prescribed devices and equipment, 118.2(2)(m), Reg. 5700
- pressure pulse therapy device, Reg. 5700(z.4)
- print reader, 64(a)A(ii)(D), (Q)
- private health services plan premiums, 118.2(2)(q)
  - employee contributions to employee life and health trust, 144.1(10)
- reading services, 118.2(2)(l.43)
- real-time captioning services, 64(a)A(ii)(A), 118.2(2)(l.4)
- refundable credit, additional, 122.51
- rehabilitative therapy for hearing/speech loss, 118.2(2)(l.3)
- reimbursed, 118.2(3)
  - by employer, 118.2(3)(a)
- rocking bed, 118.2(2)(i)
- sign language interpretation services, 64(a)A(ii)(A), 118.2(2)(l.4)
- sign language training, 118.2(2)(l.3)
- Special Access Program devices or drugs, 118.2(2)(s), (t)
- speech loss, rehabilitative therapy, 118.2(2)(l.3)
- speech synthesizer, 64(a)A(ii)(E), Reg. 5700(p)
- spinal brace, 118.2(2)(i)
- standing therapy device, Reg. 5700(z.3)
- syringe, Reg. 5700(b)
- TDD, 64(a)A(ii)(B), Reg. 5700(k)
- talking textbooks, 64(a)A(ii)(I), Reg. 5700(w)
- therapy, 118.2(2)(l.9)
  - for hearing or speech loss, 118.2(2)(l.3)
- training courses to care for infirm dependant, 118.2(2)(l.8)
- transportation services, 118.2(2)(g)
  - where ambulance etc. not available, 118.2(4)
- travelling expenses, 118.2(2)(h)
- truss, hernia, 118.2(2)(i)

## Index

### Medical expenses (*cont'd*)

- tutoring services, 64(a)A(ii)(H), 118.2(2)(l.91)
- van for use with wheelchair, 118.2(2)(l.7)
- vitamin B12, 118.2(2)(k)
- voice recognition software, 64(a)A(ii)(G), 118.2(2)(l.42)
- walker, 118.2(2)(i), Reg. 5700(i)
- wheelchair, 118.2(2)(i)
- wheelchair lift, Reg. 5700(m)
- wig, Reg. 5700(a)

### Medical instruments (small)

- capital cost allowance for, Reg. Sch. II:Cl. 12(e)

### Medical practitioner

- defined, 118.4(2)

### Medical Research Council

- payments to, as R&D expenditures, 37(1)(a)(ii)(B), 37(7)“approved”
- research grants, taxable, 56(1)(o)

### Medicine

- charitable donation from inventory, additional deduction before 2017, 110.1(1)(a.1), (8)

### Melford Developments case overruled, *Income Tax Conventions Interpretation Act* s. 3

### Member

- credit union, defined, 137(6)“member”
- deferred profit sharing plan, defined, Reg. 8300(1)
- Parliament
  - allowance non-taxable, 6(1)(b)(i)(A)
  - election contributions
    - credit, 127(3)
    - records of, 230.1
  - income treated as employment income, 248(1)“office”
  - retirement compensation arrangement of, Reg. 6802.1
  - retiring allowances, 60(j.04)
- partnership, *see* Partner
- pension plan, defined, 147.1(1), Reg. 8300(1)
- pooled pension plan, defined, 147.5(1)

### Member affiliate

- defined
  - for dividend from non-resident corporation, 90(15)“specified amount”B(b)
  - for FAPI partnership deeming rule, 93.1(4)(a)

### Member-funded pension plan, Reg. 8510(9)

### Member of Parliament, *see* Member: Parliament

### Member of the taxpayer's household

- defined, Reg. 7304(1)

### Membership dues

- employee, deduction, 8(1)(i)(i), (iv)–(vi)
- recreational club etc., not deductible, 18(1)(l)(ii)

### Memorial Grant Program for First Responders

- killed in line of duty, tax-free benefit to families, 81(1)(j)

### Memory or organizational aid

- disability supports deduction, 64(a)A(ii)(X)

### Mental or physical health

- counselling related to
  - value not included in employee's income, 6(1)(a)(iv)

### Mental or physical impairment, *see also* Blind person; Hearing impairment; Infirm dependant; Mobility impairment

- attendant care expenses, deduction from income, 64(a)A(ii)(J)
  - residents absent from Canada, 64.1
- certification by health care professional
  - for disability credit, 118.3(1)(a.2)
- credit for, 118.3
  - full-time attendant, 118.2(2)(b), (c)
  - partial dependant, 118.3(3)
  - unused, transfer to spouse, 118.8
- deduction for
  - various medical expenses, 64

- disability supports deduction, 64
- home purchase credit, *see* First-Time Home Buyer's Credit and Disability Home Purchase Credit
- Minister may obtain advice from Dept. of Human Resources Development re, 118.3(4)
- modifications to dwelling, tax credit for, 118.2(2)(l.2)
- nature of, 118.4(1)
- RESP age requirements, waiver, 146.1(2.2)
- RESP enrolment requirements, part-time allowed, 146.1(2)(g.1)(i)(B)
- specified disabled person
  - defined, for Home Buyers' Plan, 146.01(1)
  - loan from RRSP to acquire home for, 146.01(1)“supplemental eligible amount”
- student, 118.6(3)
- “totally and permanently disabled”
  - meaning of, for pension plans, Reg. 8500(1)

### Merchant navy veteran pension, exempt, 81(1)(d)

### Merger, *see also* Amalgamation

- absorptive, of foreign corporations, 87(8.2)
- cross-border, 128.2
- deemed receipt of shares on, 87(1.1)
- foreign, *see* Foreign merger
- triangular, 87(9)

### Metal fabricator (fitter)

- apprenticeship job creation credit, 127(9)“investment tax credit”

### Methods of accounting prohibited, *see* Accounting

### Metric scales, capital cost allowance, Reg. Sch. II:Cl. 12(p)

### Mexico, *see also* Foreign government

- certain bonds of, *see* Brady bond
- escisión, treatment of shareholder, 15(1.5)
- *Mickleborough* case overruled, 66.1(1)“Canadian exploration expense”(k.2) [repealed]
- stock exchange recognized, 262

### Middle East

- Canadian Forces personnel and police serving in, no tax on income, 110(1)(f), Reg. 7500(c)–(f) [repealed]

### Migration, *see* Becoming resident in Canada; Ceasing to be resident in Canada

### Mileage allowances, Reg. 7306

### Millwright

- apprenticeship job creation credit, 127(9)“investment tax credit”

### Mine

- buildings, Reg. Sch. II:Cl. 10(g), Sch. II:Cl. 41
- capital cost allowance, Reg. 1100(1)(w)–(ya.2), 1100A
  - definitions, Reg. 1104(5)–(8)
- defined, Reg. 1104(6)(b), 1104(7)(a), 1206(1), 3900(1)
- depletion allowance, *see* Depletion allowances
- equipment etc., Reg. Sch. II:Cl. 10(k)–10(m), Sch. II:Cl. 41
- exempt income from, Reg. 1100A [Revoked], Part XIX [Revoked]
- exploration and development expenses, 66
- income from a, meaning of, Reg. 1104(5), (6)(a)
- industrial mineral, Reg. 1100(1)(g), Reg. Sch. V
  - separate class, Reg. 1101(4)
- new or expanded
  - separate capital cost allowance classes, Reg. 1101(4a)–(4d)
- property, Reg. Sch. II:Cl. 28, Sch. II:Cl. 41
- shafts etc., Reg. Sch. II:Cl. 12(f)
- townsite costs, *see* Townsite costs

### Mineral

- defined, 248(1)
- for capital cost allowances, Reg. 1104(3)

### Mineral Exploration Tax Credit

- expenditures that qualify, 127(9)“flow-through mining expenditure”

**Mineral Exploration Tax Credit** (*cont'd*)

- investment tax credit of 315%, 127(5)(a)(i), 127(9)“investment tax credit”(a.2)
- • carryforward or carryback, 127(9)“investment tax credit”(c)
- • reduction for assistance received, 127(11.1)(c.2)

**Mineral ore**

- defined, Reg. 3900(1)

**Mineral resource**

- defined, 248(1)

**Mineral rights**

- dealers in, limitation, 66(5)

**Mini-golf relief (COVID)**, Reg. 8901.1(2)(b)(ix)(A)(V), *see also* Qualifying tourism or hospitality entity**Minimum amount**

- defined
- • for minimum tax, 127.51
- • for registered pension plan, Reg. 8506(5), (7)
- • • special rule for 2008, Reg. 8506(7)(b)
- • for RRIF, 146.3(1)“minimum amount”, Reg. 7308(3), (4)
- • • for RRSP rollover for 2015, 60.022(5)(c), (d)
- • • special rule for 2008, 146.3(1.1), (1.2)
- • • special rule for 2020, 146.3(1.4), (1.5)
- requirement to withdraw from RRIF annually, 146.3(1)“retirement income fund”

**Minimum tax**, 127.5–127.55

- additional tax for income not earned in a province, and, 120(4)“tax otherwise payable under this Part”
- additional tax re
- • excluded from instalment estimates for farmers and fishermen, 155(1)(a)
- adjusted taxable income, 127.52
- basic exemption, 127.53
- basic minimum tax credit, 127.531
- carryback re
- • effect on interest payable to taxpayer, 164(5), (5.1)
- • no effect on interest payable, 161(7)
- carryover, 120.2
- • additional tax, determination of, 120.2(3)
- • where not applicable, 120.2(4)
- excluded from “tax payable” etc. under Part I, 117(1)
- foreign tax credit, 127.54
- partnership investing in residential property or Canadian film, 127.52(2)
- Quebec abatement and, 120(4)“tax otherwise payable under this Part”
- where not applicable, 127.55

**Mining**

- defined, Reg. 1104(3)
- exemption from non-resident withholding tax on dividends, 213

**Mining expenditure**

- flow-through, *see* Critical Mineral Exploration Tax Credit; Mineral Exploration Tax Credit

**Mining exploration depletion base**

- defined, Reg. 1203(2)
- expenses added to
- • amounts receivable, portion included in income, 59(3.3)(f)

**Mining exploration expenses, “grass-roots”**

- expenses in first 60 days of year, 66.1(8)
- partnership deemed not at arm’s length, 66(17)

**Mining operations**

- defined, for mining tax deduction, Reg. 3900(1)

**Mining property**, *see also* Canadian resource property

- capital cost allowance, Reg. Sch. II:Cl. 28, Sch. II:Cl. 41
- defined, 35(2)
- excluded from flow-through share renunciation, 66(12.62)(b.1)
- prospector’s exemption, 35

**Mining reclamation trust [repealed]**, *see* Qualifying environmental trust**Mining taxes**

- credit, *see* Pre-production mining expenditure
- deduction, 20(1)(v), Reg. 3900

**Minister of Canadian Heritage**, *see also* Canadian Heritage, Department of

- certification of accredited film/video production, 125.5(1)“accredited film or video production certificate”
- • revocation of certificate, 125.5(6)
- certification of Canadian film/video production, 125.4(1)“Canadian film or video production certificate”
- • revocation of certificate, 125.4(6)

**Minister of Finance**

- appointed, *Financial Administration Act* s. 14

**Minister of National Revenue**, *see also* Canada Revenue Agency

- advice from Dept. of Human Resources Development re mental or physical impairment, 118.3(4)
- arbitrary assessment by, 152(7)
- authority re determination of charitable foundation’s “prescribed amount”, 149.1(1.2)
- authorized to accept security for payment of tax etc., 220(4)–(4.4)
- burden of proof in assessing penalty, 163(3)
- certificate of exemption, 212(1)(b)(iv), (14)
- certificate re proposed disposition of property by non-resident, 116(2)
- chief source of income, determination re, 31
- consent to change of fiscal period, 249.1(7)
- consent to sale of property bound by Court-registered certificate re amount payable, 223(9), (10)
- defined, 248(1)
- delegation of powers and duties, 220(2.01), Reg. Part IX; *Interpretation Act* s. 24(2)
- determination of amounts under s. 245, 152(1.11), (1.12)
- • binding effect, 152(1.3)
- determination of excessive refund, 160.1(1)
- determination of losses by, 152(1.1), (1.2)
- • binding effect, 152(1.3)
- direction re collection, 225.2
- discretion re transfer pricing adjustments, 247(10)
- duties of
- • administration and enforcement of Act, 220(1)
- • disposition of appeal, on, 164(4.1)
- • refunds, 164(4.1)
- • when objection filed, 165(3)
- inquiry authorized by, 231.4(1)
- investigatory powers re tax shelters, 237.1(8)
- not bound by return, 152(7)
- notice of, to provide information, 231.2
- permission to destroy records, 230(4), (8)
- powers
- • acquire and dispose of debtor’s tax property, to, 224.2
- • extension of filing date, 220(3)
- • seize moneys restorable to tax debtor, to, 224.3
- RPP, authority to impose conditions re, 147.1(5)
- required to assess tax, 152(1)
- restrictions on collection, 225.1
- • collection in jeopardy, 225.2
- revocation of registration of charity, 168
- tax shelter identification number, issuance of, 237.1(3)
- waiver of penalty or interest, 220(3.1)
- waiver of requirement to file form or document, 220(2.1)

**Minister (of religion)**, *see* Clergy**Minister of the Environment**

- certification of ecologically sensitive land, *see* Ecological gifts
- permission to dispose of ecologically sensitive land, 207.31

## Index

### **Minor**, *see also* Age; Child

- amount payable by trust to, 104(18)
- transfers and loans to, 74.1(2)
- • corporation, through, 74.5(6)–(11)
- • deemed, 74.5(6)–(11)
- • for value, 74.5(1), (2)
- • joint liability for tax on, 160(1)–(3)
- • repayment of, 74.1(3)
- • trust, through, 74.3, 74.5(9), (10)
- trust for, 104(18)

### **Minor term annuity**

- rollover to RRSP, 60.011(2)(b)

### **Misclassified property**, 13(6)

### **Misrepresentation**

- justification for late reassessment, 152(4)(a)(i), 152(5)
- of other person's tax affairs, penalty, 163.2
- of own tax affairs, penalty, 163(2)

### **Mission, operational**, *see* Deployed operational mission

### **Mobile crane operator**

- apprenticeship job creation credit, 127(9)“investment tax credit”

### **Mobility impairment**, *see also* Disability; Impairment

- building modifications for, deductible, 20(1)(qq)
- device to permit person with, to drive vehicle
- • medical expense, Reg. 5700(m)
- driveway alterations for person with, 118.2(2)(l.6)
- moving expenses for person with, 118.2(2)(l.5)
- transportation and parking for person with, not taxable benefit, 6(16)

### **Modern Times/Nordic Entertainment spinoff**, Reg. 5600(1)

### **Modifications (to building)**

- disability-related, deductible, 20(1)(qq)
- dwelling, for disabled person, medical expense credit, 118.2(2)(l.2)

### **Modified GAAP**, *see* Generally accepted accounting principles

### **Modified net premium (re insurance policy)**

- defined, Reg. 1408(1), (3)

### **Mohel**

- payment to, medical expense credit, 118.2(2)(a)

### **Mold, capital cost allowance**, Reg. Sch. II:Cl. 12(d)

### **Moldowan case reinstated**, 31(1)

### **Mole, capital cost allowance**, Reg. Sch. II:Cl. 1(f), Sch. II:Cl. 3

### **Monetary contribution**

- for political contribution credit
- • credit for, 127(3)
- • defined, 127(4.1), *Canada Elections Act* s. 2(1)

### **Money**

- borrowed, *see* Borrowed money
- business of lending, *see* Moneylender
- included in definition of property, 248(1)“property”

### **Money market fund**

- ineligible for December 15 year-end election, Reg. 4801.01

### **Money purchase limit**

- defined, 147.1(1), 248(1)
- limits pension contributions, 147.1(8), (9)
- limits RRSP contribution, 146(1)“RRSP dollar limit”

### **Money purchase provision**, *see* Registered pension plan: money purchase provision

### **Money services business**

- defined, for electronic funds transfer reporting, 244.1

### **Moneylender**, *see also* Financial institution

- bad debts
- • deduction for, 20(1)(p)(ii)
- • inclusion in income, 12.4
- disposition of Canadian securities, 39(5)(f)
- guarantees etc.

- • acquired from, in amalgamation, 87(2)(h)(iii)
- • reserve for, 20(1)(l.1)
- loan/lending asset
- • acquired from, in amalgamation, 87(2)(h)(ii)
- • reduction in value of
- • • limitation on deduction, 18(1)(s)
- loans etc. acquired in ordinary course of business, 20(27)
- reserve for doubtful debts, 20(1)(l)
- security used or held by
- • “eligible property” for transfer to corporation by shareholder, 85(1.1)(g)
- superficial loss not deductible, 18(13), (15)

### **Monitor**

- crib death, medical expense, Reg. 5700(r)

### **Monk**

- income of, not taxed, 110(2)

### **Month**

- defined, *Interpretation Act* s. 35(1)

### **Monthly withholding amount**

- defined, for new employers remitting quarterly, Reg. 108(1.21)

### **Montreal**

- international banking centre until 2013, 33.1(3)
- stock exchange, designated, 262 (Notes), *see also* Bourse de Montréal Inc.

### **Morasse case overruled re shareholder benefit**, 15(1)(a)

### **More than five full-time employees**, *see* Six employees test

### **Morgan Stanley Capital Investment Index units**

- qualified investments for deferred income plans, Reg. 4900(1)(n.1)

### **Morrissey case overruled**, 122.6“shared-custody parent”(b)

### **Mortality gain**

- defined, Reg. 308(2)

### **Mortality loss**

- defined, Reg. 308(2)

### **Mortgage**, *see also* Debt

- expropriation assets acquired for sale of foreign property, 80.1
- foreclosure, 79
- interest
- • blended with principal in payments, 16(1), 214(2)
- • deduction for, 20(1)(c), *see also* Work space in home
- investment corporation, *see* Mortgage investment corporation
- not a disposition, 248(1)“disposition”(j), (k)
- RRSP investment, Reg. 4900(1)(j)–(j.2)
- sale of, included in proceeds of disposition, 20(5), (5.1)
- subsidy by employer, taxable benefit, 6(23)

### **Mortgage-backed securities**

- eligible for investment by RRSP, etc., Reg. 4900(1)(j)–(j.2)

### **Mortgage insurance**

- defined, for insurers' policy reserves, Reg. 1408(1)

### **Mortgage Insurance Corporation of Canada**

- payments to guarantee fund deductible, Reg. 1400(3)G

### **Mortgage investment corporation**, 130.1

- deemed public corporation, 130.1(5)
- defined, 130.1(6), 248(1)
- election re capital gains dividend, 130.1(4), Reg. 2104.1
- • where not made, 130.1(4.1)
- non-qualifying taxed capital gains, 130.1(9)
- not subject to mark-to market rules, 142.2(1)“financial institution”(c)(ii)
- qualifying taxed capital gains, 130.1(9)
- shareholders, how counted, 130.1(7)

### **Mortgage subsidy**

- taxable benefit, 6(23)

### **Motion picture film**

- Canadian film or video production credit, 125.4
- capital cost allowance, Reg. Sch. II:Cl. 10(s), Sch. II:Cl. 12(m)



**Motion picture film** (*cont'd*)

- certified production, *see* Certified production
- film or video production services credit, 125.5
- in-flight movies not treated as entertainment, 67.1(4)(a)
- partnership investing in
  - capital cost allowance limitation, 127.52(2)
- payment to non-resident for use of, 212(5)
- revenue guarantee, exemption from at-risk rules, 96(2.2)(d)(ii) [repealed]
- shelters prohibited, 18.1(17)

**Motor vehicle**

- accident claims, payments exempt, 81(1)(q), Reg. 6501
- capital cost allowance
  - of employee, 8(1)(j), Reg. 1100(6)
  - of person carrying on business, 20(1)(a), Reg. 1100(1)(a)(x)
- defined, 248(1)
- device to enable disabled person to drive, Reg. 5700(h)
- employee's allowance for use of
  - not income, 6(1)(b)(vii.1)
  - where deemed not reasonable, 6(1)(b)(x), (xi)
- employment by U.S. resident on, Canada-U.S. Tax Treaty:Art. XV:3
- expenses
  - limitations on, *see* Passenger vehicle
  - of employee, when deductible, 8(1)(f), (h.1)
- loan to shareholder/employee to purchase, 15(2.4)(d)
- recapture of excess CCA, 13(2)
- terminal loss rules not applicable, 20(16.1)

**Motor vehicle body repairer (metal and paint)**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Motor vehicle warranty**, *see* Extended motor vehicle warranty**Motorcycle mechanic**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Moufarrège case overruled**, 20.1**Mould**

- capital cost allowance, Reg. Sch. II:Cl. 12(d)

**Movable property**

- defined
  - *Quebec Civil Code*, art. 900–907

**Movie**, *see* Motion picture film**Movie theatres relief (COVID)**, Reg. 8901.1(2)(b)(xiv), *see also* Qualifying tourism or hospitality entity**Moving expenses**, *see also* Relocation

- certain students, 62(2)
- deduction for, 62(1)
  - residents absent from Canada, 64.1
- defined, 62(3)
- medical expense credit, 118.2(2)(l.5)
- moving to United States, Canada-U.S. Tax Treaty:Art. XIII:6
- “new work location”, 62(1)
- residents absent from Canada
  - deduction, 64.1

**Multi-employer plan (RPP)**

- anti-avoidance, 147.1(14)
- defined, 147.1(1), Reg. 8500(1)
- pension adjustment limits, 147.1(9)
- registration requirements, Reg. 8510(7)
- special rules, Reg. 8510(5)
- when revocable, 147.1(9)

**Multigenerational Home Renovation Tax Credit**, 122.92**Multilateral Instrument**, *see before* Canada-US Tax Treaty**Multinational enterprise group**

- defined, for country-by-country reporting, 233.8(1)
- defined, for transfer pricing rules, 247(1)

**Multi-tier alignment**

- defined (for corporate inclusion of partnership income), 34.2(1)
- election, 249.1(9)
- no stub-period accrual for earlier years, 34.2(9)

**Multi-tier alignment election**

- for partnership, 249.1(9)

**Multiple counting of deductions or credits**, 248(28)**Multiple mine property**

- capital cost allowance, Reg. 1100(1)(ya.2)
- separate prescribed class, Reg. 1101(4h)

**Multiple-unit residential buildings**

- capital cost allowance, Reg. Sch. II
- separate classes, Reg. 1101(5b)

**Municipal body performing function of government**, *see* Public body: performing function of government**Municipal waste**

- defined, Reg. 1104(13)
- included in eligible waste fuel, Reg. 1104(13)“eligible waste fuel”
- used as fuel, Reg. Sch. II:Cl. 43(e)(i)(A), Sch. II:Cl. 43.1(d)(ix)

**Municipality**, *see also* Government

- assistance by, *see* Assistance/government assistance
- bonds of
  - constitute qualified securities for securities lending arrangement rules, 260(1)“qualified security”(c)
  - no non-resident withholding tax, 212(1)(b)(ii)(C)(III)
- corporation controlled by, excluded from refundable ITC, 127.1(2)“excluded corporation”(a)(ii)
- corporation owned by
  - bonds of, no non-resident withholding tax, 212(1)(b)(ii)(C)(IV)
  - deemed not private corporation for Part IV tax, 227(16)
  - election to remain taxable, 149(1.11)
  - exempt from tax, 149(1)(d.5)
  - donation to, 149.1(1)“qualified donee”(a)(ii)
  - by corporation, deduction, 110.1(1)(a)
  - by individual, tax credit, 118.1(1)“total charitable gifts”
- elected officer or school board trustee, expense allowance exempt, 81(3) [before 2019]
- exempt from tax, 149(1)(c)
- gifts to, *see* donation to (above)
- officials, bribery of, no deduction, 67.5
- property taxes
  - farmland
    - addition to adjusted cost base, 53(1)(i)(iii)(A)
    - deduction by partner where partnership disposes of land, 101(c)(i)
    - limitation on deduction, 18(2)(b)
  - representation to, expenses deductible, 20(1)(cc)
  - support payments for farmers by, information slips, Reg. 234–236
- townsites costs, *see* Townsite costs
- volunteer emergency worker
  - exemption for, 81(4)
- welfare, *see* Social assistance payment

**Museums relief (COVID)**, Reg. 8901.1(2)(b)(v), *see also* Qualifying tourism or hospitality entity**Musical instrument**

- capital cost allowance, Reg. Sch. II:Cl. 8(i)
- costs, to employee, 8(1)(p)

**Musical work, copyright royalties**

- no withholding tax, 212(1)(d)(vi), 212(9)(b)

**Musician**

- deduction from employment income, 8(1)(p), (q)
- U.S. resident, Canada-U.S. Tax Treaty:Art. XVI

**Mute person**

- speech synthesizer

## Index

### Mute person (*cont'd*)

- disability supports deduction, 64(a)A(ii)(E)
- medical expense credit, Reg. 5700(p)

### Mutual agreement procedure, Canada-U.S. Tax Treaty:Art. XXVI

### Mutual corporation

- provincial life insurance corporation converted into, 139

### Mutual fund, *see also* Mutual fund corporation; Mutual fund trust

- defined, for non-resident trust rules, 94(1)

### Mutual fund corporation, 131

- amalgamation, 87(2)(bb)
- capital gains dividends, election, 131(1)–(1.4), Reg. 2104
- interest on, 131(3.1), (3.2)
- capital gains on Canadian securities, 39(5)
- capital gains redemptions, defined, 131(6)
- deemed private corporation, 131(5)
- defined, 131(8), (8.1), 248(1)
- distributions to non-residents, tax on, 218.3
- dividend refund to, 131(5)
- election not to be restricted financial institution, 131(10)
- exempt from stock buyback tax, 183.3(1)“covered entity”(b)(i)
- increase in paid-up capital not deemed dividend, 131(4)
- information return where share claimed to be qualified investment, Reg. 221
- non-residents, distributions to, tax on, 218.3
- non-residents, for benefit of, 131(8.1)
- not subject to mark-to-market rules, 142.2(1)“financial institution”(c)(iii)
- payment of tax, 157(3)
- qualified investment for RRSP, RRIF, etc.
  - bond or debenture of trust, Reg. 4900(1)(c.1)
  - unit of trust, Reg. 4900(1)(c)
- refund to, re capital gains dividend, 131(2), (3)
- refundable capital gains tax on hand, 131(6)
  - reduction of, 131(9)
- rollover of property to mutual fund trust, 132.2
- shares of
  - transferred in exchange for units of mutual fund trust, 132.2(3)(l)
- switch fund
  - conversion to mutual fund trusts tax-free, 132.2(1)“qualifying exchange”
  - no rollover of shares allowed, 131(4.1)
- taxable Canadian property, gains distributed to non-residents, 131(5.1), (5.2)
- taxed capital gains, 131(7)
- transitional election to be MFC for 2016–17, 131(8.01)

### Mutual fund limited partnership

- financing, restrictions on, 18.1

### Mutual fund trust, 132

- allocation to redeemers, 132(5.3)
- amounts designated by, 132.1
  - adjusted cost base of unit, 132.1(2)
  - deduction for, 132.1(1)(c)
    - carryover, 132.1(4)
    - limitation, 132.1(3)
  - inclusion in taxpayer’s income, 132.1(1)(d)
  - where designation of no effect, 132.1(5)
- capital gains on Canadian securities, 39(5)
- capital gains redemptions, defined, 132(4)
- capital gains refund to, 132(1), (2)
  - interest on, 132(2.1), (2.2)
- defined, 132(6)–(7), 248(1)
  - election to be from beginning of first taxation year, 132(6.1)
  - following rollover of assets in qualifying exchange, 132.2(3)(k)
  - retention of status to end of calendar year, 132(6.2)

- distributions to non-residents, tax on, 218.3
- election for December 15 year-end, 132.11
- allocation or designation of amount to be included in income, 132.11(6)
  - late filing of allocation or designation, 220(3.21)(b)
- exemption from Part XII.2 tax, 210(2)(c)
- information return, Reg. 204, 204.1
- that trust is qualified investment, Reg. 221
- instalment payments of tax, 156(2)
- interest received by, on behalf of non-residents, exemption, 212(9)(c)
- minimum tax not payable by, 127.55(f)(ii)
- non-residents, distributions to, tax on, 218.3
- non-residents, for benefit of, 132(7)
- not subject to mark-to market rules, 142.2(1)“financial institution”(d)
- obligation guaranteed by, qualified investment for deferred income plan, Reg. 4900(1)(i)
- qualified investment for RRSP, RRIF, etc.
  - bond or debenture of trust, Reg. 4900(1)(d.1)
  - unit of trust, Reg. 4900(1)(d)
- real estate investment trust as, 132(6)(b)(ii)
- redemptions, allocation to redeemers, 132(5.3)
- refundable capital gains tax on hand
  - defined, 132(4)
- rollover of property to another mutual fund trust, 132.2
- SIFT conversion to corporation
  - exchange of employee stock options, 7(1.4)(b)(vi)
- taxable Canadian property, gains distributed to non-residents, 132(5.1), (5.2)
- taxable capital gains
- taxation year, election for December 15, 132.11
- taxed capital gains, 132(5)
- transfer of property from mutual fund corporation or trust, 132.2
  - unit of
    - adjusted cost base of, 53(1)(d.2)
    - “Canadian security”, 39(6)
    - deemed to be a share for rollover purposes, 132.2(1)“share”
    - employee option to acquire, 7(1), 110(1)(d)
    - transferred in course of qualifying exchange, 132.2(3)(a.1), (f)
- whether subject to stock buyback tax, 183.3(1)“covered entity”(b)(ii), 183.3(2)
- year-end, election for December 15, 132.11

### Mutual holding corporation

- deemed dividend on distribution by, 139.2
- defined, for insurance demutualization, 139.1(1)

### Mutual insurance corporations

- exemption for, 149(1)(m)

### Mutual life insurance corporation

- provincial corporation converted into, 139

### Mutualization proposal (for insurer), 139

## N

### NDDA, *see* Non-deductible distributions amount

### NERD TOH, *see* Non-eligible refundable dividend tax on hand

### NFE

- defined, for Common Reporting Standard, 270(1)“non-financial entity”

### NFFE

- defined, for certain purposes (re FATCA), 265(4)(b)

### NFVA, *see* Net fair value amount

### NISA, *see* Net income stabilization account

### NISA Fund No. 2, *see also* Net income stabilization account

- amount credited to, not taxed, 12(10.3)
- deemed paid on acquisition of control of corporation, 12(10.4)
- deemed paid on death, 70(5.4)

NISA Fund No. 2 (*cont'd*)

- defined, 248(1)
- disposition of, 73(5)
- paid to non-resident, withholding tax, 212(1)(t), 214(3)(l)
- information return required, Reg. 202(2.1)
- receipt from, included in income, 12(10.2)
- constitutes active business income, 125(7)“income of the corporation for the year from an active business”
- information return required, Reg. 201(1)(e)
- right to benefit, no tax on emigration, 128.1(10)“excluded right or interest”(i)
- rollover to corporation, 85(1)(c.1), 85(1.1)(i)
- transfer to spouse or spouse trust, 70(6.1), 73(5)(a), 104(5.1), (14.1)

**NPP**, *see* Non-portfolio properties

**NQS**, *see* Non-qualifying security

**NR4 returns**, Reg. 202

**NR4 slips**, Reg. 202

**NRO**, *see* Non-resident-owned investment corporation (before 2004)

**NRT**, *see* Trust (or estate): non-resident

**NSERC**, *see* Natural Sciences and Engineering Research Council

**NSF cheque**, *see* Cheque: dishonoured

**NSULC**, *see* Nova Scotia: unlimited liability company

**NWA**, *see* Net worth assessment

**Nanini case overruled**, 160(1)(e)(ii)

**Narrow participation retirement fund**

- defined, for Common Reporting Standard, 270(1)

**Nasdaq over-the-counter stocks**

- qualified for deferred income plans before 2002, Reg. 4900(1)(s) [repealed]

**National**

- defined, Canada-U.S. Tax Treaty:Art. III:1(k)

**National arts service organization**, *see* Registered national arts service organization

**National Child Benefit supplement**, 122.61(1)C

**National Defence**, *see* Canadian Forces and veterans

**National Film Board**

- prescribed person for Canadian film/video tax credit, Reg. 1106(10)

**National Life case overruled**, 138(26), Reg. 1406(b)

**National Revenue, Department of**, *see* Minister of National Revenue; Canada Revenue Agency

**Natural gas**, *see* Petroleum/natural gas

**Natural person**

- defined, for Common Reporting Standard, 270(1)
- tax-protestor arguments, 248(1)“person” (Notes)

**Natural Sciences and Engineering Research Council**

- payments to, as R&D expenditures, 37(1)(a)(ii), 37(7)“approved”
- research grants, taxable, 56(1)(o)

**Nature Conservancy**

- prescribed donee, Reg. 3504(b)

**Nature parks relief (COVID)**, Reg. 8901.1(2)(b)(v), *see also* Qualifying tourism or hospitality entity

**Nav Canada**

- debt of, qualified investment for deferred income plans, Reg. 4900(1)(q)

**Navigation device for low vision**

- disability supports deduction, 64(a)A(ii)(W)
- medical expense credit, Reg. 5700(z.5)

**Nazi Germany**

- compensation to victims of, 81(1)(g)

**Needle/syringe**

- medical expense, Reg. 5700(b)

**Negative amounts**

- adjusted cost base, deemed gain, 40(3), (3.1)
- capital cost allowance pool, recapture, 13(1)
- in formulas, deemed nil, 257
- investment tax credit balance, recapture, 127(27)–(36)
- taxable income cannot be less than nil, 248(1)“taxable income”
- undepreciated capital cost, recapture, 13(1)

**Negative policy reserves**

- of insurer, 12(1)(e.1), 20(22), Reg. 1400(2)

**Neglect**

- grounds for reassessment at any time, 152(4)(a)(i)

**Negligence**, *see* Gross negligence; Neglect

**Nephew**, *see* Niece/nephew

**Net asset value**

- defined, for mutual fund rules re allocation to redeemers, 132(4)

**Net capital loss**

- amalgamation, on, 87(2.1)
- carryover of, 111(1)(b)
- limitation, 111(1.1)
- death, on, 111(2)
- defined, 111(8), (9), 248(1)
- determination of, by Minister, 152(1.1), (1.2), (1.3)
- limitation on deductibility, 111(3)
- non-deductible where control of corporation changed, 111(4)
- partnership, from, 96(1)
- reassessment, 152(6)(c)
- reduction of, on debt forgiveness, 80(4)(b)
- subsidiary's, on winding-up, 88(1.2)

**Net corporate income tax rate**

- defined, 248(1)

**Net cost (of labour-sponsored funds share)**

- defined, 127.4(1), 211.7(1)

**Net cost of pure insurance**

- defined, Reg. 308
- premium deductible where used as collateral, 20(1)(e.2)

**Net decrease in the excess corporate holdings percentage**

- for private foundation rules
- allocation of, 149.2(7)
- defined, 149.2(4)

**Net distribution amount**

- defined, for foreign affiliate liquidation and dissolution, 88(3.2)

**Net earnings (of foreign affiliate)**

- defined, Reg. 5907(1)
- exempt due to tax sparing, Reg. 5907(10)
- included in exempt earnings, Reg. 5907(1)“exempt earnings”(d)(i)
- included in taxable earnings, Reg. 5907(1)“taxable earnings”(b)

**Net fair value amount**

- defined, for alternative interest-deduction restrictions, 18.21(1)

**Net family income**, *see* Adjusted income

**Net forgiveness amount**

- reserve for, 61.3(1)(a), 61.3(2)(a)

**Net income (on income tax return)**

- defined, 3

**Net income stabilization account**, *see also* NISA Fund No. 2

- administration fee, deductible, 20(1)(ff)
- death of taxpayer, on, 70(5.4), 70(6.1)
- defined, 248(1)
- fair market value of, for certain capital gains exemption rules, 110.6(1.1)
- money borrowed to contribute to, no deduction for interest, 18(11)(f)
- no accrual of interest income, 12(3), 12(11)“investment contract”(j)
- transfer to spouse or spouse trust, 70(6.1)

**Net increase in the excess corporate holdings percentage**

- for private foundation rules
- allocation of, 149.2(5)
- defined, 149.2(3)

**Net interest rate**

- defined, 211(1)

**Net loss (of foreign affiliate)**

- defined, Reg. 5907(1)

**Net past service pension adjustment (net PSPA)**

- defined, 146(1), 204.2(1.3)

**Net premium for the policy**

- defined, re policy reserves [repealed], Reg. 1408(1)

**Net premium reserve**

- re life insurance policy, defined, Reg. 1401(3)

**Net RRSP-to-FHSA transfer amount**

- applied, 146.6(1)“annual FHSA limit”(b)E, 146.6(5)(b)(ii)
- defined, 146.6(1)

**Net resource adjustment**

- defined, Reg. 5203(3.1)
- reduces adjusted business income for M&P credit, Reg. 5203(1)“adjusted business income”(b)

**Net resource income**

- defined, Reg. 5203(3)

**Net surplus (of foreign affiliate)**

- defined, Reg. 5907(1)

**Net taxable capital gains**

- defined, 104(21.3)

**Net tax owing**

- defined (for instalments), 156.1(1)

**Net worth assessment, 152(7)****Netherlands, see also Foreign government**

- stock exchange recognized, 262
- universities, gifts to, Reg. Sch. VIII, s. 20

**Network equipment, see Data network infrastructure equipment****Neuman case overruled, 120.4****New account**

- defined, for Common Reporting Standard, 270(1)

**New Brunswick, see also Province**

- Community Development bonds, eligible for RRSP investment, Reg. 4900(1)(i.1)
- tax rates, *see* introductory pages

**New corporation, see Amalgamation; Corporation****New employer**

- defined, for quarterly remittances, Reg. 108(1.4)

**New entity account**

- defined, for Common Reporting Standard, 270(1)

**New gain**

- defined, for foreign currency debt after change of control, 40(10), (11)

**New individual account**

- defined, for Common Reporting Standard, 270(1)

**New law (post-1971)**

- defined, ITAR 12
- references to, ITAR 13, 16

**New loss**

- defined, for foreign currency debt after change of control, 40(10), (11)

**New purpose-built residential rental**

- defined, Reg. 1104(2)
- separate class prescribed, Reg. 1101(1ac.1)
- 10% capital cost allowance, Reg. 1100(1)(a)(i) [4%], 1100(1)(a.4) [6%]

**New share**

- defined, Reg. 6202.1(5)

**New Zealand, see also Foreign government**

- currency loan, *see* Weak currency debt
- stock exchange recognized, 262
- trust resident in, exclusion from foreign property reporting, 233.3(1)“specified foreign property”(n)
- universities, gifts to, Reg. Sch. VIII, s. 22

**Newfoundland and Labrador, see also Province**

- Canada–Newfoundland Atlantic Accord, communication of information for, 241(4)(d)(vi)
- cod fishermen compensation, *see* Northern Cod Compensation and Adjustment Program
- corporation incorporated in, before 1949
- deemed incorporated in Canada, 248(1)“corporation incorporated in Canada”
- labour-sponsored venture capital corporation of
- prescribed, Reg. 6700(a)(iii), (xii)
- offshore area
- defined, 248(1)
- included in “province”, 124(4)
- prescribed area, for electrical energy or steam processing, 127(9)“qualified property”(c.1)
- prescribed designated region, 127(9)“specified percentage”(a)(vi), Reg. 4607
- prescribed stock savings plan, Reg. 6705(d)
- qualified property acquired for use in, 127(9)“specified percentage”(a), (e)
- tax rates, *see* introductory pages

**News online subscription credit, 118.02****News show**

- ineligible for Canadian film/video credit, Reg. 1106(1)“excluded production”(b)(i)
- ineligible for film/video production services credit, Reg. 9300(2)(a)

**Newspaper, see Journalism****Newspaper advertising, limitation, 19****Next of kin travel benefit**

- paid to Canadian Forces member or veteran, exempt, 81(1)(d.1)(vii)(I)

**Nickel, see Critical mineral****Niece/nephew**

- defined, 252(2)(g)
- dependent, 118(6)(b)
- property transferred to, income attribution re, 74.1(2)

**Nil, minimum amount for formula calculations, 257****Nil income**

- equivalent to zero income, 3(f)

**Nightclubs relief (COVID), Reg. 8901.1(2)(b)(ii), see also Qualifying tourism or hospitality entity****Nobel Prize, non-taxable, Reg. 7700****Nominee, see also Bare trust**

- defined, 127(3), *Senate Appointment Consultations Act*, s. 2(1)

**Non-arm's length creditor**

- defined, 212(21)(a)

**Non-arm's length indicator**

- application to foreign trust, 233.2(2)

**Non-arm's length person**

- defined, for synthetic equity arrangements, 248(1)“synthetic equity arrangement”(a)(i)
- excessive payment where property surrendered to creditor, 79(3)E(a)
- interest on debt relating to acquisition of land, 18(3)“interest on debt relating to the acquisition of land”(b)
- loans to, 56(4.1)–(4.3)
- meaning of, *see* Arm's length: meaning of
- non-resident, transactions with
- extended reassessment period, 152(4)(b)(iii)
- information return, 233.1
- soft costs relating to construction, 18(3.1)(b), 18(3.2)(b)



**Non-arm's length person** (*cont'd*)

- transfer of property to or from, 69(1)

**Non-arm's length transactions**

- agreement to pay low rent for property
- effect on disposition of property, 69(1.2)
- amalgamated corporations, 251(3.1)
- corporation having, with non-resident persons
  - extended reassessment period, 152(4)(b)(iii)
  - information return, 233.1
- depreciable property acquired through, 13(7)(e)
  - corporations controlled by one trustee, 13(7.3)
- disposition at less than fair market value, 69(1)(b)
- inadequate considerations, 69
- income or gain from property transferred
  - transferor and transferee liable for tax, 160
- lease of depreciable property, 13(32)
- life insurance policy, disposition, 148(7), (8)
- non-resident, unreasonable consideration paid to, 247
- presumption, 251(1)(a)
- property disposed of in, ITAR 26(5)
- purchases at more than fair market value, 69(1)(a)
- rights or things transferred to beneficiary
  - deemed cost, 69(1.1)
- sale of shares, 84.1
  - non-resident, by, 212.1
- share for share exchange, 85.1(2)(a)
- transfer of property by tax debtor, 160
- transfer of right to income, 56(4)
- unpaid amounts, 78(1), (2)

**Non-business income tax (foreign)**

- deduction for, 126(1)
- defined, 126(7)
  - for trust, 104(22.4)

**Non-cancellable or guaranteed renewable accident and sickness policy**

- defined, Reg. 1408(1)

**Non-capital loss**

- amalgamation, on, 87(2.1), (2.11)
- carryover of, 111(1)(a)
  - corporation, by, 111(5)–(5.4)
  - winding-up of subsidiary, on, 111(5.4)
- defined, 111(8), (9), 248(1)
- determination of, by Minister, 152(1.1), (1.2), (1.3)
- employee life and health trust's, 111(7.3)–(7.5), 144.1(13)
- limitation on deductibility, 111(3)
- partnership, from, 96(1)
- reassessment, 152(6)(c)
- reduction of, on debt forgiveness, 80(3)(a), 80(4)(a)
- subsidiary's, on winding-up, 88(1.1)

**Non-CCPC**

- defined, 89(1)“low rate income pool”
- predecessor, 89(5)(b)

**Non-CTM use**

- conversion to, repayment of CTM ITC, 127.49(11)–(18)
- defined, for clean technology manufacturing ITC, 127.49(1)

**Non-clean technology use**

- defined, for clean technology investment tax credit, 127.45(1)

**Non-competition agreement**, *see* Restrictive covenant (or non-competition payment)**Non-compliance, notice of**, *see* Notice of non-compliance**Non-compliant amount**

- defined, for AirBNB rentals, 67.7(1)

**Non-compliant registered disability savings plan**

- effect of, 146.4(10)
- meaning of, 146.4(11), (12)

**Non-compliant short-term rental**

- defined, for AirBNB rentals, 67.7(1)

**Non-conventional lands, defined**, Reg. 1206(1)**Non-Crown royalty**

- defined, for mining tax deduction, Reg. 3900(1)

**Non-deductible distributions amount**

- defined, 104(16), 122(3)

**Non-discretionary trust**

- defined, 17(15)

**Non-discrimination**, Canada-U.S. Tax Treaty:Art. XXV**Non-eligible refundable dividend tax on hand**

- defined, 129(4)
  - transitional determination for 2019, 129(5)
    - on amalgamation, 129(5.1)
- refund of, 129(1)(a)(ii)(A)(II)

**Non-financial entity**

- defined, for Common Reporting Standard, 270(1)

**Non-government assistance**

- defined
  - for carbon-capture (CCUS) credit, 127(9), 127.44(1)
  - for clean electricity tax credit, 127(9), 127.491(1)
  - for clean hydrogen tax credit, 127(9), 127.48(1)
  - for clean technology investment tax credit, 127(9), 127.45(1)
  - for clean technology manufacturing ITC, 127.49(1)
  - for investment tax credits, 127(9)
- expired
  - increases investment tax credit, 127(10.8)
- reduces investment tax credit, 127(11.1), (18), (19)
- reduces SR&ED expenditures, 37(1)(d)
- repaid
  - increases ITC, 127(9)“investment tax credit”(e.1), (e.2), 127(10.7)

**Non-hydrogen or ammonia use**

- defined, for clean hydrogen tax credit, 127(9), 127.48(1)

**Non-participating life insurance policy**

- defined, 211(1)

**Non-periodic payments**

- tax deduction, Reg. 103

**Non-portfolio earnings**

- defined, for SIFT partnership distributions, 197(1)
- defined, for SIFT trust distributions, 122.1(1)

**Non-portfolio properties**

- defined, for SIFT trust and partnership distributions, 122.1(1), 248(1)

**Non-profit association**, *see* Non-profit organization**Non-profit corporation**, *see also* Non-profit organization

- qualified investment for RRSP etc., Reg. 4900(1)(r)
- scientific research and experimental development, for
  - annual return, 149(7)
  - exemption, 149(1)(j)
  - payments to, 37(1)(a)(iii)

**Non-profit organization**, *see also* Charity; Non-profit corporation

- exemption for, 149(1)(l), 149(2)
- deemed a trust, 149(5)
- foreign, defined, Reg. 6804(1)
- information return, whether required, 149(5), 149(12), 150(1)(a)

**Non-qualified investment**, *see also* Qualified investment

- charitable foundation
  - defined, Reg. 3700
- deferred profit sharing plan (DPSP)
  - acquisition of, tax on, 198(1)
  - defined, 204“qualified investment”
  - disposition of, refund of tax, 198(4)
  - initial, 199, 204“initial non-qualified investment”
  - tax on, 207.1(2)
- first home savings account (FHSA)

## Index

### Non-qualified investment (*cont'd*)

- defined, 146.6(1), 207.01(1)
- holding of, tax on, 207.04(1)
- waiver of tax, 207.06(2)
- investment becoming or ceasing to be, 207.01(6)
- obligation of issuer, 207.01(5)
- private foundation
  - acquisition of, tax on, 189(1)
  - defined, 149.1(1)“non-qualified investment”
- proportional holdings election, 259(1), (3)
- registered disability savings plan (RDSP)
  - acquisition of, tax on, 207.04(1)
  - defined, 146.4(1)“qualified investment”, 207.01(1)
  - investment becoming or ceasing to be, 207.01(6)
  - obligation of promoter, 207.01(5)
  - tax on acquisition of, 207.04(1)
- registered education savings plan (RESP)
  - acquisition of, tax on, 207.04(1)
  - defined, 146.1(1)“qualified investment”, 207.01(1)
  - investment becoming or ceasing to be, 207.01(6)
  - obligation of promoter, 207.01(5)
  - revocation of plan, 146.1(2.1), (12.1)
  - tax on acquisition of, 207.04(1)
- registered retirement income fund (RRIF)
  - defined, 146.3(1)“qualified investment”, 207.01(1)
  - disposition of, 146.3(8)
  - holding of, tax on, 207.04(1)
  - waiver of tax, 207.06(2)
  - information return, Reg. 215(3)
  - investment becoming or ceasing to be, 207.01(6)
  - obligation of issuer, 207.01(5)
- registered retirement savings plan (RRSP)
  - acquisition of, 146(10)
  - defined, 146(1)“non-qualified investment”, “qualified investment”, 207.01(1)
  - disposition of, 146(6)
  - holding of, tax on, 207.04(1)
  - waiver of tax, 207.06(2)
  - information return, Reg. 214(2)
  - investment becoming or ceasing to be, 207.01(6)
  - obligation of issuer, 207.01(5)
- tax-free savings account (TFSA)
  - defined, 207.01(1)
  - holding of, tax on, 207.04(1)
  - waiver of tax, 207.06(2)
  - investment becoming or ceasing to be, 207.01(6)
  - obligation of issuer, 207.01(5)

### Non-qualified security

- deduction to employer, 110(1)(e)
- defined, for stock option rules, 110(1.31), (1.4), (1.41)
- excluded from deduction to employee, 110(1)(d)
- notification to employee and CRA, 110(1.9)

### Non-qualifying business

- defined, for FAPI rules, 95(1)

### Non-qualifying corporation (for small business investment tax credit)

- defined, 127(9)

### Non-qualifying country

- defined, for FAPI rules, 95(1)

### Non-qualifying real property

- defined, 108(1), 110.6(1), 131(6) [all repealed]

### Non-qualifying security

- calculation of capital gain on, 40(1.01)
- ceasing to be, 118.1(13)(b)
- defined, 118.1(18)
- donation of
  - credit disallowed to individual, 118.1(13)–(13.3)

- death of donor, 118.1(15)
- deduction disallowed to corporation, 110.1(6)
- amalgamation, effect on donor, 87(2)(m.1)
- windup, effect of, 88(1)(e.2), (e.61)
- exchanged for another non-qualifying security, 118.1(14)
- reserve on donation of, 40(1.01)(c)
- disallowed in year of death, 72(1)(c)

### Non-refundable credits, 118–118.95

### Non-reporting Canadian financial institution

- defined
  - FATCA agreement for exchange of information with IRS Agreement, Art. 1:1(q)
  - for Canadian reporting of U.S. persons' interests in accounts, 263(1)

### Non-reporting financial institution

- defined, for Common Reporting Standard, 270(1)

### Non-resident, *see also* Non-resident tax; Becoming resident in Canada; Ceasing to be resident in Canada; Former resident

- actor, *see* Actor: non-resident
- agent for, liable to withhold tax, 215(3)
- alimony/maintenance paid to, 212(1)(f) [repealed]
- allowance for investment in property in Canada, Reg. 808
- alternative re rents and timber royalties, 216
- amount owing to corporation resident in Canada, 17(1)
- amount paid to, re pre-1976 bond, etc.
- prescribed countries, Reg. 1600
- amounts received under certain contracts, 115(2)(c.1), 115(2)(e)(v)
- withholding tax, 153(1)(o)
- annuity payments to, 212(1)(o)
- assessment under Part XIII, 227(10)
- assuming debt for Canadian business, 76.1(2)
- bank accounts, reporting of to foreign governments, *see* Common Reporting Standard
- becoming, *see* Ceasing to be resident in Canada
- beneficiary, *see* Beneficiary: non-resident
- benefit conferred on, 246(1)(b)
- branch tax, 219
- Canadian resource property, income earned on, 115(4)
- capital cost allowance, Reg. 1102(3)
- capital dividend paid to, 212(1)(c)(ii), 212(2)(b)
- capital gains of, taxed, 115(1)(b)
- proration re gains before May 1995, 40(9)
- capital property, change in use, 45(1)(d)
- carrying on business in Canada
  - extended meaning of, 253
  - liability for income tax, 2(3)(b)
- ceasing to be, *see* Becoming resident in Canada
- change in use (or proportions of use) of capital property, 45(1)(d)
- change in use (or proportions of use) of depreciable property
  - “gaining or producing income” from a business, 13(9)
- corporation, *see also* Foreign affiliate
  - bonds of, eligible for RRSP investment, Reg. 4900(1)(p)
  - branch tax, 219(1)
  - debt forgiveness reserve, 61.3(2)
  - deemed, where not resident due to treaty, 250(5)
  - dividend received by Canadian corporation from, 112(2)
  - electronic filing not required, Reg. 205.1(2)(b)
  - income bond/debenture, interest on, 15(4)
  - no share capital, equity interests deemed to be shares, 93.2(2)
  - required to file tax return, 150(1)(a)
  - shares of, for deferred income plans, 204“qualified investment”(h)
    - RESP qualified investment, 146.1(1)“qualified investment”(a)
    - RRSIF qualified investment, 146.3(1)“qualified investment”(a)

## Index

### Non-resident (*cont'd*)

- • • RRSP qualified investment, 146(1)“qualified investment”(a)
- credit for tax paid on emigration, 119
- debt owing to corporation resident in Canada, 17
- deductions allowed, in computing income from a source, 4(3)
- deferred profit sharing plan payments to, 212(1)(m)
- defined, 248(1)
- disposition of property by
  - Canadian resource property, certificate re, 116(5.2)
  - Canadian securities, 39(5)(g)
  - interest in real property etc., 216(5)
  - life insurance policy, presumption re, 116(5.4)
  - taxable Canadian property, *see* taxable Canadian property (*below*)
  - treaty-protected property, 116(5.01), (5.02)
  - where tax deferred under tax treaty, 115.1
- dividend paid to, 212(2)
- stop-loss rule, 40(3.7)
- election to file return under Part I
  - certain payments, 217
  - rents and timber royalties, 216
  - restriction on deduction, 216(8)
- emigration, *see* Ceasing to be resident in Canada
- employed in Canada
  - liability for income tax, 2(3)(a)
- energy conversion grants paid to, 212(1)(s)
- entity, *see* Non-resident entity
- estate or trust income paid to, 212(11)
- exchanged for another non-qualifying security, 118.1(14)
- exchanges of property, determination of gain, 44(7)
- excluded property, defined, 116(6)
- financial institution, *see also* Authorized foreign bank
  - beginning to use property in Canadian business, 142.6(1.2)
  - ceasing to use property in Canadian business, 142.6(1.1)
- first home savings account payments to, 212(1)(y)
- foreign tax credit re disposition before Oct/96, 126(2.2)
- former resident, credit for tax paid on emigration, 119
- home insulation grants paid to, 212(1)(s)
- income-averaging annuity contract payments to, 212(1)(n)
- income earned in a province, Reg. 2602
- “income for the year”, 120(3)
- income from ship or aircraft, exempt, 81(1)(c)
- individual
  - computation of Part I tax, 118.94
  - required to file tax return, 150(1.1)(b)
  - tax credits, 118.94
- insurance corporation, *see* Insurance corporation: non-resident
- insurer, liability for additional tax on branch profits, 219(4)–(8)
- inventory of, 10(12)–(14)
- investor, *see* Non-resident investor
- issuing obligation at discount, 16(2), (3)
- loan to, by corporation, 17
- management fees paid to, 212(1)(a)
- moving debt from Canadian business, 76.1(1)
- no reserve for amount not due until later year, 20(8)
- non-arm’s length sale of shares by, 212.1
- obligation transferred or assigned to
  - where deemed resident, 214(9)
- ownership certificate required of, 234
- partnership, withholding tax on payments to, 212(13.1)(b)
- patronage dividends paid to, 212(1)(g)
- payments to, 212(1)
  - deemed, 214(3), (3.1)
  - information returns, Reg. 202
- pension benefits paid to, 212(1)(h)
- pension fund, *see* Non-resident pension fund
- persons, Reg. 805

- • • excluded property, Reg. 810
- plan for benefit of, re services rendered outside Canada, excluded from “retirement compensation arrangement”, 248(1)
- • • exception re “resident’s arrangement”, 207.6(5)
- real estate of, transfer to corporation, 85(1.1)(h), 85(1.2)
- refund of Part XIII tax, 227(6)
- registered education savings plan payments to, 212(1)(r)
- registered retirement income fund payments to, 212(1)(q)
- registered retirement savings plan payments to, 212(1)(l)
- remuneration for office, employment or services, 115(2)(c.1), 115(2)(e)(v)
- withholding tax, 153(1)(o)
- rents/royalties paid to, 212(1)(d)
- reporting accounts to CRA to pass on to foreign governments, *see* Common Reporting Standard
- retirement compensation arrangement, purchase price of interest in, 212(1)(j)
- retiring allowance paid to, 212(1)(j.1)
- return may be required of, 215(4)
- salary deferral arrangements, 6(13)
- shareholder
  - loan to, from corporation, 15(2.2), (8), 227(6.1)
- spousal support payments, 212(1)(f)
- stop-loss credit, 119
- student, 115(2)
- supplementary unemployment plan benefits paid to, 212(1)(k)
- TFSA taxable payments to, 212(1)(p)
- tax, *see also* Non-resident tax
  - tax under Part I, 2(3)
- taxable Canadian property
  - disposition of, 2(3)(c), 115(1)(b), 116
  - • • failure to give Minister notice, offence/penalty, 238(1)
  - prorating for gains before May 1995, 40(9)
  - • • purchaser liable for tax, 116(5)
  - taxable income earned in Canada, 115
  - • • deductions permitted, 115(1)(d)–(f)
  - taxable income of corporation earned in a province, Reg. 413
  - taxation year of, 250.1(a)
  - time, *see* Non-resident time
  - timber royalties paid to, 212(1)(e)
  - transactions not at arm’s length with, 247
  - • • extended reassessment period, 152(4)(b)(iii)
  - information return re, 233.1
  - • • penalty for failure to file, 162(10)
- transfer pricing rules, *see* Transfer pricing (re non-residents)
- treaty-exempt property, 116(6.1)
- trust, *see* Trust (or estate): non-resident
- unreasonable consideration from, 247
- unreasonable consideration paid to, 247
- withholding tax, 212, 215(1), 227(10), Reg. 105, *see also* Non-resident tax
  - joint and several liability, 227(8.1)

### Non-resident entity

- defined, 94.1(2)
- interest in, structured for tax deferral, 94.1(1)
- reporting of property held by, 233.2(4.1)

**Non-resident financial institution**, *see* Non-resident: financial institution

### Non-resident investor

- defined, 218.3(1)

### Non-resident-owned investment corporation (before 2004), 133

- eliminated after 2003, 133(8)“non-resident-owned investment corporation”(g)–(i)

### Non-resident pension fund

- deemed not carrying on business in Canada, 115.2(2)
- defined, re not carrying on business in Canada, 115.2(1)

### Non-resident portion (of trust)

- defined, 94(1)

## Index

Non-resident portion (of trust) (*cont'd*)

- excluded from deemed-resident trust's income, 94(3)(f)(i)

### Non-resident portion trust

- defined, 94(3)(f)(i)
- rules for, 94(3)(f)

### Non-resident tax, 212–218; Reg. 800–810

- additional tax on non-resident corporation carrying on business in Canada, 219
- insurers, 219(4)–(8)
- advanced life deferred annuity (ALDA), payment from, 212(1)(l.1)
- alimony, 212(1)(f)
- annuity payments, 212(1)(o)
- assessment under Part XIII, 227(10)
- back-to-back loans, anti-avoidance, 212(3.1)–(3.81)
- back-to-back royalties, anti-avoidance, 212(3.9)–(3.94)
- Canada Pension Plan benefits, 212(1)(h)(ii) [repealed]
- election to file return, re, 217
- certificate for non-resident with PE in Canada, Reg. 805.1
- deemed dividends, 214(3)
- deemed income, on, 214(4)
- deemed interest, 214(6)–(14)
- deferred profit sharing payments, 212(1)(m)
- election to file return re, 217
- dividends, 212(2)
- deemed payment of, 212.1(1), (1.1)
- from foreign business corporation, 213(1)
- eligible funeral arrangement, return of funds, 212(1)(v)
- employee benefit plan, trust payments not subject to, 212(17)
- employee life and health trust benefits, 212(1)(w)
- energy conversion grant, 212(1)(s)
- estate or trust income, 212(1)(c)
- exemption, 212(9), (10)
- first home savings account, payments out of, 212(1)(y)
- home insulation grant, 212(1)(s)
- identification of obligations, Reg. 807
- income and capital combined, 214(2)
- income imputed to transferor, not taxable, 212(12)
- informant payment, 212(1)(x)
- insurers, Reg. 800–805.1, 2401, 2403
- interest, 212(1)(b)
- government bonds, exempt, 212(1)(b)(ii)
- loan to wholly-owned subsidiary, 218
- long-term debt, exempt, 212(1)(b)(vii)
- on provincial bonds, 212(6)
- replacement obligation where corporation in financial difficulty, 212(3)
- international organizations, prescribed, Reg. 806
- limitation on rate, ITAR 10(6)
- maintenance, 212(1)(f)
- management fee, 212(1)(a)
- defined, 212(4)
- motion picture films, payments for use of etc., 212(5)
- mutual fund distributions, 218.3
- no action for withholding, 227
- no deductions from income, 214(1)
- non-arm's length sale of shares by non-resident, 212.1
- obligation transferred or assigned
- non-resident deemed resident, where, 214(9)
- Part XIV, 219
- partnership payer or payee, 212(13.1), (13.2)
- patronage dividend, 212(1)(g)
- payee certificate, Reg. 805.1
- pension benefits, 212(1)(h)
- election to file return re, 217
- prescribed international organizations, Reg. 806
- refund of, 227(6)
- registered education savings plan, payments out of, 212(1)(r)

- registered retirement income fund, 212(1)(q)
- registered retirement savings plan, payments out of, 212(1)(l)
- election to file return re, 217
- regulations
- reducing amount to be deducted or withheld, 215(5)
- residents etc., re, 214(13)
- rent, royalties, 212(1)(d), 212(13)
- alternative re rents and timber royalties, 216
- retiring allowances, etc., 212(1)(j.1)
- election to file return re, 217
- securities in satisfaction of income debts, 214(4)
- spousal/child support, 212(1)(f)
- standby charges and guarantee fees, 214(15)
- supplementary unemployment benefits, 212(1)(k)
- election to file return re, 217
- TFSA, taxable payments from, 212(1)(p)
- timber royalty, 212(1)(e)
- alternative re, 216
- trust or estate income paid to, 212(1)(c)
- trust becoming non-resident, 214(3)(f)(i)(C)
- withholding of, 215, Reg. 105
- reduction of, Reg. 809

### Non-resident time

- defined, 94(1)

**Non-resident trust**, *see* Trust (or estate): non-resident

**Non-resident withholding tax**, *see* Non-resident tax

**Non-residential building**, *see* Eligible non-residential building

### Non-share-capital corporation

- whether control acquired, 256(8.1)

### Non-share consideration (boot)

- effect of mutual fund rollover, 132.2(2)(e)(ii)
- effect on non-arm's length sale of shares, 84.1(1)(b)
- effect on section 85 rollover, 85(1)(b)

**Non-taxable obligation, defined**, 240(1)

### Non-taxable portion (of disability assistance payment)

- defined, 146.4(7)

### Normal reassessment period

- defined, 152(3.1)
- limitation on reassessments, 152(4), (5)

**Nortel Networks spin-off**, 55(3.02)

### Northern Canada

- additional car allowance in Yukon and N.W.T., Reg. 7306(c)
- credit for residing in, 110.7, Reg. 7303.1
- prescribed northern zone and prescribed intermediate zone, Reg. 7303.1
- remote work site, employment at, 6(6)

**Northern Cod Compensation and Adjustment Program**, *see* also Fishing: compensation programs

- overpayments repaid, deductible, 60(n)(v)
- payments received under, taxable, 56(1)(a)(vi)
- withholding of tax at source, 153(1)(m)

**Northwest Territories**, *see* also Northern Canada

- additional \$0.04 reasonable kilometrage allowance, Reg. 7306(c)
- *Risk Capital Investment Tax Credits Act*, corporation under
- prescribed assistance under, Reg. 6702(a.2)
- prescribed LSVCC, Reg. 6701(i)
- prescribed venture capital corporation, Reg. 6700(a)(xiii), 6700.2
- qualified investment, Reg. 4900(1)(i.12)
- tax rates, *see* introductory pages

**Norway**, *see* also Foreign government

- stock exchange recognized, 262

**Not-for-profit organization**, *see* also Non-profit organization

- defined, Canada-U.S. Tax Treaty:Art. XXIX-A:5(d)

**Notary (in Quebec)**, *see* Lawyer



**Notch provision (medical expenses)**, 118.2(1)D

**Note**, *see* Promissory note

**Note-taking services**

- disability supports deduction, 64(a)A(ii)F
- medical expense credit, 118.2(2)(1.41)

**Notice of assessment**, *see* Assessment: notice of

**Notice of determination**, 152(1.2), *see also* Determination

- date of, 244(15)
- loss carryforwards, 152(1.1)
- partnership income or loss, 152(1.5)
- objection to, 165(1.15)
- presumption re mailing date, 248(7)

**Notice of intent**

- to revoke LSVCC, 204.81(7)
- to revoke PRPP, 147.5(24)–(26)
- defined, 147.5(24)
- to revoke RESP, 146.1(12.1), (12.2)
- appeal from, 172(3)(e.1)
- defined, 146.1(12.1)
- to revoke RPP, 147.1(11), (12)

**Notice of non-compliance**, 231.9, *see also* Compliance order

- penalty while outstanding, 231.9(12)
- time outstanding, not to count for reassessment clock, 231.8(1)(e)
- time spent contesting, not to count for reassessment clock, 231.8(1)(f)

**Notice of objection**, 165, *see also* Objection

- appeal following, whether new issues can be raised, 169(2.1)
- deadline, 165(1)
- determination of partnership income or loss, 165(1.15)
- extension of time to file
- by Minister, 166.1
- by Tax Court, 166.2
- form, 165(1), (2)
- large corporation, issues to be specified, 165(1.11)
- limitation on grounds for objection, 165(1.1)
- service, 165(2), (6)

**Notice of revocation**

- of election re functional currency, 261(4)
- of election re proportional holdings in trust property, 259(3)(b)
- of PRPP
- defined, 147.5(26)
- effect of, 147.5(27)
- of RESP
- defined, 146.1(12.2)
- effect of, 146.1(13)
- of RPP
- defined, 147.1(12)
- effect of, 147.1(13)
- of registered charity, *see* Registered charity: registration of: revocation of
- of waiver of limitation period, 152(4.1)
- of 70(2) election, 70(4)

**Notifiable transaction**

- defined, 237.4(1)
- designation of specific transactions, 237.4(3)
- information return required, 237.4(4)
- exception for clerical or secretarial services, 237.4(8)
- exception for secondary financial services, 237.4(6), (7)
- filing by employer or partnership satisfies employee's or partner's obligation, 237.4(5), (14)
- filing deadline, 237.4(9)
- penalty for failure to file, 237.4(12)
- reassessment deadline 3 years after filed, 152(4)(b.6)
- reporting one transaction in series is sufficient, 237.4(10)

**Nova Scotia**, *see also* Cape Breton; Province

- Community Economic Development Corporation, qualified investment for deferred income plans, Reg. 4900(1)(i.11)
- *Equity Tax Credit Act*, corporation under, qualified investment, Reg. 4900(1)(i.11)
- labour-sponsored venture capital corporation of
- prescribed, Reg. 6700(a)(iii), (xiv)
- offshore area
- amount taxable earned in, Reg. 414, 415
- included in "province", 124(4)"province"
- meaning, 248(1)
- Offshore Petroleum Resources Accord, communication of information for, 241(4)(d)(vi)
- prescribed area, for electrical energy or steam processing, 127(9)"qualified property"(c.1)
- prescribed designated region, 127(9)"specified percentage"(a)(vi), Reg. 4607
- prescribed stock savings plan, Reg. 6705(c)
- qualified property acquired for use in, 127(9)"specified percentage"(a), (e)
- tax rates, *see* introductory pages
- unlimited liability company, 248(1)"corporation" (Notes)
- treaty benefit denial, Canada-U.S. Tax Treaty:Art. IV:7

**Novartis/Alcon spinoff**, Reg. 5600(m)

**Novartis/Sandoz spinoff**, Reg. 5600(n)

**Nuclear energy equipment**

- defined, for clean electricity credit, 127.491(1)

**Nuclear Fuel Waste Act**

- trust required by, no tax on, 149(1)(z.2)

**Numbers**, *see also* Dollar amounts in legislation and regulations

- singular includes plural, *Interpretation Act* s. 33(2)

**Nun**

- income of, not taxed, 110(2)

**Nurse**

- defined, 118.4(2)

**Nurse practitioner**

- can certify impairment for disability credit, 118.3(1)(a.2), (a.3)
- defined, 118.4(2)

**Nursery school**, *see* Child care expenses

**Nursing home**

- cost of care, as medical expense, 118.2(2)(b), (d)

**O**

**OAS**, *see* Old Age Security Act benefits

**OECD**, *see* Organisation for Economic Cooperation and Development

**OETC**, *see* Overseas employment tax credit

**OIFP**, *see* Offshore investment fund: property

**OSFI risk-weighting guidelines**

- defined, 248(1)

**Oaths**

- administration of, 220(5), *Interpretation Act* s. 19
- CRA can require answer to audit query by, 231.41
- defined, *Interpretation Act* s. 35(1)

**Objection**, 165, *see also* Appeal; Notice of objection

- assessment or reassessment, to, 165(1)
- books and records, 230(6)
- charity penalties or suspension of receipting privileges, to, 189(8)
- effect of Minister's filing notice, 165(4)
- expense of making, deductible, 60(o)
- extension of time for filing, 166.1, 166.2
- Minister's duty on, 165(3)
- notice of, 165(1)
- Part II.2 tax, 183.4(3)
- Part IV.1 tax, 187.6
- Part VI.1 tax, 191.4(2)

## Index

### Objection (*cont'd*)

- Part VI.2 tax, 191.6
- Part XI.01, 207.07(3)
- Part XI.4 tax, 207.8(5)
- Part XII.2 tax, 210.2(7)
- Part XII.3 tax, 211.5
- Part XII.4 tax, 211.6(5)
- Part XII.5 tax, 211.82
- partnership income or loss, 165(1.15)
- repayment on, 164(1.1)
- restriction on collection action while underway, 225.1
- second notice not required after reassessment, 165(7)
- service of notice of, 165(2)
- waiver of right to object, 165(1.2), 169(2.2)

### Obligation, *see also* Bond; Debt; Debt obligation

- assignment of
  - non-resident tax, 214(14)
  - where non-resident deemed resident, 214(9)
- defined, ITAR 26(12)“obligation”
- discount on, deduction for, 20(1)(f)
- identification of, Reg. 807
- issued at discount by tax-exempt person, non-resident, or government body, 16(2), (3)
- parked, 80.01(7)
- predecessor corporation, of, 87(6), (7)
- principal amount of
  - defined, 248(1)
  - limitation on deductibility, 18(1)(f)
- purchase of, by issuer, 39(3)
- received on amalgamation, ITAR 26(23)
- sale of
  - non-resident tax, 214(7), (7.1)
- satisfaction of, deemed not to be disposition, 49.1
- specified, 80.01(6)
- taxable and non-taxable, defined, 240(1)

### Obsolescence

- allowance re, limitation on deductibility, 18(1)(b)

### Occupational therapist

- certification of impairment
  - for disability credit, 118.3(1)(a.2)(iv)
- defined, 118.4(2)
- therapy qualifying for medical expense credit, 118.2(2)(1.9)

### Offences, 238(1), 239

- attempted evasion, 239(1)
- calculation of income from criminal activity, 9(1) (Notes)
- compliance orders, on conviction of, 238(2)
- corporation officers, 242
- court has no power to decrease punishment for, 243
- credits, false statements, 239(1.1)
- disclosure of confidential information, 239(2.2)
- electronic sales suppression software, 239.1, *see also* Zapper software (or hardware)
- failure
  - file return, 238(1)
  - keep records, 238(1)
  - keep tax deductions separate, 238(1)
  - permit investigation, 238(1)
  - withhold tax deductions, 238(1)
- false statements, 239
- fines, no deduction for, 18(1)(t)
- minimum fines, 243
- non-resident failing to give notice under s. 116(3), 238(1)
- penalties for, *see* Penalty
- refunds, false statements, 239(1.1)
- RESP contributions, 146.1(2)(g.3)
- sales suppression software, 239.1, *see also* Zapper software (or hardware)
- saving provision, 238(3)

- secrecy violation, 239(2.2)
- serious, CRA may disclose information to police, 241(9.5)
- Social Insurance Number, re, 239(2.3)
- two or more in one complaint, 244(2)
- zapper software, 239.1, *see also* Zapper software (or hardware)

### Office, defined, 248(1)

### Office at home, *see* Work space in home

### Office de professions du Québec

- dues to, deductible, 8(1)(i)(vii)

### Office or employment

- benefits from, includable in income, 6(1)
- in home
  - conditions for deductibility, 18(12)
- income from, 5(1)
- deductions, 8
- inclusions, 6
- share options, 7
- limitation on deductions, 8(2)
- loss from, 5(2)
- payment for loss of, *see* Retiring allowance
- share option benefits, 7

### Office rent

- paid by employee, deduction, 8(1)(i)(ii)
- certificate of employer, 8(10)

### Officer

- administering and enforcing Act, 220(2)
- bribery of, non-deductible, 67.5
- corporation, of
  - execution of documents by, 236
  - guilty of corporation's offence, 242
- defined (under “office”), 248(1)

### Official

- defined, re communication of taxpayer information, 241(10)
- CRA, powers and duties delegated to, 220(2.01), Reg. 900

### Official copy of *Income Tax Act*, 2(1) (Notes)

### Official receipt

- defined
- for political contributions, Reg. 2002(1)
- for donations and gifts, Reg. 3500

### Official receipt form

- defined
- for political contributions, Reg. 2002(1)
- for donations and gifts, Reg. 3500

### Off-road electric or hydrogen vehicle

- capital cost allowance, Reg. Sch. II:Cl. 56

### Offset interest

- against instalments, 161(2.2)
- arrears against refund interest, 161.1

### Offsetting position

- defined, for straddle-transaction rules, 18(17), 18(21)(c)
- no income deferral allowed, 18(19)

### Offshore assets

- criminal charges, 239(1) (Notes)
- disclosure of, to CRA, 233.3
- payments to informants for reporting to CRA, *see* Informant payments (for leads on international tax evasion)

### Offshore corporation, *see* Foreign affiliate; Non-resident

### Offshore drilling vessels

- capital cost allowance
  - additional, Reg. 1100(1)(va)
  - separate classes, Reg. 1101(2b)

### Offshore investment fund, 94.1

- property
  - cost base, additions to, 53(1)(m)
  - designated cost, 94.1(2)

Offshore investment fund (*cont'd*)

- prescribed, Reg. 6900

#### Offshore region

- prescribed, for investment tax credit, Reg. 4609

#### Offshore regulated bank

- application of FAPI, 95(1)“investment business”(a)(i), 95(2.11)

**Offshore Tax Informant Program**, *see* Informant payments (for leads on international tax evasion)

**Offshore trust**, *see also* Trust (or estate): non-resident

- distribution from, reporting requirement, 233.5
- taxation of, where Canadian beneficiary, 94–94.2
- transfer of property to, reporting requirement, 233.2

**Off-the-shelf seismic data**, *see* Seismic testing

**Oil and gas**, *see* Canadian oil and gas property expense; Flow-through shares; Petroleum/natural gas; Resource expenses

#### Oil burner mechanic

- apprenticeship job creation credit, 127(9)“investment tax credit”

#### Oil or gas field

- unitized, *see* Unitized oil or gas field in Canada

#### Oil or gas well

- allowances, 65, Reg. 1207
- additional, Reg. 1208
- certificate re, ceasing to be valid, 66.1(10)
- defined, 248(1)

#### Oil or gas well equipment

- capital cost allowance, Reg. Sch. II:Cl. 10(j), Sch. II:Cl. 41

#### Oil Pollution Compensation Fund

- trust under, 94(1)“exempt foreign trust”(c)(iv)

#### Oil refinery

- capital cost allowance, Reg. Sch. II:Cl. 10(u), Sch. II:Cl. 41

#### Oil sands

- additional allowance, Reg. 1100(1)(y), (ya)
- included in definition of “mineral”, 248(1)
- property, *see* Oil sands property

#### Oil sands mine development project

- defined, 66.1(6)

#### Oil sands project

- defined, Reg. 1104(2)

#### Oil sands property

- capital cost allowance, Reg. 1100(1)(a)(xxvii.1), 1100(1)(y.1), 1100(1)(ya.1), Sch. II:Cl. 41, 41.1
- effect of transfer due to reorganization, Reg. 1102(14.11)
- defined, Reg. 1104(2)
- separate class, Reg. 1101(4e), (4f)

**Oil shale, included in definition of “mineral”**, 248(1)

#### Oil shale deposit, exploration for

- excluded from CEE, 66.1(6)“Canadian exploration expense”(g), (g.2)
- excluded from CRP, 66(15)“Canadian resource property”(b)(ii), (e), (f)

**Oil Substitution Program**, *see* Energy: conversion grant

**Okalta Oils Ltd. case overruled**, 152(1.1)

#### Old Age Security Act benefits

- “clawback” tax on, 180.2 (Part I.2)
- deduction from income for, 60(w)
- emigration of taxpayer, no deemed disposition, 128.1(10)“excluded right or interest”(g)(ii)
- excluded from pension income credit, 118(8)(a)
- included in income, 56(1)(a)(i)
- non-resident withholding tax, 212(1)(h)
- U.S. residents, Canada-U.S. Tax Treaty:Art. XVIII:5
- reduction in RRSP annuity to reflect, 146(3)(b)(ii)
- repayment of, deduction for, 60(n)(i)
- withholding of benefits to cover clawback tax, 180.2(3), (4)

**“Old law” defined**, ITAR 12

**Old person**, *see* Age

#### Older Worker Adjustment, Program for

- income assistance taxable, 56(1)(a)(vi), Reg. 5502(b)
- repayment of benefits, deduction, 60(n)(v)
- source withholding, 153(1)(m), Reg. 5502(b)

**Olsen TCC case overruled**, 186(7)

#### Olympic Winter Games 2010

- income of non-residents exempt, 115(2.3)
- no withholding of tax at source, 153(1)(a), (g)
- payments to International Olympic Committee exempt, 212(17.1)

**Online newspaper credit**, 118.02

**Online notice**, *see* Electronic notice

**Ontario**, *see also* Province

- Community Economic Development bonds, eligible for RRSP investment, Reg. 4900(1)(i.1)
- community small businesses, investment by LSVCCs, Reg. 4801.02
- Electricity Support Program, payments exempt, 81(1)(g.6)
- labour-sponsored venture capital corporation of
  - prescribed, Reg. 6700(a)(ii), (xi), Reg. 6700.2
- northern, *see* Northern Canada
- R&D super-allowance, 127(9)“super-allowance benefit amount”
- tax rates, *see* introductory pages

**Onus**, *see* Burden of proof

**Operating costs of automobile**, *see* Automobile: operating costs

#### Operating year

- defined
  - for clean electricity tax credit, 127.491(1)
  - for clean hydrogen tax credit, 127.48(1)

**Operational mission**, *see* Deployed operational mission

**Optic cable**, *see* Fibre optic cable

#### Optical scanner, for blind person

- medical expense credit, Reg. 5700(1)
- disability supports deduction, 64(a)A(ii)(D)

**Option**, *see also* Stock option

- agreement, *see* Option agreement
- defined
  - for rule disallowing deductions or credits for option or share issuance, 143.3(1)
- disposition of, 13(5.3)
- exchanged, rules, 7(1.4)
- exercised, 49(3), (4), (5)
  - overpayment of tax as consequence of, 164(5), (5.1)
- expiry of, 49(2)
  - amalgamation, 87(2)(o)
- granted to charity, 110.1(10)–(13), 118.1(21)–(24)
- granting of, disposition of property, 49(1)
- included in “taxable Canadian property”, 248(1)“taxable Canadian property”(f)
- qualified investment for RRSP etc., Reg. 4900(1)(e), (e.1)
- received on amalgamation, ITAR 26(22)
- stock, *see* Stock option
- to acquire, exercised, 49(3), (4)
  - effect of capital gains exemption, 49(3.2)
- to acquire interest in partnership or trust, reductions in ACB flowed through, 49(3.01)
- to acquire mutual fund trust units, *see* Stock option
- to acquire shares
  - by employee, *see* Stock option
  - deemed to be share for insurance demutualization, 139.1(1)
  - predecessor corporation, of, 87(5)
  - reductions in ACB flowed into ACB of shares, 49(3.01)
- to acquire specified property, exercise of, 49(3.01)
- to dispose, exercised, 49(3.1), (4)

**Option agreement**

- deemed to be eligible derivative subject to mark-to-market election, 10.1(4)
- excluded from inventory writedown, 10(15), 18(1)(x)
- straddle transaction restrictions, 18(17)“position”(a)(vi), 18(9)

**Optometrist**

- certification of impairment
- • for disability credit, 118.3(1)(a.2)(i)
- defined, 118.4(2)

**Orckit Communications spinoff**, Reg. 5600(b)**Order for compliance**, *see* Compliance order**Ordering**

- charitable donations
- • in order of year of contributions, 110.1(1.1)(b), 118.1(2.1)
- charity loanbacks, 118.1(17)
- credits of an individual, 118.92
- debt forgiveness rules application, 80(2)(c)
- debt obligations settled simultaneously, 80(2)(i)
- deductions
- • in computing taxable income, 111.1(1)
- designation of insurance properties, Reg. 2401(3)
- disposition of depreciable property on death, 70(14)
- disposition of identical shares for capital gains exemption, 110.6(14)(a)
- disposition of securities acquired under employee option agreement, 7(1.3), (1.31)
- dividends, out of eligible or non-eligible RDTOH, 129(1)(a)(ii)
- dividends, simultaneous, 89(3)
- employee ownership trust capital gain deduction claims, 110.61(2.1)
- foreign affiliate surplus distributions, Reg. 5901
- identical options, exercise of, 7(12)
- internal reorganization rules, 51(4), 86(3)
- mutual fund non-resident withholding tax payments, 218.3(7)
- mutual fund qualifying exchange, 132.2(1)(e)
- non-portfolio dividends distributed last from SIFT trust, 104(6)(b)B(ii)
- partnership distributions tax calculation, 197(3)
- qualifying cooperative conversion capital gain deduction claims, 110.62(2.1)
- registered investment registration, 204.4(7)
- SIFT trust non-portfolio earnings, 104(6)(b)B(ii)
- spousal RRIF attribution, 146.3(5.3)
- spousal RRSP attribution, 146(8.5)
- synthetic equity arrangement, identical properties, 112(10)
- transfer of depreciable property with pregnant loss, 13(21.2)(e)(ii)
- transfer pricing rules, 247(2.1)

**Ordinarily resident**, 250(3)**Ordinary taxation year**

- defined, for FAPI stub-period rules, 91(1.1)(a)

**Ore**

- defined
- • for capital cost allowance, Reg. 1104(2)
- • for resource allowance, Reg. 1206(1)
- processing of, 125.1(3)“manufacturing or processing”, Reg. 5203, Reg. Sch. II:Cl. 10(k)
- tar sands, *see* Tar sands ore

**Organ transplant**

- expenses of, tax credit for, 118.2(2)(1.1)

**Organic assets**

- defined, for FAPI of banks, 95(2.43)

**Organisation for Economic Cooperation and Development**

- BEPS rules, *see* Base erosion and profit shifting, anti-avoidance rules
- Common Reporting Standard, 270–281
- digital platform reporting rules, 282–295
- transfer pricing guidelines, 247

**Original acquisition**

- defined, 127.4(1), 204.8(1), 211.7(1)

**Original amount**

- defined, re royalty reimbursements, 80.2(1)(a)

**Original corporate holdings percentage**

- defined, for private foundations, 149.1(1)

**Original editorial content**

- defined, 19.01(1)

**Original owner (of resource property)**

- defined, 66(15)
- • for resource allowance, Reg. 1206(1)
- reduction of Canadian resource expenses, 66.7(12), (12.1)
- reduction of foreign resource expenses, 66.7(13)
- successor corporation rules, 66.7

**Original right, defined**, ITAR 20(3)(b)**Orthopaedic shoes/boots**

- medical expense, Reg. 5700(e)

**Other recipient of a gift**

- defined, Reg. 3500

**Outdoor advertising structures**

- capital cost allowance, Reg. Sch. II:Cl. 8(l), Sch. II:Cl. 11(b)
- • separate class, election, Reg. 1101(5l)

**Outlays and expenses**

- prescribed, for air quality improvement credit, Reg. 9700

**Outstanding amount**

- defined, for corporation attribution rules, 74.4(3)

**“Outstanding debts to specified non-residents”**

- defined, 18(5)
- no deduction where debt-equity ratio exceeds 3:1, 18(4)

**Overburden removal cost, designated**

- capital cost allowance, Reg. Sch. II:Cl. 12(q)

**Overcontribution to RRSP**

- tax on, 204.1(2.1), 204.2(1.1)

**Overhead expenses**

- R&D-related, 127(9)“qualified expenditure” Reg. 2900(4)–(10)

**Overpayment amount**

- defined, for corporate interest offset, 161.1(1)

**Overpayment of benefits, deductible when repaid**, 60(n)**Overpayment of tax**

- deemed
- • Canada Child Benefit, 122.61(1)
- • GST credit, 122.5(3)
- defined, 164(7)
- refund of, 164

**Overseas Canadian Forces school staff**

- defined, 248(1)
- members deemed resident in Canada, 250(1)(d.1), 250(2)
- option of filing as resident, 250(1)(d.1)
- prescribed order, Reg. 6600

**Overseas employment tax credit**, 122.3

- eliminated as of 2016, 122.3(1.01)(b), 122.3(1.02)(b)

**Over-the-counter stocks**

- qualified for deferred income plans before 2002, Reg. 4900(1)(s) [repealed]

**Ovum**

- cost of, medical expense credit, 118.2(2)(v)

**Owner**

- original, of resource properties, defined, 66(15)“original owner”
- predecessor, of resource property, defined, 66(15)“predecessor owner”

**Owner-occupied home**

- defined, for Home Buyers’ Plan withholding exemption, Reg. 104(3.1)



**Ownership**

- certificates of, 234, Reg. 207
- penalties for offences re, 162(4)
- change of, certificates, Reg. 502
- rights, *see* Ownership rights

**Ownership rights**

- defined, for insurance demutualization, 139.1(1)
- rollover to shares of insurance corporation, 139.1(4)(a), (d)

**Oxygen, medical expense credit, 118.2(2)(k)****Oxygen and nitrogen production equipment**

- defined, for clean hydrogen tax credit, 127.48(1)

**Oxygen concentrator, medical expense credit, 118.2(2)(i)****P**

**PA**, *see* Pension adjustment

**PA offset**

- defined, Reg. 8300(1)

**PAR**, *see* Pension adjustment reversal

**PATY (Particular affiliate's taxation year)**

- defined, Reg. 5907(1.6)(a)

**PBC**, *see* Principal-business corporation (exploration and development); Principal-business corporation (real property)

**PDI**, *see* Participating debt interest

**PE**, *see* Permanent establishment

**PFIC**, *see* Pension fund investment corporation

**PI**, *see* Prohibited investment

**PIE**, *see* Portfolio investment entity

**PIK (Payment in Kind) dividend**, *see* Stock dividend

**PLOI**, *see* Pertinent loan or indebtedness

**PPME**, *see* Pre-production mining expenditure

**PR**, *see* Principal residence

**PRPP**, *see* Pooled registered pension plan (PRPP)

**PSB**, *see* Personal services business

**PSPA**, *see* Past service pension adjustment

**PSPA withdrawals**

- defined, Reg. 8307(5)

**PUC**, *see* Paid-up capital

**Packaging material**

- deemed to be inventory, 10(5)
- valuation of, 10(4)

**Padmore case overruled**, *Income Tax Conventions Interpretation Act* s. 6.2

**Page turner**

- disability supports deduction, 64(a)A(ii)(P)
- medical expense credit, Reg. 5700(z)

**Paid-up capital**

- amalgamation, on, 87(3), (3.1)
- computation of
  - additions to, 84.1(3)
  - after designation of amount re shares, 192(4.1), 194(4.2)
  - after exchange of convertible property, 51(3)
  - after internal reorganization, 86(2.1)
  - after rollover of property to corporation, 85(2.1)
  - after share-for-share exchange, 85.1(2.1)
  - Canadian Wheat Board, 135.2(3)(c)
  - corporation becoming resident in Canada, 128.1(2), (3)
  - insurance corporation following demutualization, 139.1(6)
  - holding corporation, 139.1(7)
  - on transfer of insurance business, 138(11.7)
- contributed surplus converted into, no dividend deemed, 84(1)(c.1)–(c.3)
- cooperative corporation, of, 89(1)“paid-up capital”(b)
- credit union, of, 89(1)“paid-up capital”(b)
- defined, 89(1), 248(1)
- flow-through shares, 66.3(4)

- foreign affiliate dumping, adjustments to, 212.3(2)(b), 212.3(7)–(9)
- emigrating corporation, 219.1(1), (2)
- PUC reinstatement, 212.3(9)
- emigrating corporation, 219.1(3), (4)
- increase in, 84(1), 84(5)(d)
- mutual fund corporation, by, not deemed dividend, 131(4)
- non-resident shareholder, 212.1
- reduction of, deemed a dividend, 84(4), (4.1)
- stripping, 84.1, 212.1

**Paid-up insurance, deduction for premiums, 18(9.01)**

**Paid-up premium**

- defined, Reg. 2700(1)

**Painter and decorator**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Pandemic**, *see* COVID-19

**Panko case overruled**, 239(3)

**Paralympic Winter Games 2010**, *see* Olympic Winter Games 2010

**Parent (corporation)**

- continuation of wound-up subsidiary, 88(1.5)
- defined, 88(1)
- incorporated after end of subsidiary's year
- computation of income and tax payable, 88(1.3)

**Parent (human)**

- compensation for child killed or missing due to crime
  - included in income, 56(1)(a.3)
  - repayment of, deductible, 60(v)
  - tax withheld at source, 153(1)(d.2), Reg. 100(1)“remuneration”(g.1)
- dependent, 118(6)(b)
- extended meaning, 252(2)

**Parental leave**

- qualifying period for pension earnings
- Reg. 8507(3)

**Parity/advisory committee**

- dues paid by employee, deduction, 8(1)(i)(vi)

**Parked obligation (debt parking)**

- deemed settled, 80.01(8)(a)
- defined, 80.01(7)

**Parking**

- automobile or other vehicle
  - excluded from benefit for operating costs and standby charge, 6(1.1)
  - taxable benefit, 6(1)(a), 6(1.1)
  - exception for disabled employee, 6(16)
- debt, *see* Debt parking

**Parking area**

- capital cost allowance, Reg. Sch. II:Cl. 1(g)
- for mine, Reg. Sch. II:Cl. 10(l)

**Parliament**, *see also* Government

- defined, *Interpretation Act* 35(1)
- member of, *see* Member: Parliament

**Parson**, *see* Clergy

**Part I.2 tax (Old Age Security clawback)**

- imposed, 180.2(2)
- instalments required, 156.1(1)“net tax owing”A

**Part II.2 tax (stock buybacks)**

- imposed, 183.3(2)
- payment, 183.4(2)
- return required, 183.4(1)
- rules for administration, 183.4(3)

**Part IV tax**

- imposed, 186(1)
- late assessment allowed, 152(4.31)

Part IV tax (*cont'd*)

- refund of, 129(1)

#### Part VI tax

- imposed, 190.1(1)

#### Part VI.1 tax

- deduction from taxable income re, 110(1)(k)
- liability for, transferred on amalgamation, 87(2)(ss)
- payment of, 157(1)

#### Part VI.2 tax, 191.5

- amalgamation, effect of, 87(2)(xx)

#### Part X.5 tax (RESP accumulated income payments)

- imposed, 204.94(2)
- instalments required, 156.1(1)“net tax owing”A

#### Part XI.4 tax (excess EPSP amounts)

- imposed, 207.8(2)
- instalments required, 156.1(1)“net tax owing”A

#### Part XI.5 tax (ELHT owning share or debt of participating employer)

- imposed, 207.9(2)

#### Part XII.2 tax, 210.2, 210.3

- credit for, 210.2(3)
- included in beneficiary’s income, 104(31)
- deduction for, 104(30)

#### Part XII.6 tax

- deductible, 20(1)(nn)

#### Part-time attendant

- deduction from income, 64(a)A(ii)(J)
- medical expense credit, 118.2(2)(b.1)

#### Part-year resident, 114

- cash method of computing income, on, 28(4)
- farmer/fisherman, 28(4)
- foreign tax credit, 126(2.2), (3)
- “income for the year”, 120(3)
- tax credits, 118.91

#### Parthenon Investments case overruled, 256(6.1)

#### Partial debt obligation

- treated the same as entire obligation, 248(27)

#### Partial dependency, 118.3(3)

#### Partial disposition

- cost base of property remaining, 53(2)(d)
- specified debt obligation, 142.4(9)

#### Partial public health restriction

- defined, Reg. 8901.2(0.1)
- qualifying, *see* Qualifying partial public health restriction

#### Participant (re butterfly transactions)

- defined, 55(1)“permitted exchange”(b)
- specified debt obligation, 142.4(9)

#### Participate

- defined, for third-party penalty, 163.2(1)

#### Participating debt interest

- defined, 212(3)
- subject to non-resident withholding tax, 212(1)(b)(ii)
- treated as equity for SIFT rules, 122.1(1)“equity”(d)(ii)

#### Participating employer

- deferred profit sharing plan, 147(1.1)
- of employee life and health trust, defined, 207.9(1)
- pooled registered pension plan, 147.5(1)
- registered pension plan, 147.1(1), Reg. 8308(7)

#### Participating farmer (in Canadian Wheat Board Farmers’ Trust)

- acquisition of eligible unit of trust by, 135.2(5)
- death of, 135.2(6), (8)
- defined, 135.2(1)
- disposition of trust unit by, 135.2(9)

#### Participating jurisdiction

- defined, for Common Reporting Standard, 270(1)

#### Participating jurisdiction financial institution

- defined, for Common Reporting Standard, 270(1)

#### Participating life insurance policy

- defined, 138(12), 211(1), Reg. 1408(1)

#### Participating percentage

- defined, for foreign accrual property income, 95(1)

#### Participation certificate

- no interest payable on tax due, 161(5)

#### Participation period

- defined
  - for Home Buyers’ Plan, 146.01(1)
  - for Lifelong Learning Plan, 146.02(1)

#### Partition of property

- rules, 248(20)–(23)
  - disproportionate partition, 248(20)
  - proportionate partition, 248(21)

#### Partner, *see also* Partnership

- active, application of debt forgiveness rules, 80(1)“forgiven amount”B(k)
- agreement by, validity, 96(3)
- automobile provided to
  - amount included in income, 12(1)(y)
- becoming resident in Canada, 96(8)
- contribution of property to partnership, 97(1)
- debt forgiveness rules, application where partnership issued debt obligation, 80(15)
- debt owing by, where treated as partnership debt, 80(2)(n)
- deceased
  - value of rights or things to date of death, 53(1)(e)(v)
- deemed, for certain purposes, 248(13)
- depreciable property acquired with government assistance, 13(7.2)
- election by, *see* Partnership: election by members
- election re fiscal period of terminated partnership, 99(2)–(4)
- election to renounce investment tax credit, 127(8.4)
- inducement payments or reimbursement received by, 12(2.1)
- limited, *see* Limited partner
- non-resident
  - creates non-Canadian partnership, 102(1)
  - payments to, withholding tax, 212(13.1)(b)
- notice to, 244(20)
- objection to determination of partnership’s income or loss, 165(1.15)
- obligation to pay interest re land purchase, 18(2.1)
- passive, *see* Limited partner; Specified member (of partnership)
- retiring, allocation of share of income to, 96(1.1)
  - deduction, 96(1.3)
  - deemed carrying on business in Canada, 96(1.6)
  - right to share in income
    - deemed not capital property, 96(1.4)
- return on death of, 150(4)
- rules for computing income etc., 96(1)
- share of exploration and development expense, 66.1(7), 66.2(6), (7)
- tax matters, designation by partnership, 165(1.15)

#### Partner jurisdiction

- defined, for digital platform operator reporting rules, 282(1)

#### Partnership, *see also* Limited partnership; Partner; Partnership interest

- accrued interest income, 12(3)
- “acquisition cost”, ITAR 20(4)“acquisition cost”
- acquisition of foreign affiliate from, 91(7)
- agreement by members, validity, 96(3)
- agreement to share income
  - in unreasonable proportions, 103(1.1)

## Index

- Partnership (*cont'd*)
- • to avoid tax, 103(1)
  - allocation to retiring partner, 96(1.1)
  - • deduction, 96(1.3)
  - annuity contract, interest in, 12.2
  - assumptions, 96(2)
  - business of, continued as sole proprietorship, 98(5)
  - Canadian, defined, 102(1)
  - Canadian development expenses of, election to exclude, 66.2(5)“Canadian development expense”(f)
  - Canadian oil and gas property expenses of, election to exclude, 66.4(5)“Canadian oil and gas property expense”(b)
  - Canadian partnership, defined, 102(1)
  - Canadian securities owned by, 39(4.1)
  - capital cost allowance, Reg. 1102(1a)
  - carbon capture investment tax credit, 127.44(11)
  - ceasing to exist, 98
    - • continuation of, by another partnership, 98.1(2)
    - • continued by new partnership, 98(6)
    - • continued by proprietor, 98(5)
    - • deemed proceeds of disposition, 98(2)
    - • disposition of property, 98(1)
    - • property transferred to corporation, 85(3)
    - • rules applicable, 98(3), (4)
  - charitable donations, *see* gifts made by (below)
  - common-law, *see* Common-law partner
  - continuation
    - • as new partnership, 98(6)
    - • by another partnership, 98.1(2)
    - • by proprietor, 98(5)
  - contribution of property to, 97
    - • capital cost to partner exceeds proceeds, where, 97(4)
    - • majority interest partner, by, 40(3.3), (3.4)
  - corporate
    - • gross revenue from active businesses, 125.1(4)
    - • small business deduction, 125(6)
    - • • “specified partnership income”, 125(7)
    - • • “specified partnership loss”, 125(7)
  - corporation as member of
    - • inclusion of stub period income, 34.2(2)
  - corporation deemed member, 125(6.1)
  - death of partner, return, 150(4)
  - debt obligation issued by, 80(13)E(a), (14)(b), (15), (18)
  - deemed person for affiliated persons definition, 251.1(4)(b)
  - deemed person for debt forgiveness rules, 80(1), 80.01(1)
  - deemed person for flow-through share provisions, 66(16)
  - deemed person for Part IV.1 tax, 187.4(c)
  - deemed person for scientific research tax credit rules, 127.3(7)
  - deemed person for seizure of property by creditor, 79(1)“person”, 79.1(1)“person”
  - deemed person for tax on carved-out property, 209(6)
  - deemed person for tax shelter identification rules, 237.1(1)
  - deemed taxpayer for tax shelter investment cost rules, 143.2(1)“taxpayer”
  - deemed person for withholding tax obligations, 227(5.2), (15)
  - defined, nowhere (*see* case law)
  - depreciable property, ITAR 20(3), (5)
  - determination of income or loss, 152(1.4)–(1.8)
    - • objection to determination, 165(1.15)
  - distributions tax, 197, *see* SIFT partnership
  - distributions, tax on, *see* SIFT partnership
  - dividend received from foreign affiliate, 93.1(2)
    - • from pre-acquisition surplus, 92(4)–(6)
  - election by members
    - • date to be made, 96(4)
    - • late-filed, 96(5)
    - • • penalty, 96(6), (7)
    - • • special cases, 96(5.1)
  - re property transferred, 97(2)
    - • • certain windups excluded, 97(3)
    - • validity, 96(3)
  - exempt, for resource allowance claims, Reg. 1206(1)
  - exempt persons, anti-avoidance rule, 96(8)
  - family farm or fishing, *see* Family farm or fishing corporation/partnership
  - farming business of
    - • disposition of land used in, 101
  - financial institution, 142.2(1)“financial institution”(b)
  - fiscal period of, 249.1(1)(b)(ii), (c)
    - • election to align year-end with corporate partners, 249.1(8)–(11)
  - foreign accrual property income of, 93.1(5), (6)
  - foreign, partner becoming subject to Canadian tax, 96(8)
  - foreign resource property disposition, 59(1.1)
  - fuel tax rebate of, 111(11)
  - gains and losses, determination of, 96(1.7)
  - gifts made by
    - • corporation’s share, 110.1(4)
    - • individual’s share, 118.1(8)
  - includes another partnership that is a member, 102(2)
  - income of, 12(1)(l), 96(1)
    - • determination by CRA, 152(1.4)–(1.8)
    - • income splitting, 103
    - • minimum tax applicable to partner, 127.52(2)
  - information return, Reg. 229
    - • early disclosure for public partnership, Reg. 229.1
    - • failure to make, 162(7.1), (8), (8.1)
    - • foreign-based information, 233.2–233.5
  - • • demand for, 233(2)
  - interest accrued, 12(3)
  - interest in, *see* Partnership interest
  - interest on debt relating to acquisition of land, 18(3)“interest on debt relating to the acquisition of land”(b)
  - investing in residential property or Canadian film
    - • capital cost allowance limitation, 127.52(2)
  - investment tax credit, allocation to partners, 127(8)–(8.5)
    - • carbon capture (CCUS) credit, 127.44(11)
    - • non-limited partners, 127(8.3)
  - life insurance policy, interest in, 12.2
  - limited, *see* Limited partnership
  - limited liability, *see* Limited liability partnership
  - look-through rules, *see* Tiers of partnerships
  - loss of, minimum tax applicable to partner, 127.52(2)
  - majority interest partner, 248(1)
  - manufacturing etc., profits, Reg. 5204
  - member, *see* Partner
  - name, reference to on documents, 244(20)(a)
  - new, continuing predecessor partnership, 98(6)
  - non-Canadian
    - • withholding tax on payments to, 212(13.1)(b)
  - non-existent
    - • extended deadline for assessment of non-partners, 152(1.8)
  - non-resident controlled
    - • corporate member’s specified income deemed nil, 125(6.2)
    - • deemed, 125(6.3)
  - notice to, 244(20)
  - Part IV.1 tax, 187.4
  - Part XIII tax, application of, 212(13.1), (13.2)
  - partner, *see* Partner
  - “percentage of member”, ITAR 20(4)“percentage”
  - personal-use property of, 46(4)
  - professional, *see* Professional partnership
  - property
    - • right to receive
      - • • adjusted cost base, 53(2)(o)
    - • public, *see* Public partnership; SIFT partnership
    - • publicly traded, tax on distributions, *see* SIFT partnership
    - • qualifying Canadian, *see* Qualifying Canadian partnership

## Index

### Partnership (*cont'd*)

- reference to, constitutes reference to partners, 244(20)
- renounced resource expenses, return to be filed re, 66(12.69)
- late filing, 66(12.74), (12.75)
- research and development expenses, no carryforward, 96(1)(e.1)
- resident of, *Income Tax Conventions Interpretation Act* s. 6.2
- residual interest in, 98.1(1)
- resource expenditures, by members, 66(18)
- allocation of assistance, 66.1(7), 66.2(6), (7), 66.4(6), (7)
- resource expenses of
  - deemed made by partners, 66(18)
  - election by partner to exclude, 66.2(5)“Canadian development expense”(f), 66.4(5)“Canadian oil and gas property expense”(b)
  - not claimed at partnership level, 96(1)(d), 66.1(7), 66.2(6), (7), 66.4(6), (7)
  - renounced, 66(12.69), (12.74), (12.75)
- resource expenses renounced to
  - non-arm's length relationship deemed, 66(17)
- return, *see* information return (*above*)
- right to share in income
  - disposition of, 96(1.2)
  - death of taxpayer, on, 96(1.5)
  - deduction, 96(1.3)
  - rules for computing income etc., 96(1)
- rollover to, 97(2)
- scientific research tax credit, 127.3(4), (7)
- service of documents on, 244(20)(b)
- small business deduction, 125(6)
- soft costs relating to construction, 18(3.1)(b), 18(3.2)(b)(iii)
- specified member, defined, 248(1)
- taxable dividends received by, 186(6)
- taxation year of, 96(1)(b)
- terminated
  - fiscal period of, 99(1)
  - member's election re fiscal period, 99
- tiered, *see* Tiers of partnerships
- transfer of property by partner to, 97(1), (2)
- transfer of property to corporation, 85(2)
- partnership wound up, 85(3)
- “undepreciated cost to the partnership”, *ITAR* 20(4)“undepreciated cost to the partnership”
- unit, *see* Limited partnership unit; Partnership interest
- value of rights or things on death, 53(1)(e)(v)
- winding-up of, *see* ceasing to exist (*above*)
- withholding tax, 227(15)

**Partnership distributions tax**, 197, *see* SIFT partnership

**Partnership interest**, *see also* Limited partnership unit

- acquired through amalgamation, 87(2)(e.1)
- adjusted cost base
  - additions to, 53(1)(e)
  - deductions from, 53(2)(c)
  - negative, whether capital gain, 40(3)–(3.2)
  - recomputation of following debt forgiveness, 53(4)–(6)
- artificial transactions, 40(3.13)
- borrowed money used to acquire, 20.1(5)
- deductions from, 53(2)(c)
- capital contribution where other person withdraws funds, 40(3.13)
- constitutes specified property, 54“specified property”(c)
- disposition of, 100
  - gain from, 100(2), (2.1)
  - loss from, 100(4)
- subsequent to debt forgiveness, deemed capital gain, 80.03(2), (4)
- distributed to parent on winding-up of subsidiary, 88(1)(a.2), (c)
- donation to charity, whether no capital gain, 38(a.3)

- expenses of selling or financing, 20(1)(e)
- foreign affiliate's, adjusted cost base of, 95(2)(j)
- issuance of, whether deductible to partnership, 143.3(4)
- limited liability partnership, *see* Limited liability partnership
- loan of, 96(1.7)
- owned on Dec. 31/71, *ITAR* 26(9)–(9.4)
- person having, deemed member, 248(13)
- qualified investment for RRSP etc., *Reg.* 4900(1)(n)
- residual, 98.1(1)
- transfer on death, 98.2
- whether taxable Canadian property, 248(1)“taxable Canadian property”(g)

### Parts

- deemed to be inventory, 10(5)
- valuation of, 10(4)

### Partsperson

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Party planning or organizing relief (COVID)**, *Reg.*

8901.1(2)(b)(xx)(B), *see also* Qualifying tourism or hospitality entity

### Pass

- transit, *see* Public Transit Pass Credit

### Passenger automobile

- defined (for pre-1966 cars only), *Reg.* 1102(11)

**Passenger vehicle**, *see also* Automobile; Zero-emission passenger vehicle

- acquired at non-arm's length
  - deemed cost of, 13(7)(h)
- capital cost limited to \$24,000, 13(7)(g)
- defined, 248(1)
- electric, *see* Zero-emission passenger vehicle
- hydrogen, *see* Zero-emission passenger vehicle
- interest on money borrowed to buy
  - limitation on deductibility, 67.2
- leasing costs
  - limitation on deductibility, 67.3
  - more than one lessor, limitation on deductibility, 67.4
- luxury, limitations on, *see also* Luxury Items Tax
  - bad debt from sales of, 20(4)
- capital cost allowance, 13(7)(g), *Reg.* 1101(1af), 7307(1), *Reg. Sch. II:Cl. 10.1*
  - year of disposition, *Reg.* 1100(2.5)
- interest deductibility, 67.2, *Reg.* 7307(2)
- leasing cost, 67.3, 67.4, *Reg.* 7307(3), (4)
- terminal loss disallowed, 20(16.1), *Reg.* 1100(2.5)
- recapture exception, 13(2)
- transferred to corporation by shareholder
  - capital cost or cost, 85(1)(e.4)

### Passive income

- dividends, 82(1), 90
- foreign affiliate, *see* Foreign accrual property income
- generally, 9(1)
- interest, 12(1)(c), 12(4)
- non-resident, of, 212
- private corporations
  - refundable dividend tax on hand, 129(1), (4), (5)
  - small business deduction grind, 125(5.1)(b), (5.2)

### Passive NFE

- defined, for Common Reporting Standard, 270(1)

**Passive partner**, *see* Limited partner; Specified member (of partnership)

### Past service event

- defined, 147.1(1), *Reg.* 8300(1), (2)
- restrictions on pension benefits, 147.1(10)

### Past service pension adjustment

- accumulated, *Reg.* 8303(1)(a)
- defined, 248(1), *Reg.* 8303



**Past service pension adjustment (*cont'd*)**

- foreign plan, Reg. 8308.1(5), (6)
- net
  - calculation of, 204.2(1.3)
  - defined, 146(1)“net past service pension adjustment”
  - occurring in 1991, Reg. 8303(2.1)
  - provisional, Reg. 8303(2), (3)

**Patent**

- application, legal fees deductible, 20(1)(cc)
- capital cost allowance
  - 25% rate, Reg. 1100(1)(a)(xxx), 1100(9.1), Reg. Sch. II:Cl. 44
  - allocated over life of patent, Reg. 1101(1)(c), 1100(9), Reg. Sch. II:Cl. 14
- non-resident withholding tax, 212(1)(d)
- paid to U.S. resident, Canada-U.S. Tax Treaty:Art. XII:3(c)

**Patient**

- defined, 118.2(2)(a)
- medical expenses for, 118.2(2)

**Patronage**

- allocation in proportion to
  - defined, 135(4), Reg. 4901(2)
  - holding forth prospect of, 135(5)
  - members/non-members, 135(2)

**Patronage dividends, 135**

- carryover of deduction, 135(2.1)
- deduction, 20(1)(u), 135(1)
  - exclusion where non-arm's length, 135(1.1)
- paid to non-resident, 212(1)(g)
- payments, information return, Reg. 218
- receipt of, income, 135(7)
- where marketing board used, 135(8)

**Pattern**

- capital cost allowance, Reg. Sch. II:Cl. 12(d)

**Pay equity**

- averaging of settlement received, 110.2, 120.31

**Pay period**

- defined
  - for employee source withholdings, Reg. 100(1)
  - for exemption test policy (life insurance), Reg. 310

**Payable**

- meaning of, 104(24)

**Payee**

- defined, Reg. 237(1)

**Payee certificate for non-resident, Reg. 805.1****Payer**

- defined, for hybrid mismatch arrangement rules, 18.4(1)

**Payment, *see also* Deductions in computing income; Expenses; Income; Payment of tax**

- based on production or use, income, 12(1)(g)
- defined, for hybrid mismatch arrangement rules, 18.4(1)
- ITA, under, not deductible from business or property income, 18(1)(t)
- instalment, *see* Instalment payments
- lump sum, withholding, Reg. 103
- maintenance and support, *see* Support payments (spousal or child)
- non-residents, to, Part XIII
  - information return, Reg. 202
- periodic, *see* Periodic payments
- shareholder or prospective shareholder, to, 15(7)
  - from corporation, 15(1)
- tax, *see* Payment of tax
- tax transfer, to provinces, 154, Reg. 3300
- to CRA over \$10,000, must be electronic, 160.5(2), 162(7.4)

**Payment card corporation, *see* Prescribed payment card corporation share****Payment of tax, 153, 156, 158**

- balance due day, defined, 248(1)
- carved-out income, on, 209(4)
- certificate before distribution, 159(2)
  - failure to obtain, 159(3)
- corporations, 157
  - where instalments not required, 157(2.1)
- death of taxpayer, on
  - election to pay in instalments, 159(5)
- deduction at source, 153(1)
- deemed, *see also* refundable credits
- trust, by, re non-qualified investment, 202(6)
- deferral of
  - appeal for purpose of, penalty, 179.1
- deferred income plans
  - over-contributions, 204.3
  - property held by, 207.2
- departure tax
  - election to defer, 220(4.5)–(4.54), Reg. 1300
- farmers and fishermen, 155, 156.1
- individuals, 153(2), 156, 156.1
- instalment, *see also* Instalment payments (Instalments)
- non-residents, 215
- on behalf of others, 159
- Part I.1, 180.1(3)(b)
- Part I.2, 180.2(5)(b)
- Part II, 183(2)
- Part II.2, 183.4(2)
- Part III, 185(2)
- Part III.1, 185.2(4)
- Part IV, 187(2)
- Part IV.1, 187.2
- Part V, 188(1.1), 189(6)
- Part VI, 190.21
- Part VI.1, 191.1(1)
- Part VI.2, 191.5(2)
- Part IX, 196
- Part IX.1, 197(7)
- Part X, 198(2)
- Part X.1, 204.3(1)
- Part X.2, 204.7(1)
- Part X.3, 204.86(1)(c)
- Part X.4, 204.92(c)
- Part XI.1, 207.2(1)
- Part XI.2, 207.4
- Part XI.3, 207.7(3)
- Part XI.4, 207.8(4)
- Part XII.1, 209(4)
- Part XII.3, 211.4
- Part XII.4, 211.6(4)
- Part XII.5 tax, 211.8(2), 211.82
- Part XIII, 215(1)
- Part XIV, 219(1)
- postponement, where income in blocked currency, 161(6)
- public authorities disposing of cultural property, 207.3, 207.4
- registered investment, 204.7
- remainder payment, 158
- retirement compensation arrangement, 207.7(3)
- security for, 220(4)–(4.4), Reg. Part XXII
- taxpayer leaving Canada, 226(1)
- transfer among tax accounts, 221.2
- trustee, etc., 159(1)
  - personal liability, 159(3)

**Payment rate**

- for carbon tax refund to farmers, 127.42(1)

**Payoffs**

- no deduction for, 67.5

**Payroll deduction, *see* Withholding**

**Payroll taxes (provincial)**

- deductibility of, 18

**Payroll withholding**, *see* Withholding**Peak shaving facility (re LNG liquefaction)**

- defined, Reg. 1104(18)

**Pearen case overruled**, 118.2(2.21)**Peat**

- property for use in harvesting, 127(9)“qualified property”

**Penalty**, *see also* Offences; Table O-7

- appeal without reasonable grounds, 179.1
- burden of proof of offence on Minister, 163(3)
- CCUS climate risk report, failure to publish, 211.93(5)
- CCUS knowledge sharing report, failure to file, 211.93(4)
- charity, *see* Registered charity: penalties
- compliance order issued, 231.7(6), (7)
- confidential information, contraventions re, 239(2.2)
- conviction of offence, on, 238(1), 239
- • second penalty, when applicable, 239(3)
- corporation’s failure to file information return, 162(10)
- court has no power to decrease punishment, 243
- deficient instalments of tax, 163.1
- destruction of records, for, 239(1)
- dishonoured cheque, for, 162(11)
- electronic sales suppression software, 163.3, *see also* Zapper software (or hardware)
- failure to comply with notice of non-compliance, 231.9(12)
- failure to file information return electronically, 162(7.02)
- failure to file prescribed form, R&D corporation, 149(7.1)
- failure to file return, 162(1)
  - • electronically, where required, 162(7.2)
  - • repeated penalties, 162(2)
  - • trustees etc., 162(3)
- failure to provide SR&ED claim preparer information, 162(5.1)
- failure to provide Taxpayer Identification Number to financial institution for provision to foreign tax authorities, 281(3)
- failure to remit tax withheld, 227(9)
  - • applicable only on amounts over \$500, 227(9.1)
  - • salary or wages, from, 227(9.5)
- failure to withhold tax, 227(8)
  - • salary or wages, from, 227(8.5)
- false statement, 163(2), 239(1)
  - • by third party or tax preparer, 163.2
  - • charity receipt, 188.1(9), (10)
  - • re renunciation of resource expenses, 163(2.2)
- frivolous appeal, 179.1
- general anti-avoidance rule applying, 245(5.1)
- gross negligence, 163(2)
- incomplete return, 162(5)
- incorrect tax shelter identification number, for providing, 239(2.1)
- interest on, 161(11)
- large corporations, late return, 235
- late-filed election, 220(3.5)
  - • capital gains exemption triggering, 110.6(26), (29)
  - • disposition of share in foreign affiliate, 93(6)
  - • partners, 96(6)
  - • transfer to corporations, 85(8), (9)
- late filing of form re renunciation of resource expenses, 66(12.75)
- late filing of return, 162(1), 235
- late instalments of tax, 163.1
- misrepresentation, 163(2)
  - • by third party or tax preparer, 163.2
- not deductible from income, 18(1)(t), 67.6
- notice of non-compliance outstanding, 231.9(12)
- ownership certificates, offences re, 162(4)
- Part II.2 tax, 183.4(3)
- Part IV.1 tax, 187.6

- Part VI.1 tax, 191.4(2)
- Part VI.2 tax, 191.6
- Part XII.2 tax, 210.2(7)
- Part XII.3 tax, 211.5
- Part XII.4 tax, 211.6(5)
- Part XII.5 tax, 211.82
- partnership information return, failure to file, 162(7.1), (8.1)
- payment over \$10,000 made non-electronically, 162(7.4)
- registered charity, *see* Registered charity: penalties
- regulations, failure to comply with, 162(7)
- remittance over \$10,000 made non-electronically, 162(7.4)
- repeated assessments of, 162(2)
- repeated failures to report an amount of income, 163(1)
- sales suppression software, 163.3, *see also* Zapper software (or hardware)
- Social Insurance Number
  - • failure to provide, 162(6)
  - • wrongful communication of, 239(2.3)
- tax advisor, 163.2
- tax shelter identification number, offences re, 237.1(7.4)
  - • deduction disallowed while penalty unpaid, 237.1(6.1)
- third party, 163.2
- transfer pricing, 247(3), (11)
- waiver of, by Minister, 220(3.1)
- zapper software, 163.3, *see also* Zapper software (or hardware)

**Pension**, *see also* Pension plan; Canada Pension Plan / Quebec Pension Plan

- adjustment, *see* Pension adjustment
- benefits, *see also* income (below)
  - • income, 56(1)(a)(i)
  - • • exemption, 57
  - • paid to non-resident, 212(1)(h)
  - • • election to file return, 217
  - • paid to U.S. resident, Canada-U.S. Tax Treaty:Art. XVIII
  - • paid to widow(er), 57(5)
  - • received in error, deduction for repayment, 60(n.1)
  - • transferred to another plan, deductible, 60(j)
  - • unpaid, 78(4)
- bridging benefits, *see* Bridging benefits
- credit, *see* Pension credit
- defined, *Income Tax Conventions Interpretation Act* s. 5; Canada-U.S. Tax Treaty:Art. XVIII:3; Canada-U.K. Tax Treaty:Art. 17:3
- disability benefit
  - • constitutes earned income for RRSP, 146(1)“earned income”(b.1)
- Halifax disaster, exempt, 81(1)(f)
- income, *see also* benefits (above)
  - • credit for, 118(3)
    - • • unused, transfer to spouse, 118.8
  - • defined, 60.03(1), 118(7)
  - • qualified, defined, 118(7)
  - • splitting with spouse
    - • • deduction to pensioner, 60(c)
    - • • income inclusion to transferee, 56(1)(a.2)
    - • • joint liability for tax, 160(1.3)
    - • • revocation of election, 220(3.201)
    - • • rules, 60.03
    - • • source deductions, 153(1.1), (2)
  - • paid to non-resident, 212(1)(h)
  - • election to file return, 217
  - • paid to U.S. resident, Canada-U.S. Tax Treaty:Art. XVIII
- periodic payments, *see* Periodic pension payment
- plan, *see* Pension plan
- RCMP, exempt, 81(1)(i)
- service, exempt, 81(1)(d)
  - • from other country, exempt, 81(1)(e)
- superannuation or pension benefits

**Pension** (*cont'd*)

- defined, 248(1)
- surplus, *see* Pension surplus

**Pension Act, pension under, exempt**, 81(1)(d)**Pension adjustment**, *see also* Pension credit

- defined, 248(1), Reg. 8301(1), *see also* Pension credit
- limits, 147(5.1)(c), 147.1(8), (9), Reg. 8506(2), 8509(12)
- past service, *see* Past service pension adjustment
- reversal, *see* Pension adjustment reversal
- special rules, Reg. 8308

**Pension adjustment correction**, *see also* Permitted corrective contribution (to pension plan)

- defined, Reg. 8304.1(16)
- included in “total pension adjustment reversal”, Reg. 8304.1(1)(b)
- information return required, Reg. 8402.01(4.1)

**Pension adjustment reversal**

- defined, 248(1) “total pension adjustment reversal”, Reg. 8304.1
- effect of, 146(1) “RRSP deduction limit” R, 146(1) “unused RRSP deduction room” (b) R, 204.2(1.1)(b) R
- regulations respecting, 147.1(18)(d), (t), Reg. 8304.1
- reporting requirements, Reg. 8402.01

**Pension benefits**, *see* Pension: benefits; Pension: income**Pension benefits act, provincial**

- registration under, 147.1(2)(a)(iii)

**Pension Benefits Guarantee Fund**

- exempt from income tax, 149(1)(o.5)
- prescribed person for pension investment corp., Reg. 4802(1)(f.1)

**Pension Benefits Standards Act**

- administration of
- communication of information obtained under ITA, 241(4)(d)(vii)
- registration under, 147.1(2)(a)(iii)

**Pension corporation**

- exemption, 149(1)(o.1), (o.2)

**Pension credit**, *see also* Pension adjustment

- artificial reduction of, Reg. 8503(14)
- calculation of, Reg. 8301
- deferred profit sharing plan, Reg. 8301(2)
- foreign plan, Reg. 8308.1(2)–(4)
- registered pension plan
  - defined benefit provision
    - multi-employer plan, Reg. 8301(7)
    - ordinary plan, Reg. 8301(6)
    - specified multi-employer plan, Reg. 8301(5)
  - downsizing benefits, effect of, Reg. 8308(9)
  - money purchase provision, Reg. 8301(4)
  - non-vested termination, Reg. 8301(8), (9)
  - remuneration for prior years, Reg. 8308(3)(b)
  - replacement of benefits, effect of, Reg. 8304
  - transitional rule, Reg. 8301(10)
- rounded to nearest dollar, Reg. 8311
- specified retirement arrangement, Reg. 8308.3(2)–(5)
- United States treaty, tax credit, Reg. 8308.1(2.1)
- constitutes pension adjustment, Reg. 8301(1)
- DPSP contribution limits, effect on, 147(5.1)
- multi-employer plan, effect on PA limit, 147.1(9)
- non-refundable credit, for \$1,000 of pension income, 118(3)
- reporting of, Reg. 8401(3)

**Pension fund investment corporation**, 149(1)(o.2)(iii)**Pension fund of a governmental entity, international organization or central bank**

- defined, for Common Reporting Standard, 270(1)

**Pension fund real estate corporation**, 149(1)(o.2)(ii)**Pension income**, *see also* Pension: benefits; Pension: income

- defined, 60.03(1), 118(7)

**Pension plan**, *see also* Registered pension plan

- appeal from refusal to register, 172(3)(f), 172(5)
- benefits flowed through trust, 104(27)
- Canada, *see* Canada Pension Plan / Quebec Pension Plan
- contract under, 254
- dollar limits, *see* Pension adjustment
- foreign plan, *see* Foreign plan (pension plan)
- individual, Reg. 8515
- legal expenses of collecting or establishing right to benefit under
  - deduction for, 60(o.1)
  - income when recovered, 56(1)(1.1)
- provincial, *see* Specified pension plan
- pooled, *see* Pooled pension plan; Pooled registered pension plan (PRPP)
- Quebec, *see* Canada Pension Plan / Quebec Pension Plan
- registered, *see* Registered pension plan
- Saskatchewan, *see* Specified pension plan
- surplus, *see* Pension surplus
- transfers between, 147.3

**Pension surplus**

- transfer of, 147.3(4.1), (7.1)

**Pension transferee**

- defined, 60.03(1)
- income inclusion to, for split pension income, 56(1)(a.2)
- joint liability for tax on split pension income, 160(1.3)
- source deductions deemed withheld for, 153(2)

**Pension trust**

- exempt, 149(1)(o)

**Pensionable service**

- defined, Reg. 8500(1)

**Pensioner**

- deduction to, for split pension income, 60(c)
- defined, 60.03(1)
- joint liability for tax on split pension income, 160(1.3)

**Percentage**

- rates of tax, *see* Rates of tax
- specified, *see* Specified percentage

**Performer**, *see* Actor**Period of disability**

- defined, Reg. 8500(1)

**Period of reduced services**

- defined, Reg. 8300(1)

**Periodic child care expense amount**

- defined, 63(3)

**Periodic payments**

- accrual to date of death, 70(1)(a)
- alimony/maintenance/support, 56(1)(b)–(c.2), 56.1, 60(b)–(c.2), 60.1
- pension, *see* Periodic pension payment
- tax deduction, determination of, Reg. 102

**Periodic pension payment**

- defined, *Income Tax Conventions Interpretation Act* s. 5

**Periodical**

- advertising in, limitation, 19.01(2)–(4)
- defined, 19.01(1)
- edition of, meaning, 19.01(6)

**Permanent establishment**

- defined
  - Canada–U.S. Tax Convention, Canada–U.S. Tax Treaty: Art. V
- corporation, Reg. 400, 8600
- for country-by-country reporting, 233.8(1), Reg. 8201
- for FAPI purposes, 95(1), Reg. 5906(2)
- for leasing-property rules, 16.1(1), Reg. 8201
- for restrictive-covenant rules, 56.4(1), Reg. 8201
- for various purposes, Reg. 8201

## Index

### Permanent establishment (*cont'd*)

- individual, Reg. 2600
- dividend from non-resident corporation having, 112(2), Reg. 8201
- for allocating income among provinces
- of corporation, Reg. 400
- of individual, Reg. 2600
- international tax treaties
- applies for FAPI purposes, Reg. 5906(2)(a)(i), 5906(2)(b)(i)
- Canada–U.K. convention, Art. 5
- Canada–U.S. convention, Canada–U.S. Tax Treaty:Art. V
- profits allocated to, *Income Tax Conventions Interpretation Act* s. 4
- securities lending arrangement, 260(5), Reg. 8201
- specified leasing property, 16.1(1), Reg. 8201
- tax on property forming part of, Canada–U.S. Tax Treaty:Art. XXIII:2

### Permitted acquisition

- defined, for butterfly, 55(1)

### Permitted corrective contribution (to pension plan), *see also* Pension adjustment correction

- deductible to employee, 147.1(1)(a)(ii)
- deductible to employer, 147.1(4)(a)(ii)
- defined, 147.1(1)
- information return required, Reg. 8402(4)
- permitted, 147.1(20)

### Permitted deferral

- defined, for small business investment capital gain rollover, 44.1(1)

### Permitted element

- for clean technology manufacturing ITC, 127.49(1)

### Permitted exchange

- defined, for butterfly, 55(1)

### Permitted redemption

- defined, for butterfly, 55(1)

### Perpetual poverty, vow of, 110(2)

### Person, *see also* Taxpayer

- defined, Canada–U.S. Tax Treaty:Art. III:1(e); Canada–U.K. Tax Treaty:Art. 3:1(c)
- includes partnership for specific purposes, 66(16), 79(1), 79.1(1), 80(1), 80.01(1), 80.02(1), 80.03(1)(a), 80.04(1), 135.2(1), 139.1(1), 160.01(1), 163.2(1), 187.4(c), 209(6), 227(5.2), (15), 237.1(1), 237.3(1), 237.4(1), 237.5(1), 251.1(4)(b), 251.2(1), 256.1(1)
- related by blood, defined, 251(6)

### Person employed

- for carbon tax refund to small business, defined, 127.421(1)

### Personal credits, 118, *see also* Tax credits

- defined, for source deductions, Reg. 100(1)

### Personal injury award

- election re capital gains, 81(5)
- income from exempt, 81(1)(g.1), (g.2)

### Personal or living expenses

- allowance for, taxable, 6(1)(b)
- defined, 248(1)
- not deductible, 18(1)(h)

### Personal property

- located on ship or aircraft used in international traffic, whether taxable Canadian property, 248(1)“taxable Canadian property”(b)(ii)

### Personal service

- defined, for digital platform operator reporting rules, 282(1)

### Personal services business

- defined, 125(7), 248(1)
- excluded from active business income, 125(7)“active business carried on by a corporation”
- expenses, limitation on deductibility of, 18(1)(p)

- incorporated employee, defined, 125(7)“personal services business”(a)
- loans, 12(1)(w), 80.4(1)
- rate of tax on, 123.4(1)“full rate taxable income”(a)(iii), 123.5
- retirement compensation arrangement, 207.6(3)

### Personal trust, *see also* Trust (or estate)

- defined, 110.6(16), 248(1)
- effect of qualifying disposition, 107.4(3)(i)
- disposition of capital interest in, 107(1)(a)
- distribution of property to beneficiary, 107(2), (4.1)
- emigration of beneficiary, whether deemed disposition of interest, 128.1(10)“excluded right or interest”(j)
- income interest in, defined, 108(1)
- non-arm’s length with beneficiary, 251(1)(b)
- principal residence exemption, 54“principal residence”

### Personal-use property, *see also* Listed personal property

- adjusted cost base of, 46(1), (2)
- bad debt that is, 50(2)
- defined, 54
- disposition of
- capital loss nil, 40(2)(g)(iii)
- in part, 46(2)
- ordinarily disposed of as a set, 46(3)

### Pertinent loan or indebtedness

- deemed interest income from, 17.1
- defined
- for foreign-affiliate dumping rules, 212.3(11)
- for shareholder-loan rules, 15(2.11)

### Pertinent person or partnership

- defined, for artificial foreign tax credit generator rules, 91(4.3), Reg. 5907(1.05)

### Petro-Canada, subject to tax, 27(2), Reg. 7100

### Petroleum/natural gas

- allowances, Reg. Part XII
- corporations, *see* Drilling or exploration expense; Exploration and development expenses; Prospecting
- cost of substance injected to recover, 20(1)(mm)
- dealers in, limitation, 66(5)
- exploration and development expenses, 66
- exploration equipment etc., capital cost allowance, Reg. Sch. II:Cl. 10(t), Sch. II:Cl. 41
- flow-through shares eliminated after March 2023, 66(12.6)(b.2)
- liquefied natural gas facility, capital cost allowance, Reg. Sch. II:Cl. 47(b)
- pipeline for natural gas distribution, Reg. Sch. II:Cl. 51

### Phantom stock plan

- emigration or immigration, no deemed disposition, 128.1(10)“excluded right or interest”(a)(vii)

### Pharmacist

- defined, 118.4(2)

### Phase (of a project)

- defined, for investment tax credit, 127(9)

### Phased retirement, Reg. 8503(16)–(25)

- *Phénix case overruled*, 66.1(6)“Canadian exploration expense”(k.1), 66.2(5)“Canadian development expense”(i.1)

### Photocopier

- capital cost allowance, Reg. 1101(5p), Reg. Sch. II:Cl. 10(f)

### Photocopy, *see* Copy of document

### Phototherapy equipment, medical expense credit, 118.2(2)(i)

### Photovoltaic equipment

- capital cost allowance, Reg. Sch. II:Cl. 43.1(d)(vi), Sch. II:Cl. 43.1(d)(xiii), Sch. II:Cl. 43.2(b)

### Physical activity

- defined, Reg. 9400(1)
- prescribed program, for children’s fitness credit, Reg. 9400

### Physician, *see* Medical doctor



**Physiotherapist**

- certification of impairment
- • for disability credit, 118.3(1)(a.2)(v)

**Pick-up truck**

- deemed not to be automobile, 248(1)“automobile”(e)

**Pilot, see Aircraft: pilot****Pilot plants, qualify for R&D investment tax credits, Reg. 2900(11)(c), (d)****Pinball arcade relief (COVID), Reg. 8901.1(2)(b)(ix)(A)(IV), (b)(xv), see also Qualifying tourism or hospitality entity****Pinball machine**

- capital cost allowance, Reg. Sch. II:Cl. 16(f)

**Pink Sheets quoted stocks**

- qualified for deferred income plans before 2002, Reg. 4900(1)(s) [repealed]

**Pipeline**

- capital cost allowance, Reg. Sch. II:Cl. 1(l), Sch. II:Cl. 2(b), Sch. II:Cl. 49, Sch. II:Cl. 51
- • defined, IT-482R para.1
- • exhausted within 15 years, Reg. Sch. II:Cl. 8(i)
- • for mine, Reg. Sch. II:Cl. 10(l)
- • gas or oil well equipment, Reg. 1104(2), Reg. Sch. II:Cl. 10(j)
- • natural gas distribution, for, Reg. Sch. II:Cl. 51
- • separate classes if cost over \$10 million, Reg. 1101(5i), (5j)
- linefill in, no CCA, Reg. 1102(1)(k)
- post-mortem, 84(2) (Notes)
- transmission, *see* Transmission pipeline

**Pipeline operators**

- taxable income earned in a province, Reg. 411

**Piping, see Underground piping****Plan fees**

- payment by owner of registered plan, not an advantage conferred on plan, 207.01(1)“advantage”(b)(i)

**Plan payment (for RDSP assistance payment withholding)**

- defined, Reg. 103.1(1)
- withholding required, Reg. 103.1(2)

**Plan trust**

- defined
- • for qualified investment regulations, Reg. 4901(2)
- • for registered disability savings plan, 146.4(1)

**Planning activity**

- defined
- • for tax-debt avoidance penalty, 160.01(1), 163.2(1)
- • for third-party penalty, 163.2(1)

**Plant residue**

- defined, Reg. 1104(13)

**Plant Workers Adjustment Program**

- overpayments repaid, deductible, 60(n)(v)
- payments received under, taxable, 56(1)(a)(vi), Reg. 5502
- • withholding of tax at source, 153(1)(m), Reg. 5502

**Platform**

- defined, for digital platform operator reporting rules, 282(1)

**Platform operator**

- defined, for digital platform operator reporting rules, 282(1)

**Platinum metal, see Critical mineral****Plumber**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Plural included in singular, Interpretation Act s. 33(2)****Points**

- allocated in determining whether film/video production qualifies as credit, Reg. 1106(5)

**Poland, see also Foreign government**

- stock exchange recognized, 262
- universities, gifts to, Reg. Sch. VIII, s. 12

**Police officer, see also Royal Canadian Mounted Police**

- communication of information to by CRA, 241(4)(p)
- high-risk overseas missions, income not taxed, 110(1)(f)(v)
- killed in line of duty, tax-free benefit to families, 81(1)(j)
- moneys seized from tax debtor by, 224.3
- pension accrual to retire early, *see* Public safety occupation
- RCMP, disability pension exempt, 81(1)(i)
- vehicle of, deemed not to be automobile, 248(1)“automobile”(b.1)

**Policy, see Insurance policy; Life insurance policy****Policy anniversary**

- defined, Reg. 310, 1401(3)

**Policy dividend**

- on demutualization, deemed not to be, 139.1(8)

**Policy liability**

- of insurer, defined [repealed], Reg. 1408(1)

**Policy loan (life insurance)**

- amount payable in respect of, 138(12), 148(9)
- defined, 138(12), 148(9), 211(1), Reg. 310, 1408(1)
- interest limitation, 20(2.1), Reg. 4001
- repayment of, 60(s)

**Policy reserves, see see Insurance corporation: policy reserves****Policy year**

- ending in taxation year, 6(4), (5)

**Policyholders' liabilities**

- defined
- • for determining insurer's capital, 138(12), 181(2), Reg. 8600
- • for insurers' IFRS transition rules, 138(12), Reg. 2400(1)
- • for Part VI tax on financial institutions, 190(1)

**Political activity**

- of Canadian amateur athletic association, 149.1(6.201)
- of charitable foundation, 149.1(6.1)
- of charitable organization, 149.1(6.2)

**Political contribution**

- books and records, 230.1
- eligible amount of contribution, 248(30)–(33)
- information returns, Reg. 2001
- not deductible, 18(1)(n)
- receipts, Reg. 2000, 2002
- tax credit for, 127(3)–(4.2)
- • limit on valuation of property contributed, 248(35)–(38)

**Political party, see also Political contribution**

- deregistration of, no tax receipt allowed while Court application pending, 127(3.3)

**Pollution control equipment**

- capital cost allowance, Reg. 1100(1)(t)

**Pollution tax, see Carbon tax refunds****Ponzi scheme**

- income tax treatment of, 9(1) (Notes), 9(2) (Notes)

**Pool amount**

- defined, for functional currency election, 261(7)(d)

**Pooled fund trust, see Master trust (or Pooled fund trust)****Pooled pension plan, see also Pooled registered pension plan (PRPP)**

- defined, 147.5(1), 248(1)

**Pooled RPP, see Pooled registered pension plan (PRPP)****Pooled registered pension plan (PRPP), 147.5**

- benefit from
- • non-resident withholding tax, 212(1)(h)
- • qualifies for pension income credit, 118(7)“pension income”(a)(i), (iii.2)
- • taxable, 56(1)(z.3), 147.5(13)(a), (16), (18)
- • benefits permissible under, 147.5(5)
- business carried on by, 147.5(8)
- death of member, 147.5(14)–(20)

## Index

### Pooled registered pension plan (PRPP) (*cont'd*)

- rollover of PRPP to survivor's RRSP, 60(1)(v)(A.1), (B.01), (B.1)(II)1
- deemed not to be RCA, 248(1)“retirement compensation arrangement”(a.1)
- deemed not to be SDA, 248(1)“salary deferral arrangement”(a.1)
- disclosure of information for administration of, 241(4)(d)(vii)
- employer's contribution
  - deductible, 20(1)(q), 147.5(10)
  - included in cumulative excess RRSP amount, 204.2(1.2)I(c)
  - information return, Reg. 214.2
  - made in error, return of permitted, 147.5(3)(d)(ii)(A)
  - taxable when returned, 147.5(13)(b)
  - no taxable benefit, 6(1)(a)(i)
  - reduces RRSP deduction room, 146(1)“unused RRSP deduction room”(b)D(iii), 146(5)(b), 146(5.1)(b)(ii)
- excluded from various trust rules, 108(1)“trust”(a)
- exempt income of Indians, contributions from, 147.5(31)–(34)
- income accruing in
  - not taxed, 147.5(8), 149(1)(u.3)
- information return, Reg. 213, 214.2
- interest on money borrowed to invest in, whether deductible, 18(1)(c)
- member's contribution
  - deductible, 146(5), 147.5(11)
  - information return, Reg. 214.2
  - not taxed, 147.5(8), 149(1)(u.3)
- prescribed to own shares of pension investment corporations, Reg. 4802(1)(c.3)
- RRIF may accept transfer from, 146.3(2)(f)(viii)
- refusal to register, appeal, 172(3)(h)
- registration conditions, 147.5(2)
- return of contributions, 147.5(3)(d)(ii)
- tax-free in certain cases, 56(1)(z.3)(i)
- reversionary trust rules do not apply, 75(3)(a)
- revocable plan, 147.5(3), (4)
- revocation of registration
  - for non-compliance with conditions, 147.5(24)–(27)
  - voluntary, 147.5(28)
- transfer from, to ALDA, PRPP, RPP, RRSP or RRIF, 147.5(21)
- RPP may accept transfer, Reg. 8502(b)(iv)
- transfer to
  - another PRPP, from, 147.5(21)(c)(ii)
  - RRIF, from, 146.3(14.1)(a)
- withdrawal allowed to reduce Part X.1 over contribution tax, 204.2(5)

### Pornography

- ineligible for Canadian film/video credit, Reg. 1106(1)“excluded production”(b)(viii)
- ineligible for film/video production services credit, Reg. 9300(2)(h)

### Portfolio investment entity

- defined, for SIFT trust definition, 122.1(1)

### Portfolio investments

- dividends on, refundable Part IV tax, 186(1)

### Position

- defined, for straddle-transaction rules, 18(17)

### Post, *see* Mail

### Post-emigration loss, 128.1(8)

### Post-1971 spousal or common-law partner trust, *see also* Joint spousal or common-law partner trust; Trust (or estate): spouse, for

- deduction from income, 104(6)(b)B(i)
- defined, 248(1)
- distribution of property to person other than spouse, 107(4)(a)(i)
- preferred beneficiary election by, 104(15)(a)

- transfer by, to another trust, 104(5.8)

### Post-1995 life insurance policy

- defined [repealed], Reg. 1408(1)

### Post-1995 non-cancellable or guaranteed renewable accident and sickness policy

- defined [repealed], Reg. 1408(1)

### Post-secondary school level

- defined, for RESP purposes, 146.1(1)

### Poultry

- raising, constitutes farming, 248(1)“farming”

### Poverty, vow of, 110(2)

### Powerline technician

- apprenticeship job creation credit, 127(9)“investment tax credit”

### Pre-acquisition surplus

- election for dividend to come out of (return of capital), Reg. 5901(2)(b)

### Pre-acquisition surplus (of foreign affiliate)

- deduction for dividend paid out of, 113(1)(d), Reg. 5900(1)(c)
- dividend received by partnership, 92(4)–(6)

### Preexisting account

- defined, for Common Reporting Standard, 270(1)

### Preexisting entity account

- defined, for Common Reporting Standard, 270(1)

### Preexisting individual account

- defined, for Common Reporting Standard, 270(1)

### Pre-funded group life insurance policy

### Pre-1972 capital surplus on hand

- amalgamation, on, 87(2)(t)
- on windup of corporation, 88(2)–(2.3)

### Pre-1972 spousal trust

- deemed disposition by, 104(4)(a.1)
- defined, 108(1)

### Pre-1986 capital loss balance

- defined, 111(8)
- usable, \$2,000 per year, 111(1.1)

### Pre-1996 life insurance policy

- defined [repealed], Reg. 1408(1), (7)

### Pre-1996 non-cancellable or guaranteed renewable accident and sickness policy

- defined [repealed], Reg. 1408(1), (7)

### Pre-production mining expenditure

- Canadian exploration expense, 66.1(6)“Canadian exploration expense”(f)(v.1), (g)
- defined, 127(9)
- reduction for assistance received, 127(11.1)(c.3)
- investment tax credit for, 127(5)(a)(i), 127(5)(a)(ii)(A), 127(9)“investment tax credit”(a.3)
- carryforward or carryback, 127(9)“investment tax credit”(c)
- specified percentage, 127(9)“specified percentage”(j)
- reduces CCEE, 66.1(6)“cumulative Canadian exploration expense”L

### Pre-reversion debt (for functional currency rules)

- defined, 261(1)
- rules for, 261(13), (14)

### Pre-transition debt (for functional currency rules)

- defined, 261(1)
- rules for, 261(8)–(10), (12)(f)

### Precious metals

- eligible for RRSP, RRIF etc. investment, Reg. 4900(1)(t)
- purchase of, information return required, Reg. 230(5)

### Predecessor corporation, *see* Amalgamation

### Predecessor employer

- defined, Reg. 8500(1)
- definition applies to *Income Tax Act*, 147.2(8), Reg. 8500(1.2)

**Predecessor employer** (*cont'd*)

- former employee of, for pension plan rules, 147.2(8)
- pensionable service counts towards member's benefits, Reg. 8504(2.1)

**Predecessor owner**

- defined, for resource allowance, Reg. 1206(1)

**Preferred beneficiary**

- defined, 108(1)
- election, 104(14), Reg. 2800
- allocable amount, 104(15)
- filing deadline, 104(14)–(14.02)

**Preferred-rate amount, for credit union**

- deduction based on, 137(3)
- defined, 137(4.3)

**Preferred share**, *see also* Short-term preferred share; Taxable preferred share; Term preferred share

- consideration for property transferred to corporation, 85(1)(g)
- deemed interest on, 258(3)
- defined, 248(1)
- issued by loss corporation
- where dividends on not deductible, 112(2.4)–(2.9)
- tax-deferred series, Reg. 2107
- tax on payment of dividends on, 191.1
- tax on receipt of dividends on, 82(1), 187.2, 187.3
- taxable, *see* Taxable preferred share

**Pregnant loss**, *see also* Superficial loss

- rules preventing transfer of,
- capital property, 40(3.3), (3.4)
- depreciable property, 13(21.2)
- share or debt owned by financial institution, 18(13), (15)

**Preliminary CCUS work activity**

- defined, for CCUS credit, 127.44(1)

**Preliminary clean hydrogen work activity**

- defined, 127.48(1)
- excluded from capital cost for clean hydrogen tax credit, 127.48(10)

**Preliminary work activity**

- defined
- for clean electricity tax credit, 127.45(1), 127.491(1)
- for clean technology credit, 127.45(1)
- for oil sands mine development project, 66.1(6)
- for oil sands project, Reg. 1104(2)
- no clean electricity credit allowed, 127.491(10)(a)(v)
- no clean technology credit allowed, 127.45(5)(a)(iv)

**Premium**

- defined
- Home Buyers' Plan, 146(1)“premium”, 146.01(1)“premium”
- life insurance as taxable benefit, Reg. 2700(2)
- life insurance policy, 148(9)“premium”
- Lifelong Learning Plan, 146(1)“premium”, 146.02(1)“premium”
- obligation owned since before 1972, ITAR 26(12)
- registered retirement savings plan, 146(1)“premium”
- group term life insurance policy
- limitation on deductibility, 18(9.01)
- taxable benefit to employee, 6(4), Reg. 2700–2704
- health care insurance, deductible, 20.01
- home insurance, deduction after moving away, 62(3)(g)
- life insurance used as collateral, deductible, 20(1)(e.2)
- prescribed, Reg. 309(1)
- RRSP, under, 146(1)“premium”
- refund of, *see* Registered retirement savings plan: refund of premiums

**Premium category**

- defined, Reg. 2700(1)

**Premium paid by the policyholder**

- defined [repealed], Reg. 1408(4)

**Prepaid amounts, taxable when received**, 12(1)(a)**Prepaid expenses**

- amalgamation, 87(2)(j.2)
- farming or fishing (cash-basis) business, 28(1)(e), (e.1)
- limitation re deductibility, 18(9)

**Prepaid insurance benefit**

- defined, Reg. 2703
- included in taxable group term life insurance, 6(4), Reg. 2701(1)(b)

**Prepaid interest**

- limitations on deduction for, 18(9), 18(9.2)–(9.8)

**Preproduction**, *see* Pre-production mining expenditure**“Prescribed” defined**, 248(1)**Prescribed annuity contract**, Reg. 304

- amount included in income, 56(1)(d)
- deduction, 60(a)
- excluded from accrual rule, 12(11)“investment contract”, 12.2(1)(b)

**Prescribed benefit**

- government assistance program, excluded from income, 56(1)(a)(vi), Reg. 5502
- group term life insurance, Reg. 2700–2704
- RCA advantage rules, none, 207.5(1)“advantage”(e)
- RRSP and other registered plan advantage rules, none, 207.01(1)“advantage”(e)
- tax shelter rules, Reg. 3100

**Prescribed countries**

- for intercorporate dividend from foreign affiliate, Reg. 5907(11)–(11.2)
- for lower withholding tax, debt issued before 1976, Reg. 1600
- for tax treaty elections, Reg. 7400(1)
- stock exchanges recognized, 262
- treaties with, *see* list of treaties in Table of Contents

**Prescribed credit rating agency**, Reg. 4900(2)**Prescribed debt obligation**, *see* Debt obligation: prescribed**Prescribed distribution**

- for foreign spinoff, Reg. 5600

**Prescribed donee**, Reg. 3504**Prescribed durable goods, for teacher school-supplies credit**, Reg. 9600**Prescribed energy generation and conservation property**

- for Atlantic investment tax credit, 127(9)“qualified property”(b.1)

**Prescribed excluded property**

- defined, for RRSP etc. prohibited investment, 207.01(1)“excluded property”

**Prescribed intermediate zone**

- credit for residence in, 110.7(1)
- defined, Reg. 7303.1

**Prescribed labour-sponsored venture capital corporation**

- defined, Reg. 6701

**Prescribed northern zone**

- credit for residence in, 110.7(1)
- defined, Reg. 7303.1

**Prescribed payment card corporation share**

- defined, Reg. 9002.1(1)
- excluded from mark-to-market property rules, 142.2(1)“excluded property”(b)
- property ceasing to be, 142.6(1.4)

**Prescribed plan or arrangement**

- retirement compensation arrangement, Reg. 6802
- rules re, 207.6(6)

**Prescribed premium**

- life insurance policy, Reg. 309(1)
- RRSP retribution, Reg. 8307(7)

**Prescribed property**

- tax shelter rules, Reg. 3101

**Prescribed rate (of interest)**, Reg. Part XLIII

- “quarter” defined, Reg. 4300

**Prescribed region**

- of drought, flood or excessive moisture, Reg. 7305.01(1)

**Prescribed securities exchange investment**

- defined, Reg. 9002.2(1)
- excluded from mark-to-market property rules, 142.2(1)“excluded property”(c)
- property ceasing to be, 142.6(1.5)

**Prescribed share**

- for capital gains exemption, Reg. 6205
- for flow-through shares, Reg. 6202.1
- for lending assets, Reg. 6209
- for redemption of public corporation shares, Reg. 6206
- for resource expenditures, Reg. 6202
- for short-term preferred shares, Reg. 6201(8)
- for small business investment capital gain rollover, Reg. 6204
- for stock option rules, Reg. 6204
- for taxable preferred shares, Reg. 6201(7)
- for taxable RFI shares, Reg. 6201(4), (5.1)
- for term preferred shares, Reg. 6201(1)–(3), (5), (6)

**Prescribed stock exchange**, *see* Stock exchange**Prescribed taxable Canadian corporation**

- for film credit rules, Reg. 1106(2)

**Prescribed trust**, *see* Trust (or estate): prescribed**Prescribed venture capital corporation**

- defined, Reg. 6700, 6700.1, 6700.2

**Prescription drugs, as medical expense**, 118.2(2)(n)**President**, *see* Officer: corporation, of**Pressure pulse therapy device**

- medical expense credit, Reg. 5700(z.4)

**Prevailing wage requirements**

- defined, for labour requirements for ITCs, 127.46(1)

**Price adjustment clause**, 85(1) (Notes)**Priest**, *see* Clergy**Primary address**

- defined, for digital platform operator reporting rules, 282(1)

**Primary currency (of specified debt obligation)**

- defined, Reg. 9100

**Primary recovery**, Reg. 1206(1)**Prince Edward Island**, *see also* Province

- Grandparents and Care Providers Program, *see* Kinship care, social assistance for
- prescribed area, for electrical energy or steam processing, 127(9)“qualified property”(c.1)
- prescribed designated region, 127(9)“specified percentage”(a)(vi), Reg. 4607
- qualified property acquired for use in, 127(9)“specified percentage”(a), (e)
- tax rates, *see* introductory pages

**Principal amount (of debt obligation)**

- defined, 248(1), (26)
- • distress preferred share, 80.02(2)(a)
- • obligation outstanding since before 1972, ITAR 26(1.1)

**Principal-business corporation (exploration and development)**

- deduction of CEE, 66.1(2)
- defined, 66(15)
- pre-production mining expenditures renounced to, 127(9)“pre-production mining expenditure”(b)
- prescribed deductions, Reg. 1213

**Principal-business corporation (real property)**

- associated
- • base level deduction, 18(2.3)–(2.5)
- • base level deduction, 18(2)(f), 18(2.2)

- excluded from limitation on CCA, Reg. 1100(12)

**Principal residence**

- capital gains exemption election, effect on, 40(2)(b)A, D, 40(7.1)
- defined, 54
- designation, 54“principal residence”(c), (c.1), Reg. 2301
- • late or amended, or revocation of, 220(3.21)(a.1)
- disposed of to spouse or spousal trust, 40(4)
- disposition after 1981, 40(6)
- distribution by spouse trust, 107(2.01)
- election where change in use, 45(3), Reg. 2300
- • where not available, 45(4)
- exception to rules, 54.1
- farmer’s, exclusion of, 40(2)(c)
- gain on disposition not taxed, 40(2)(b)
- property of trust, 40(6.1), 54“principal residence”(c.1)
- regulations, Reg. 2300, 2301
- relocation rule, 54.1
- satisfaction of interest in trust, 40(7)

**Printout**

- as proof of electronic document, 244(9)

**Prior reference period**

- defined, for COVID-19 Canada Emergency Wage Subsidy, 125.7(1)

**Prior year revenue decline**

- defined, for Canada Emergency Wage Subsidy, 125.7(1)

**Priority**, *see* Garnishment for taxes unpaid; Ordering**Prison**, *see also* Offences

- person confined to
- • higher-income spouse can claim child-care expenses, 63(2)(b)C(i)(C)
- • no GST credit, 122.5(2)(b)

**Private corporation**, *see also* Corporation

- Canadian-controlled, defined, 125(7), 248(1)
- capital dividend, election, 83(2), Reg. 2101
- cooperative deemed not to be, 136(1)
- credit union deemed not to be, 137(7)
- Crown corporation deemed not to be, 27(2)
- defined, 89(1), 248(1)
- • special cases, 27(2), 134, 136(1), 137(7), 141(2), 141.1, 186(5), 227(16)
- deposit insurance corporation deemed not to be, 137.1(6)
- disclosure of shareholder identities to CRA and the public, *see* Individuals with Significant Control (of corporations)
- dividend paid by, 83(2)
- dividend refund to, 129
- existing since before 1972, ITAR 50
- flow-through of income to shareholders, *see* Integration
- insurance corporation deemed not to be, 141.1
- municipal or provincial corporation deemed not to be, 227(16)
- mutual fund corporation deemed to be, 131(5)
- payment of tax, 157(3)
- subject corporation, 186
- tax on certain dividends received, 186

**Private foundation**, *see also* Charitable foundation; Registered charity

- acquiring control of a corporation, 149.1(12)(a)
- • penalty, 188.1(3)
- • revocation of registration, 149.1(3)(c)
- business activities of
- • penalty for carrying on any business, 188.1(1)(a), 188.1(2)(a)
- • revocation for carrying on any business, 149.1(4)(a)
- defined, 149.1(1), 248(1)
- designation of, as public, 149.1(13)
- designation of registered charity as, 149.1(6.3)
- disbursement quota, *see* Disbursement quota (of charity)



**Private foundation (cont'd)**

- excess holdings regime, 149.1(1)“divestment obligation percentage”, (4.1)(c), 188.1(3.1)–(3.5)
- excluded from reversionary trust rules, 75(3)(b)
- non-qualified investment, *see* Non-qualified investment: private foundation
- registration of, *see* Registered charity

**Private health services plan, *see also* Employee life and health trust**

- defined, 248(1)
- employee contributions to employee life and health trust deemed to be contributions to PHSP if identified as such, 144.1(10)
- employer's contribution not a taxable benefit, 6(1)(a)(i)
- premiums
  - deductible from business income, 20.01
  - reduction in partnership interest, 53(2)(c)(xii)
  - medical expense credit, 118.2(2)(q)

**Private holding corporation, defined, 191(1)****Privatization of government assets**

- debt qualifies for investment by deferred income plans, Reg. 4900(1)(q)

**Privileged documents, *see* Solicitor-client privilege****Prize**

- achievement, for
  - included in income, 56(1)(n)
- lottery, not taxed (no taxing provision)
- prescribed, Reg. 7700
  - not included in income, 56(1)(n)
- property acquired as, cost of, 52(4)

**Pro rata portion**

- defined
- for mutual fund corporation, TCP gains, 131(6)
- for mutual fund trust, TCP gains, 132(4)

**Probate fees**

- avoidance of, 248(1)“alter ego trust”

**Procedure and evidence, 244****Procedures not followed by CRA**

- assessment still valid, 166

**Proceeds of disposition, *see also* Proceeds of the disposition**

- allocation of
  - between land and buildings, 13(21.1), 70(5)(d)
  - between property and services, 68
- capital property, 54“proceeds of disposition”
- deemed
  - amalgamation, on, 69(13)
  - disposition of share, on, 55(2)–(5)
  - disposition to trust with no change in beneficial ownership, 69(1)(b)(iii)
  - former business property, 44(6)
  - property surrendered to creditor, 79(3)
  - when deemed payable, 14(2) [before 2017]
- defined
  - capital property, 54
  - depreciable property, 13(21)
  - for resource allowance, Reg. 1206(1)
- depreciable property, 13(21)“proceeds of disposition”
- due after year
  - amalgamation, 87(2)(m)
- income interest in trust, 106(3)
- life insurance policy, interest in, 56(1)(j), 148(9)“proceeds of the disposition”
- life insurance policy dividends deemed to be, 148(2)
- timber resource property, 20(5.1)
- unclaimed at year-end
  - withholding tax, 153(4)
  - effect of remittance, 153(5)
- uncollectible portion, 20(4)–(4.2)

- unrealized, 40(1)(a)(iii)

**Proceeds of the disposition, *see also* Proceeds of disposition**

- defined, Reg. 310

**Processing, *see also* Manufacturing or processing**

- allowances, Reg. Part XII
- defined, for mining tax deduction, Reg. 3900(1)
- field, *see* Canadian field processing

**Processing property**

- defined, Reg. 1206(1)

**Producer gas**

- defined, for CCA, Reg. 1104(13)
- equipment for generating, Reg. Sch. II:Cl. 43.1(d)(xvi)
- equipment for generating energy from, Reg. Sch. II:Cl. 43.1(c)(i)(A), Sch. II:Cl. 43.1(d)(ix)

**Producer (of film or video production)**

- defined, Reg. 1106(1)“producer”

**Producer organization or association**

- farm support payment, information return, Reg. 234–236

**Production**

- resource property, from, defined, 66(15)“production”
- right to receive, *see* Right to receive production

**Production commencement time**

- defined, for Canadian film tax credit, 125.4(1), (1.1)

**Production or use**

- payments dependent on
  - deemed income, 12(1)(g)
  - interest paid to non-resident, 212(1)(b) (closing words)

**Production tax amount**

- defined
  - for FAPI, Reg. 5910(4)
  - for foreign tax credit, 126(7)

**Professional athlete**

- defined, 143.1(1)

**Professional corporation, *see also* Professional practice**

- defined, 248(1)
- fiscal period of, 249.1(1)(b)(iii)

**Professional membership dues**

- employee's, deduction, 8(1)(i)(i)
- examination fees to qualify, tuition credit, 118.5(1)(d)
- professions board, deductible, 8(1)(i)(vii)

**Professional partnership**

- defined, 40(3.111)
- where ACB of partnership interest is less than zero, 40(3.11)A(b), B(c)

**Professional practice**

- carried on since before 1972, ITAR 23(3)
- examination fees to qualify, tuition credit, 118.5(1)(d)
- incorporated, *see* Professional corporation
- judge's income from, 24.1 [repealed]
- partnership for, *see* Professional partnership
- privileged information, 232(2)
- work in progress of
  - deemed to be inventory, 10(5)(a)
  - election to exclude from income until 2017, 34
  - transitional rule 2017–2020, 10(14.1)
  - valuation of, 10(4)(a)

**Professions board**

- dues to, deductible, 8(1)(i)(vii)

**Professor**

- exemption for travel expenses, 81(3.1)(a)(ii)

**Profit, *see also* Income**

- from business or property, income, 3(a), 9(1)
- payment based on future, 12(1)(g)
- reasonable expectation required, 18(1)(h), 248(1)“personal or living expenses”

**Profit participation payments**

- not deductible as financing expenses, 20(1)(e)(iv.1)

**Profit sharing plan, see also** Deferred profit sharing plan;

- Employees profit sharing plan
- appeal from refusal to register, 172(3)(c), 180
- defined, 147(1), 248(1)
- employer's contribution under, 20(1)(w)
- • limitation on deductibility, 18(1)(k)
- information return, Reg. 212
- registration of, as DPSP, 147(2)
- • refusal by Minister
- • • deemed, 172(4)(b)
- regulations, Reg. Part XV

**Profits, see** Profit**Program for Older Worker Adjustment, see** Older Worker Adjustment, Program for**Prohibited investment**

- for employee life and health trust
- • defined, 207.9(1)
- • tax on, 207.9(2)
- for qualifying environmental trust
- • defined, 211.6(1)
- for RCA
- • becoming or ceasing to be, deemed disposition and reacquisition, 207.61(4)
- • defined, 207.5(1)
- • limitation on RCA election, 207.5(3)
- • tax on, 207.61
- for RRSP, RRIF, TFSA, RESP or RDSP
- • benefit attributable to, constitutes advantage, 207.01(1)“advantage”(c)(ii)
- • defined, 207.01(1)
- • investment becoming or ceasing to be, 207.01(6)
- • tax on, 207.04(1), (2), (6), (7)
- • • waiver of tax, 207.06(2)
- for registered pension plan, Reg. 8514

**Project period**

- defined, for CCUS credit, 211.92(1)

**Project phase, see** Phase (of a project)**Project plan (for CCUS project)**

- defined, 127.44(1)
- new plan must be filed, 127.44(6), (8)
- required, 127.44(1)“qualified CCUS project”, “qualified carbon capture expenditure”, “qualified carbon storage expenditure”, “qualified carbon use expenditure”

**Project start-up date**

- defined, for CCUS project, 211.92(1)

**Project support equipment**

- defined, for clean hydrogen tax credit, 127.48(1)

**Projected eligible use percentage**

- defined, for CCUS credit, 127.44(1)

**Prolonged**

- defined, for disability credit, 118.4(1)(a)

**Promissory note**

- conversion to other bond, debenture or note, 51.1
- issued on rollover of property to corporation, 85(1)(b)
- provided as payment, 76(1)

**Promoter**

- for non-resident trust rules
- • defined, 94(1)
- of education savings plan
- • defined, 146.1(1)“education savings plan”(b)
- of non-resident investment or pension fund
- • defined, 115.2(1)
- of notifiable transaction
- • defined, 237.3(1), 237.4(1)
- of reportable transaction

- • defined, 237.3(1)
- of tax shelter
- • defined, 149.1(1), 237.1(1)
- • obligation to provide and use identification number, 237.1(5)

**Promotion expenses, see** Advertising**Proof**

- burden of, *see* Burden of proof
- documents, of, 244(9), (13)
- • rebuttable, *Interpretation Act* s. 25(1)
- electronically filed return, 244(21)
- failure to comply, of, 244(7), (8)
- no appeal, of, 244(10)
- not required re signature of CRA officer, 244(11)
- return, etc., of, 244(17)–(19)
- service, of, 244(6)
- • by mail, 244(5)
- time of compliance, of, 244(8)

**Property, see also** Goods

- acquired
- • as prize, 52(4)
- • by bequest etc., 70(6)
- • by gift, 69(1)(c)
- • by insurer, on default in payment, 138(11.93)
- • from spouse, deemed value of, 73
- • in the year, capital cost allowance, Reg. 1100(2)–(2.4)
- • • non-arm's length exception, Reg. 1102(20)
- • to earn income from business, expenses deductible, 20(1)(e)(ii.1), 20(1)(e.1)(ii)
- adjusted cost base
- • amounts added, 53(1)
- • amounts deducted, 53(2)
- • defined, 54
- • identical properties, 47
- • negative amount, deemed gain, 40(3), (3.1)
- amortized cost, ITAR 26(12)“capital property”
- and casualty surplus, *see* Property and casualty surplus (of insurer)
- annual value of, not deductible, 18(1)(d)
- appropriation of, to shareholder or prospective shareholder, 15(1), (7)
- beneficial owner of, defined re Quebec, 248(3)
- Canadian resource property, defined, 66(15)
- capital gains and losses, *see* Capital gains and losses
- “capital property” defined, 54; ITAR 26(12)“capital property”
- “certified”
- • ascertainment of, 127(10)(a), (b)
- change in use of, 13(7), 45
- • election, 45(2)
- • insurer, by, 138(11.3)–(11.41), (11.6)
- • principal residence, election, 45(3)
- • • where not available, 45(4)
- convertible, *see* Convertible property
- cost amount, defined, 248(1)
- cultural, *see* Cultural property
- deceased taxpayer, of, 164(6)
- deemed acquisition of
- • becoming non-resident, 128.1(4)(c)
- • becoming resident in Canada, 128.1(1)(c)
- • capital cost allowance rules, Reg. 1100(2.21)
- • change in use, on, 45
- deemed disposition of
- • becoming non-resident, 128.1(4)(b)
- • becoming resident in Canada, 128.1(1)(b)
- • capital cost allowance rules, Reg. 1100(2.21)
- • change in use, on, 45
- • death, on, 70(5)–(10)
- deemed gain from

Property (*cont'd*)

- added to cost base, 53(1)(a)
- defined, 248(1)
- depreciable, *see* Depreciable property
- disposed of
  - in part, 43, 46
  - on death, definitions, 70(10)
- disposition of, *see* Disposition
- exchanges of, 13(4), 44
- replacement property, 44(5)
- “excluded” of non-resident, 116(6)
- farm, *see* Farm property
- foreign, deferred income plans, Reg. Part L
- former, capital gain, 44(6)
- goodwill, ITAR 21
- government assistance in acquiring
  - cost base, deductions from, 53(2)(k)
- having more than one use, 45
- identical, 47; ITAR 26(8)–(8.2)
  - defined, 248(12)
  - life insurance corporation, of, 138(11.1)
  - income from, 9(3), 12
  - defined, 9(1)
    - for dividend refund, 129(4) “income” or “loss”
    - for FAPI purposes, 95(1)
- inter vivos gift of, 69(1)(b)
- involuntary disposition of, 13(4)
- leased
  - buildings on, capital cost allowance, Reg. 1102(5)
  - improvements, capital cost allowance, Reg. 1102(4)
- leasing, capital cost allowance, Reg. 1100(15)–(20)
  - non-arm’s length exception, Reg. 1102(20)
  - separate classes, Reg. 1101(5c)
- listed personal, *see* Listed personal property
- losses, *see* Non-capital loss; Loss(es)
- lost, destroyed or taken
  - amalgamation, effects of, 87(2)(1.3)
- misclassified, 13(6)
- non-depreciable capital
  - change of control, 53(2)(b.2)
- “nothings”, ITAR 21
- owned on Dec. 31/71, ITAR 20(1)
- part disposition of
  - cost base, deduction from, 53(2)(d)
- principal residence, *see* Principal residence
- proceeds of disposition of
  - allocation of, between land and buildings, 13(21.1)
  - defined, 54
- production from or use of, *see* Production or use
- publicly traded securities, ITAR 26(11)
- qualified (investment tax credit), Reg. 4600
  - defined, 127(9), (11)
- reacquired, ITAR 26(6)
- real, disposition of by non-resident, 216(5)
- received as consideration for payment or loan
  - cost base, deductions from, 53(2)(f)
- rental, capital cost allowance, Reg. 1100(11)–(14.2)
- replacement, 13(4), (4.1), 14(7) [before 2017], 44(5)
- repossessed, rules applicable, 79
- resource, *see* Resource property
- restricted, *see* Restricted property (for non-resident trust rules)
- seizure of, by creditor, 79.1
- small business, Reg. Part LI
- substituted
  - cost base, addition to, 53(1)(f)
  - meaning of, 248(5)
- surrender of, to creditor, 79
- tax, *see* Municipality: property taxes

- timber resource, defined, 13(21)
- transfer of, *see* Transfer of property
- trust, proportional holdings in, 259
- upkeep by trust for beneficiary, 105(2)
- use of or production from, *see* Production or use
- value at date of death, 70(5), (6)

**Property and casualty surplus (of insurer)**

- defined, insurers, Reg. 2400(1)

**Property listing**

- defined, for digital platform operator reporting rules, 282(1)

**Property taxes**

- deductible after moving away from home, 62(3)(g)
- limitation on deduction as business expense, 18(2)

**Proprietor of business**

- disposing of business, 25
  - fiscal period, 25
- income from business, 11(1)
- return on death of, 150(4)

**Proprietorship**

- continuing business of partnership, 98(5)

**Prosecution**

- indictment, upon, 239(2)
- limitation, 244(4)

**Prospecting**

- amount re share received, excluded from income, 81(1)(l)
- income from, 35
  - exemption, 35(1)(c), 81(1)(l)

**Prospector**

- defined, 35(2)
- receipt of shares by, 35
  - deduction from amount, 110(1)(d.2)

**Protective trust**

- excluded from qualifying disposition, 107.4(1)(e)

**Protector (of trust)**

- reported to CRA starting 2022, Reg. 204.2(1)(a)

**Province, *see also* specific provinces by name**

- assessment re allocation of provincial income, extension of time for federal reassessment, 152(4)(d)
- bonds issued by
  - interest paid to non-resident, 212(1)(b)(ii)(C)(II), 212(6)–(8)
- bound
  - by garnishment orders, 224(1.4)
  - by withholding tax requirements, 227(11)
- capital tax of, deductibility, 18
- communication of information to, 241(4)(d), (j.2)
- corporation incorporated in before part of Canada, 248(1) “corporation incorporated in Canada”
- corporation owned by, *see also* Crown corporation
  - bonds issued by
    - interest paid to non-resident, 212(1)(b)(ii)(C)(IV)
  - deemed not private corporation, 227(16)
  - exemption, 149(1)(d)–(d.4)
- defined, *Interpretation Act* s. 35(1)
  - for corporate tax rate, 124(4)
  - for provincial SIFT tax factor, Reg. 414(1)
- exempt from federal tax, *Constitution Act 1867*, s. 125
- gift to, 118.1(1)
- government of, *see* Government
- includes Newfoundland and Labrador and Nova Scotia offshore areas, 124(4) “province”
- income earned in
  - deduction from tax, re schooling allowance, 120(2)
  - defined, 120(4)
  - individual, by, Reg. Part XXVI
  - income not earned in
    - addition to tax for, 120(1)
- labour-sponsored venture capital corporation of

**Province (cont'd)**

- recovery of LSVCC credit, 211.7
- laws of
- property transfer to spouse on death, 248(23.1)
- support order transfers, 73(1), (1.1)
- legislature, *see* Legislative assembly (or Legislature)
- logging tax paid to, credit for, 127(1), (2), Reg. 700
- pension legislation, registration under, 147.1(2)(a)(iii)
- portion of income tax
- refund by Minister, 164(1.4)
- refund of tax of, to be paid by CRA, 164(1.4)
- student loan legislation, interest paid under, credit, 118.62
- subject to withholding tax provisions, 227(11)
- super-R&D allowance, federal benefit, 127(9)“super-allowance benefit amount”, 127(10.1)(b)
- tax collection agreement, application of payments, 228
- tax transfer payments to, 154, Reg. 3300

**Provincial**

- defined, *Interpretation Act* 33(3), 35(1)“province”

**Provincial indemnities**

- excluded from income, 81(1)(q)

**Provincial laws, prescribed, Reg. 6500–6502****Provincial life insurance corporation**

- conversion into mutual corporation, 139

**Provincial pension plan, *see also* Specified pension plan**

- assignment of pension under, attribution rules do not apply, 56(2), (4), 74.1(1)
- benefits taxable, 56(1)(a)(i)
- prescribed, *see* Specified pension plan
- Saskatchewan, *see* Specified pension plan

**Provincial reassessment**

- defined, 152(4)(d)
- extension of time for federal reassessment, 152(4)(d)

**Provincial SIFT tax rate**

- defined, 248(1), Reg. 414(3)
- used in calculation of tax payable
- by partnership, 197(2)C
- by trust, 122(1)(b)A:D, 122(3)“taxable SIFT trust distributions”C

**Provision**

- defined, ITAR 74

**Provisionable assets**

- defined, Reg. 8006

**Provisional past service pension adjustment (PSPA)**

- defined, Reg. 8303(2), (3)

**Proxy amount**

- prescribed, for research and development expenses, Reg. 2900(4)–(10)
- reduction in, 127(11.1)(f) [repealed], 127(18)

**Psychologist**

- certification of impairment
- for disability credit, 118.3(1)(a.2)(iv)
- defined, 118.4(2)
- therapy qualifying for medical expense credit, 118.2(2)(1.9)

**Public authority**

- tax on disposition of cultural property, 207.3

**Public body**

- performing function of government
- corporation owned by
- exempt from tax, 149(1)(d.5)
- exclusion, 149(1.3)
- income test, 149(1.2)
- donation to, 149.1(1)“qualified donee”(a)(iii)
- by corporation, deduction, 110.1(1)(a)
- by individual, tax credit, 118.1(1)“total charitable gifts”
- exempt from tax, 149(1)(c)

**Public corporation**

- amalgamation, 87(2)(ii)
- defined, 89(1), 248(1)
- election to trigger gain before corporation becomes, 48.1
- existing since before 1972, ITAR 50
- life insurance corporation deemed to be, 141(2)
- mortgage investment corporation, 130.1(5)
- shares of, donation to charity, 38(a.1)
- partnership interests exchangeable for, 38(a.3)
- stock buyback tax, *see* Stock buyback tax

**Public employees**

- annual dues deductible, 8(1)(i)(iv)

**Public foundation, *see also* Charitable foundation; Registered charity**

- acquiring control of a corporation, 149.1(12)(a)
- penalty, 188.1(3)
- revocation of registration, 149.1(3)(c)
- business activities of unrelated business
- penalty, 188.1(1)(b), 188.1(2)(b)
- revocation of registration, 149.1(3)(a)
- defined, 149.1(1), 248(1)
- designation of registered charity as, 149.1(6.3)
- private foundation designated as, 149.1(13)
- registration of, *see* Registered charity

**Public health restriction**

- defined, for COVID-19 Canada Emergency Rent Subsidy, 125.7(1)
- partial, *see* Partial public health restriction

**Public institution**

- defined, for COVID-19 Canada Emergency Wage Subsidy, 125.7(1)

**Public investment partnership**

- defined, Reg. 229.1(1)
- requirement to publicize income information, Reg. 229.1(2), (3)(b)

**Public investment trust**

- defined, Reg. 204.1(1)
- requirement to publicize income information, Reg. 204.1(2), (3)(b)

**Public market**

- defined, for SIFT trust and partnership distributions, 122.1(1), 248(1)

**Public partnership, *see also* SIFT partnership**

- defined, Reg. 229.1(1)
- requirement to publicize income information, Reg. 229.1(2), (3)

**Public pension benefits**

- defined, Reg. 8500(1)

**Public policy dialogue**

- charity may engage in, 149.1(1)“charitable activities”, 149.1(10.1)

**Public primary caregiver**

- defined, 146.1(1)

**Public safety occupation, *see also* Firefighter; Police officer**

- defined, Reg. 8500(1)
- early retirement permitted, Reg. 8503(3)(c)(i)
- higher pension accrual rate permitted, Reg. 8503(3)(g)(i)

**Public school board, *see* School board****Public sector authority**

- defined, for interest deduction restrictions, 18.2(1)

**Public Sector Pension Investment Board**

- prescribed to own shares of pension investment corporations, Reg. 4802(1)(c.2)

**Public Transit Pass Credit, 118.02 [pre-2018]****Public trust, *see also* SIFT trust**

- defined, Reg. 204.1(1)



Public trust (*cont'd*)

- requirement to publicize income information, Reg. 204.1(2), (3)

**Public utility**

- foreign
- dividend from, paid to non-resident, 213
- income imputed to shareholder of corporation, 213(2)

**Publicly accessible charity information**

- defined, 241(10)

**Publicly traded**

- defined, Reg. 230(1)

**Publicly traded liability**

- defined, for SIFT trust definition, 122.1(1)

**Publicly-traded securities**

- donation of, to charity, zero capital gain, 38(a.1)
- partnership interests exchangeable for, 38(a.3)
- prescribed, for 1971 valuation day, Reg. 4400
- value on Valuation Day, ITAR 26(11), Reg. Sch. VII

**Puck, see** Paid-up capital**Pulp and paper byproduct**

- defined, Reg. 1104(13)
- gas produced by, Reg. 1104(13)“biogas”

**Pulp and paper waste**

- defined, Reg. 1104(13)
- included in eligible waste fuel, Reg. 1104(13)“eligible waste fuel”

**Pumping equipment**

- capital cost allowance, Reg. Sch. II:Cl. 7(j), (k)

**Punishment, see** Offences**Purchase butterfly, 55(1), (3.1), (3.2)****Purchaser shares**

- defined, 85.1(2.2)

**Purifier**

- air or water, medical expense credit, Reg. 5700(c.1)

**Purpose**

- gaining or producing income, 18(1)(a), Reg. 1102(1)(c)

**Purpose-built residential rental, see also** New purpose-built residential rental

- capital cost allowance
- additional CCA allowed, Reg. 1100(1)(a.4)
- defined, Reg. 1104(2)
- excessive interest limitation (EIFEL)
- defined, 18.2(1)
- excluded from limitation, 18.2(1)“exempt interest and financing expenses”(b)

**Purpose provisions**

- carbon capture, utilization and storage credit, 127.44(15)
- clean hydrogen credit, 127.48(31)
- clean technology credit, 127.45(15)
- clean technology manufacturing credit, 127.49(19)
- general anti-avoidance rule (GAAR), 245(0.1)
- tax treaties, MLI 6(1)

**“Put-in-use” rules, see** Available-for-use rules**Q****QCC, see** Qualifying cooperative conversion**QCE, see** Qualified CCUS expenditure**QCJO, see** Qualified Canadian journalism organization**QDT, see** Qualified disability trust**QET income tax rate**

- defined, 211.6(1)

**QFFP taxable capital gain**

- defined, 104(21.21)

**QITE, see** Qualified interprovincial transmission equipment**QFM, see** Qualifying family member**QLAD, see** Qualifying liquidation and dissolution**QNGEE, see** Qualified natural gas energy equipment**QPEPG, see** Qualified professional engineer or professional geoscientist**QPIP, see** Quebec Parental Insurance Plan**QPP, see** Canada Pension Plan / Quebec Pension Plan**QR, see** Qualifying renter**QRE, see** Qualifying rent expense**QSBC, see** Qualified small business corporation**QST, see** Quebec sales tax**QTHE, see** Qualifying tourism or hospitality entity**QTI, see** Qualifying transitional income**Quadrennial survey, reserve for**

- defined, 12(1)(h), 20(1)(o), Reg. 3600(2)

**Qualified activities**

- defined, Reg. 5202

**Qualified annuity**

- defined, Reg. 1408(1)

**Qualified CCUS expenditure**

- defined, 127.44(1), (9)(b)

**Qualified CCUS project**

- defined, 127.44(1)
- for clean hydrogen tax credit, 127.44(1), 127.48(1)
- determination of one project vs multiple projects, 127.44(8)

**Qualified Canadian journalism organization, see also** Qualifying journalism organization; Registered journalism organization

- defined, 149.1(1)
- designation as, 248(1)“qualified Canadian journalism organization”
- effective date of designation, 168.1(1)
- revocation of designation, 168.1(2), (3)

**Qualified Canadian labour expenditure**

- defined, for film/video production services credit, 125.5(1)

**Qualified carbon capture expenditure**

- defined, 127.44(1)

**Qualified carbon storage expenditure**

- defined, 127.44(1)

**Qualified carbon transportation expenditure**

- defined, 127.44(1)

**Qualified carbon use expenditure**

- defined, 127.44(1)

**Qualified clean hydrogen project**

- defined, for clean hydrogen tax credit, 127.48(1)
- effect of changes to project, 127.48(7), (8)

**Qualified concrete storage process**

- defined, 127.44(1)

**Qualified construction equipment [repealed]**

- defined, 127(9)

**Qualified corporation (re Canadian film/video tax credit)**

- defined, 125.4(1)

**Qualified credit card issuer**

- defined, for Common Reporting Standard, 270(1)

**Qualified dependant**

- Canada Carbon Rebate
- credit in respect of, 122.8(4)D
- defined, 122.8(1)
- Canada Child Benefit
- credit in respect of, 122.61(1)
- defined, 122.6, 122.62, Reg. 6300–6302
- GST credit
- credit in respect of, 122.5(3)A(c), (d)
- defined, 122.5(1), 122.5(2)

**Qualified disability trust**

- ceasing to be, recovery of tax saved, 122(1)(c), 122(2)

**Qualified disability trust** (*cont'd*)

- defined, 122(3)
- graduated tax brackets apply, 117(2), 122(1)
- principal residence exemption, 54“principal residence”(c.1)(iii.1)(B)

**Qualified dividend**

- defined, 112(6.1)
- stop-loss rules, 112(3.01)–(4.22)

**Qualified domestic trust**

- relief from double taxation, Canada-U.S. Tax Treaty:Art. XXVI:3(g)

**Qualified donee**, *see also* Charity; Registered charity

- books and records, requirement to keep, 230(2)
- charity can transfer funds to, 149.1(2)(b), (c), 149.1(3)(b), (b.1), 149.1(4)(b), (b.1)
- corporation granting option to, no donations deduction allowed, 110.1(10)–(13)
- defined, 118.1(1), 149.1(1), 248(1)
- donations to
  - by corporation, deduction, 110.0(1)(a)
  - by individual, tax credit, 118.1(1)“total charitable gifts”
- option granted to, 110.1(10)–(13), 118.1(21)–(24)
- revocation of registration, 149.1(4.3), 168(1)
- suspension of receipting privileges, 188.2(2)

**Qualified engineer or geoscientist**, *see* Qualified professional engineer or professional geoscientist**Qualified expenditure**

- pool, *see* SR&ED qualified expenditure pool
- reduction to reflect government assistance, 127(18)–(21)
- revocation of registration, 149.1(4.3), 168(1)
- scientific research, for, defined, 127(9)“qualified expenditure”
- suspension of receipting privileges, 188.2(2)

**Qualified farm or fishing property**

- capital gains deduction, 110.6(2)
- defined, 110.6(1)
- deemed, where capital gain deemed following debt forgiveness, 80.03(8)

**Qualified insurance corporation**

- defined, Reg. 810(2)
- property of, no certificate required before disposition, Reg. 810(1)(a)

**Qualified interprovincial transmission equipment**

- defined, for clean electricity credit, 127.491(1)

**Qualified investment**, *see also* Non-qualified investment

- deferred profit sharing plan, 204“qualified investment”
- first home savings account (FHSA)
  - defined, 146.6(1), 207.01(1)
  - obligation of issuer, 207.01(5)
  - tax on investment that is not, 207.04
- information returns, Reg. 221
- non-resident investment or pension fund
  - defined, 115.2(1)
- registered disability savings plan, 146.4(1), Reg. 4900
  - tax on investment that is not, 207.04
- registered education savings plan, 146.1(1)“qualified investment”, Reg. 4900
  - tax on acquiring non-QI, 207.04
  - tax on holding non-QI before 2017, 207.1(3)
- registered retirement income fund, 146.3(1)“qualified investment”, Reg. 4900
  - tax on investment that is not, 146.3(9), 207.04
- registered retirement savings plan, 146(1)“qualified investment”, Reg. 4900
  - tax on investment that is not, 146(10.1), 207.04
- tax-free savings account (TFSA)
  - defined, 207.01(1)
  - obligation of issuer, 207.01(5)
  - tax on investment that is not, 207.04

**Qualified labour expenditure (re Canadian film/video tax credit)**

- defined, 125.4(1)

**Qualified natural gas energy equipment**

- defined, for clean electricity credit, 127.491(1)

**Qualified natural gas energy system**

- defined, for clean electricity credit, 127.491(1)

**Qualified non-resident**

- defined, 115.2(1)

**Qualified pension income**

- defined, 60.03(1), 118(7)
- pension credit, 118(3)B(b)

**Qualified professional engineer or professional geoscientist**

- defined, 127(9)
- must certify critical mineral mining expenditure, 127(9)“flow-through critical mineral mining expenditure”(e)

**Qualified property**

- defined
  - investment tax credit, 127(9), (11)

**Qualified REIT property**

- defined, for SIFT trust and partnership distributions, 122.1(1)

**Qualified related corporation**

- branch tax, 219(8)
- non-resident insurer, of, 138(12)“qualified related corporation”

**Qualified relation**

- Canada Carbon Rebate
  - defined, 122.8(1)
- GST credit
  - credit in respect of, 122.5(3)A(b)
  - defined, 122.5(1), 122.5(2)

**Qualified resource**

- defined, for resource allowance claims, Reg. 1206(1)

**Qualified resource expense**

- defined (for corporate inclusion of partnership income), 34.2(1)

**Qualified resource property**

- defined, for Atlantic investment tax credit, 127(9)
- excluded from qualified property, 127(9)“qualified property”
- investment tax credit for, 127(9)“investment tax credit”(a)

**Qualified security**

- defined, 260(1)
- loan of, deemed dividend, 260(5.1)

**Qualified small business corporation**

- capital gains exemption, *see* Qualified small business corporation share
- share, *see* Qualified small business corporation share

**Qualified small business corporation share**

- capital gains deduction, 110.6(2.1)
- death of shareholder, 110.6(14)(g)
- defined, 110.6(1)
  - deemed, where capital gain deemed following debt forgiveness, 80.03(8)
- individual, of, defined, 108(1)“qualified small business corporation share”
- related person, 110.6(14)
- rules re, 110.6(14)

**Qualified small-business property**

- defined, 127(9) [repealed]
- investment tax credit for, 127(9)“specified percentage”(i)

**Qualified small business share**

- excluded from mark-to-market rules, 142.2(1)“mark-to-market property”(e)

**Qualified tertiary oil recovery project, defined**, Reg. 1206(1)**Qualified transportation equipment [repealed]**

- defined, 127(9)

**Qualified trust**

- defined, 259(3)

**Qualified trust unit**

- defined, 260(1)

**Qualified validation firm**

- defined, for clean hydrogen tax credit, 127.48(1)

**Qualified verification firm**

- defined
- for clean electricity credit, 127.491(1)
- for clean hydrogen tax credit, 127.48(1)

**Qualified zero-emission technology manufacturing activities**

- credit for, 125.2(2)
- defined, Reg. 5202

**Qualifying acquisition**

- defined, for stock option deferral, 7(9)

**Qualifying active business**

- defined, Reg. 5100(1)

**Qualifying amount**

- defined, for retroactive spreading of lump-sum payments, 110.2(1)

**Qualifying annuity**

- defined, for pooled registered pension plan rules, 147.5(1)

**Qualifying arrangement**

- FHSA (first home savings account)
  - ceasing to be, 146.6(16)(a)(iii)
  - conditions for, 146.6(2)
  - defined, 146.6(1)
- Quebec *Civil Code* usufruct rules
  - deemed to be trust in Quebec, 248(3)(b), (c)
  - defined, 248(3.2)
- RRSP overcontribution
  - defined, 204.2(1.32)
- TFSA (tax-free savings account)
  - ceasing to be, 146.2(5)(b)
  - conditions for, 146.2(2)
  - deemed not to be RSP, RIF, etc., 146.2(12)
  - defined, 146.2(1)

**Qualifying business, *see also* Non-qualifying business**

- capital gains exemption on transfer to employee ownership trust, 110.61
- defined, for employee ownership trust, 248(1)

**Qualifying business transfer**

- capital gains exemption on, 110.61
- defined, for employee ownership trust, 248(1)

**Qualifying Canadian entrepreneur incentive property**

- defined, 110.63(1)

**Qualifying Canadian partnership**

- defined, 15(2.14)(a)
- exception to shareholder loan rules, 15(2.11)

**Qualifying competent authority agreement**

- defined, for country-by-country reporting, 233.8(1)

**Qualifying contract**

- for qualifying environmental trust, defined, 211.6(1)

**Qualifying cooperative business**

- defined, 248(1)

**Qualifying cooperative conversion**

- capital gains deduction, 110.62
- defined, 248(1)
- disposition of shares under, gain spread over 10 years, 40(1.4)

**Qualifying cooperative worker**

- defined, 248(1)

**Qualifying corporation**

- defined
- for air quality improvement credit, 127.43(1)
- for clean electricity credit, 127.491(1)
- for refundable investment tax credit, 127.1(2)

**Qualifying cost**

- defined, for small business investment capital gain rollover, 44.1(1)

**Qualifying cost contribution arrangement**

- defined, 247(1)

**Qualifying currency**

- defined, for functional currency rules, 261(1)

**Qualifying disbursement**

- defined, 149.1(1)
- permitted to registered charity, 149.1(1)“charitable organization”(a.1), 149.1(1)“charitable purposes”, 149.1(2)(b), (c), (3)(b), (b.1), (4)(b), (b.1), (4.1)(d), (21)

**Qualifying disposition**

- small business investment capital gain rollover
  - defined, 44.1(1), (9)
- trusts
  - defined, 107.4(1)
  - rollover to trust, 107.4(3)
  - subsequent disposition by trust, 107.4(4)

**Qualifying dividend, 83(1), (6)****Qualifying educational program**

- defined
- for scholarships and pre-2017 education tax credit, 118.6(1)
- for Lifelong Learning Plan withholding exemption, Reg. 104.1(2)
- for Lifelong Learning program (loan from RRSP), 146.02(1)
- for RESP, 146.1(1)

**Qualifying employee**

- of employee ownership trust, 248(1)“employee ownership trust”(b)

**Qualifying entity**

- defined
- COVID-19 Canada Emergency Wage Subsidy, 125.7(1)
- for clean electricity credit, 127.491(1)
- foreign retirement plan, contribution to, Reg. 6804(1)
- upstream loan repaid by Aug. 2016, transitional setoff, 39(2.2)

**Qualifying environmental trust (*formerly Mining reclamation trust*)**

- acquisition of, deduction, 20(1)(tt)
- amalgamation of corporation, effect of, 87(2)(j.93)
- beneficiary, credit to, 127.41
- reduction in corporate beneficiary’s instalments, 157(3)(e)
- contribution to, deduction, 20(1)(ss)
- cost amount of interest in, 248(1)“cost amount”(e.2)
- defined, 211.6(1), 248(1)
- disposition of interest in, income, 12(1)(z.2)
- income from, 12(1)(z.1)
- tax on, 211.6

**Qualifying exchange (LSVCC)**

- defined, 211.7(1)
- disposition of approved share, 211.8(1)
- exchangeable shares, 211.7(3)

**Qualifying exchange (mutual fund rollover)**

- defined, 132.2(2)
- effect of, 132.2(1)
- exemption from rules re disposition of income interest in trust, 106(2), (3)

**Qualifying expenditure**

- for air quality improvement credit
  - defined, 127.43(1)
- for home accessibility tax credit
  - defined, 118.041(1)
- made by condominium corporation, co-op or trust, 118.041(2)
- for Multigenerational Home Renovation Tax Credit
  - credit for, 122.92(3)B(b)
  - defined, 122.92(1)

Qualifying expenditure (*cont'd*)

- made by trust, 122.92(2)

#### **Qualifying family member**

- defined, for RDSP, 146.4(1)

#### **Qualifying foreign merger**

- defined, for foreign banks, 142.7(1)
- effect of, 142.7(2)

#### **Qualifying group plan amount [formerly “qualifying group RRSP premium”]**

- defined, 204.2(1.31)

#### **Qualifying home**

- for First-Time Home Buyer’s Credit and Disability Home Purchase Credit, 118.05(1)
- for first home savings account, 146.6(1)
- for RRSP withdrawals, 146.01(1)

#### **Qualifying homebuyer**

- defined, Reg. 104(3.01)

#### **Qualifying income limit**

- defined, for refundable ITC, 127.1(2)

#### **Qualifying incomes**

- defined, for foreign tax credit, 126(7), (9)

#### **Qualifying indebtedness**

- defined, for FAPI of banks, 95(2.43)

#### **Qualifying individual**

- defined
  - for first home savings account, 146.6(1)
  - for home accessibility tax credit, 118.041(1)
  - for Multigenerational Home Renovation Tax Credit, 122.92(1)
  - for pension regulations (re approved downsizing program), Reg. 8505(2)(b), 8505(2.1)
  - for principal-residence exemption, 54“principal residence”(g)

#### **Qualifying interest (in respect of foreign affiliate)**

- defined, 95(2)(m), 95(2.2)
- income of foreign affiliate from active business, 95(2)(a)

#### **Qualifying issuance**

- defined, for stock buyback tax, 183.3(1)
- reduces stock buyback tax, 183.3(2)C(a)

#### **Qualifying journalism organization, *see also* Qualified Canadian journalism organization; Registered journalism organization**

- defined
  - for donations and charity treatment, 149.1(1)
  - for refundable labour tax credit, 125.6(1)

#### **Qualifying labour expenditure**

- defined, for journalism labour credit, 125.6(1)

#### **Qualifying law**

- in respect of qualifying environmental trust, defined, 211.6(1)

#### **Qualifying liquidation and dissolution**

- defined, 88(3.1)
- excluded from pregnant-loss rules, 13(21.2)(e)(iii)(E)(I)1, 14(12)(g)(i)(A) [before 2017], 18(15)(b)(iv)(A)(I), 40(3.4)(b)(v)(A)(I), 40(3.5)(c)(iii)

#### **Qualifying location**

- defined, for air quality improvement credit, 127.43(1)

#### **Qualifying losses**

- defined, for foreign tax credit, 126(7), (9)

#### **Qualifying material**

- defined, for clean technology manufacturing ITC, 127.49(1)

#### **Qualifying member**

- defined, FAPI rules, 95(2)(o)–(r), 248(1)

#### **Qualifying mineral activity**

- defined, for clean technology manufacturing ITC, 127.49(1)

#### **Qualifying non-resident employee**

- defined, for payroll withholding exemption, 153(6)

#### **Qualifying non-resident employer**

- defined, for payroll withholding exemption, 153(6)
- exemption from withholding on payment to qualifying non-resident employee, 153(1)(a)(ii)

#### **Qualifying obligation**

- defined, Reg. 5100(1)

#### **Qualifying owner**

- defined, 149(1)(d.6)

#### **Qualifying partial public health restriction**

- Canada Emergency Recovery Benefit (CERB) adjustment, Reg. 8901.2(2)(b)(ii)
- defined, Reg. 8901.2(0.1)

#### **Qualifying partnership**

- defined (for corporate inclusion of partnership income shortfall), 34.3(1)

#### **Qualifying payment**

- defined, Reg. 809(4)

#### **Qualifying performance income (for amateur athlete trust)**

- defined, 143.1(1)
- included in RRSP earned income, 146(1)“earned income”(b.2)

#### **Qualifying period**

- defined
  - for air quality improvement credit, 127.43(1)
  - for COVID-19 Canada Emergency Wage Subsidy, 125.7(1)
  - for phased retirement rules, Reg. 8503(16)
  - for SIFT trust wind-up event, 248(1)“SIFT trust wind-up event”(c)(ii)

#### **Qualifying person**

- defined
  - re eligible funeral arrangement, 148.1(1)
  - re registered disability savings plan, 146.4(1)
  - re stock option rules, 7(7)
  - re treaty shopping, Canada-U.S. Tax Treaty:Art. XXIX-A:2

#### **Qualifying portion of a capital gain**

- defined, for small business investment capital gain rollover, 44.1(1)

#### **Qualifying portion of a distribution**

- defined, 207.01(1)“excess TFSA amount”E

#### **Qualifying portion of the proceeds of disposition**

- defined, for small business investment capital gain rollover, 44.1(1)

#### **Qualifying property**

- defined, for COVID-19 Canada Emergency Rent Subsidy, 125.7(1)

#### **Qualifying public health restriction**

- defined, for Canada Emergency Wage Subsidy, 125.7(1)

#### **Qualifying recovery entity**

- defined, for Canada Recovery Hiring Program, 125.7(1)

#### **Qualifying relation**

- defined, for Multigenerational Home Renovation Tax Credit, 122.92(1)

#### **Qualifying renovation**

- defined
  - for home accessibility tax credit, 118.041(1)
  - for Multigenerational Home Renovation Tax Credit, 122.92(1)

#### **Qualifying rent expense**

- defined, for COVID-19 Canada Emergency Rent Subsidy, 125.7(1)

#### **Qualifying renter**

- defined, for COVID-19 Canada Emergency Rent Subsidy, 125.7(1)

#### **Qualifying retirement plan**

- defined, Canada-U.S. Tax Treaty:Art. XVIII:15
- tax treatment of, Canada-U.S. Tax Treaty:Art. XVIII:8–17

#### **Qualifying return of capital**

- defined, for upstream loans, 90(3)



Qualifying return of capital (*cont'd*)

- reduction of ACB, 53(2)(b)(i)(B)(II)

#### Qualifying revenue

- defined, for COVID-19 Canada Emergency Wage Subsidy, 125.7(1)

#### Qualifying services

- benefits in respect of, 94(1)“exempt foreign trust”(f)(ii)(C)
- defined, for non-resident trust rules, 94(1)

#### Qualifying share

- defined
- RRSP or RRIF investment in cooperative corporation, Reg. 4901(2)
- prescribed, Reg. 6203

#### Qualifying site

- in respect of qualifying environmental trust, defined, 211.6(1)

#### Qualifying student

- defined, 118.6(1)

#### Qualifying subscription expense

- credit for, 118.02(2)
- defined, 118.02(1)

#### Qualifying substitute corporation

- defined, for foreign affiliate dumping rules, 212.3(4)

#### Qualifying survivor

- defined, for pooled registered pension plan rules, 147.5(1)

#### Qualifying taxpayer

- defined
- clean hydrogen tax credit, 127.48(1)
- clean technology manufacturing ITC, 127.49(1)
- for CCUS credit, 127.44(1)
- for clean technology ITC, 127.45(1)

#### Qualifying tourism or hospitality entity

- defined, for Canada Emergency Wage Subsidy, 125.7(1), Reg. 8901.1(2)

#### Qualifying transfer

- defined, for merger of segregated funds, 138.2(1)

#### Qualifying transfers

- re past service event, Reg. 8303(6), (6.1), Reg. 8304(2)(h)

#### Qualifying transitional income

- defined (for corporate inclusion of partnership income), 34.2(1)
- reserve, deduction for, 34.2(11)

#### Qualifying trust

- clean electricity credit
- defined, 127.491(1)
- labour-sponsored funds tax credit
- acquisition of shares for, 127.4(3)
- defined, 127.4(1), 211.7(1)

#### Qualifying trust annuity

- attribution of amount paid out from, 75.2(a)
- joint and several liability, 160.2(2.1), (5)
- death of taxpayer, effect of, 75.2(b)
- defined, 60.011(2), 248(1)

#### Qualifying withdrawal

- defined
- for first home savings account (FHSA), 146.6(1)
- for registered pension plan past service event, Reg. 8307(3)
- from FHSA, excluded from income, 146.6(6)

#### Quebec, *see also* Province

- application of civil law to federal Acts, *Interpretation Act* 8.1, 8.2
- *Environmental Quality Act*, trust required by, exempt, 149(1)(z.1)
- Gaspé, *see* Gaspé Peninsula
- gift of succession in, deemed to be release or surrender, 248(9)
- labour-sponsored venture capital corporation of
- prescribed, Reg. 6700(a)(i), (vii)
- logging tax, credit for, 127(1), (2), Reg. 700

- matrimonial regime, 248(22), (23)
- Montreal, international banking centre until 2013, 33.1(3)
- northern, *see* Northern Canada
- Office de professions, dues deductible, 8(1)(i)(vii)
- Pension Plan, *see* Canada Pension Plan/Quebec Pension Plan
- qualifying arrangement, 248(3), (3.2)
- RRSP, RRIF, RDSP, RESP or TFSA set up in, deemed to be trust, 248(3)(c), 248(3.2)(d)
- renunciation of succession in, deemed to be disclaimed, 248(9)
- residents, federal tax abatement, 120(2)
- *Supplemental Pension Plans Act*, Reg. 8502(d)(ix), 8510(9)
- tax on failing to acquire replacement LSVCC share, matching federal tax, 211.81
- tax rates, *see* introductory pages
- usufructs, rights of use or habitation, and substitutions, deemed to be trusts, 248(3)

**Quebec North Shore Paper Co. case overruled**, 12(1)(r)

#### Quebec Parental Insurance Plan

- deduction for premiums paid by self-employed person, 8(1)(1.2)
- benefit
- repayment of overpayment, deduction for, 60(n)(v.1)
- taxable, 56(1)(a)(vii)
- withholding tax, 153(1)(d.1)
- premium
- paid by employee
- as employee
- credit, 118.7:B(a.1), (a.2)
- deduction, 60(g)
- as employer, deduction, 8(1)(1.2)
- paid by employer, deduction, 9(1) (general accounting principles)

**Quebec Pension Plan**, *see* Canada Pension Plan/Quebec Pension Plan

#### Quebec sales tax, *see also* Goods and services tax (GST)

- input tax refund or deemed to be assistance, 248(16.1), *see also* Assistance/government assistance
- repaid, deemed to be reduction in assistance, 248(18.1)
- rebate
- deemed to be assistance, 248(16.1), *see also* Assistance/government assistance
- included in income, 12(1)(x)
- reduces capital cost of property, 13(7.1)

**Queen**, *see* Crown

#### Quota

- disbursement, for charities, *see* Disbursement quota (of charity)
- farm, capital gains exemption, 110.6(1)“qualified farm property”(d)
- fishing, capital gains exemption, 110.6(1)“qualified fishing property”(d)

## R

**R&D**, *see* Scientific research and experimental development

**RCA**, *see* Retirement compensation arrangement

#### RCA strip

- constitutes advantage, 207.5(1)“advantage”(d)
- defined, 207.5(1)
- 100% tax on, 207.62(2)(c)

#### RCA trust

- defined, 207.5(1)
- excluded from various trust rules, 108(1)“trust”(d)

**RCAAA**, *see* Registered Canadian amateur athletic association

**RCGTOH**, *see* Refundable capital gains tax on hand

**RCMP**, *see* Royal Canadian Mounted Police

**RDSP**, *see also* Registered disability savings plan (RDSP)

- defined, 146.4(1)“registered disability savings plan”, 248(1)“registered disability savings plan”

**RDTOH**, *see* Refundable dividend tax on hand

## Index

- REIT**, *see* Real estate investment trust
- REMIC**, *see* Real Estate Mortgage Investment Conduit
- REOP**, *see* Reasonable expectation of profit
- RESP**, *see also* Registered education savings plan
- defined, 146.1(1)“registered education savings plan”, 248(1)“registered education savings plan”
- RESP annual limit**
- defined, 146.1(1)
  - limit on RESP contributions, 146.1(2)(k)
  - penalty tax on exceeding limit, 204.9(1)“excess amount”(a)
- RESP lifetime limit**
- defined, 204.9
- RFC**, *see* Registered foreign charity
- RFI**, *see* Restricted financial institution
- RHOSP**, *see* Registered home ownership savings plan
- RIC**, *see* Regulated Investment Company (U.S.)
- RIF**, *see* Retirement income fund
- RIFE**, *see* Restricted interest and financing expense
- RJO**, *see* Registered journalism organization
- RLSVCC**, *see* Labour-sponsored venture capital corporation (LSVCC): registered
- RPE**, *see* Ratio of permissible expenses
- RPO**, *see* Reporting platform operator
- RPP**, *see* Registered pension plan
- RPP annuity contract**, 147.4
- RRIF**, *see also* Registered retirement income fund
- defined, 248(1)“registered retirement income fund”
- RRIF strip**, *see* RRSP strip
- RRSP**, *see also* Registered retirement savings plan
- defined, 248(1)“registered retirement savings plan”
  - depository
    - conditions for registration, 146(2)(c.3)
    - defined, 146(1)“retirement savings plan”(b)(iii)
    - exempt from tax on amounts added or earned, 146(20)
    - income inclusion on death, 146(1)“tax-paid amount”(b), 146(8.8), (8.9)
  - exempt from tax on income
    - depository RRSP, 146(20)
    - trust RRSP, 146(4), 149(1)(r)
  - strip, *see* RRSP strip
- RRSP strip**, *see* Registered plan strip
- R.S.C. 1985 (5th Supp.)**, *see* Revised Statutes of Canada, 1985 (5th Supp.)
- RSFT**, *see* Related segregated fund trust
- RSO**, *see* Refund Set-Off program
- RSP**, *see* Retirement savings plan
- RUTT**, *see* Reportable uncertain tax treatment
- Rabbi**, *see* Clergy
- Radar equipment**
- capital cost allowance for, Reg. Sch. II:Cl. 9
- Radiocommunication equipment**
- capital cost allowance for, Reg. Sch. II:Cl. 8, Sch. II:Cl. 9
  - defined, *Interpretation Act* 35(1)
- Radiological services**
- medical expense, 118.2(2)(o)
- Rail bogies or rail suspension devices**
- capital cost allowance, Reg. 1100(1)(z), Reg. Sch. II:Cl. 35(b)
- Railroad Retirement Act (U.S.)**
- Tier 1 benefits, Canada-U.S. Tax Treaty:Art. XVIII:5
- Railway**
- cars, capital cost allowance, Reg. 1100(1)(z), (z.1b), (z.1c), Reg. Sch. II:Cl. 7(h)(ii), Sch. II:Cl. 35
    - separate classes, Reg. 1101(5d)–(5d.2)
  - common carrier, *see* companies (below)
    - companies
      - capital cost allowance, Reg. 1100(1)(z.1c), 1101(5d.2), Reg. Sch. II:Cl. 7, 35
    - corporations, taxable income earned in a province, Reg. 406
    - cross-border, profits exempt, Canada-U.S. Tax Treaty:Art. VIII:4
    - employees
      - away-from-home expenses of, deduction, 8(1)(e), (g)
      - relieving telegrapher or station agent expenses, 8(1)(e)
      - U.S. retirement benefits, Canada-U.S. Tax Treaty:Art. XVIII:5
    - expansion property, Reg. 1100(1)(zc)
    - locomotive, capital cost allowance, Reg. Sch. II:Cl. 6(j), Sch. II:Cl. 7(i), Sch. II:Cl. 10(y)
      - refurbishing or reconditioning, Reg. 1102(19.1), (19.2)
    - modernization property, Reg. 1100(1)(zc)
    - rail suspension device, capital cost allowance, Reg. 1100(1)(z), (z.1b), Reg. Sch. II:Cl. 7(i), Sch. II:Cl. 35
      - separate classes, Reg. 1101(5d)–(5d.2)
    - rolling stock, exempt from non-resident tax, 212(1)(d)(vii), 212(16)
    - sidings, capital cost allowance, Reg. 1100(8)
    - systems, Reg. 1104(2), Reg. Sch. II:Cl. 4
    - tank car, capital cost allowance, Reg. Sch. II:Cl. 6
    - tier 1 pension benefits, Canada-U.S. Tax Treaty:Art. XVIII:5
      - U.S. resident, exempt, Canada-U.S. Tax Treaty:Art. XV:3
    - track and related property, capital cost allowance, Reg. 1100(1)(zb), Reg. Sch. II:Cl. 1(h)
      - for mine, Reg. Sch. II:Cl. 10(m), Sch. II:Cl. 41
      - separate classes, Reg. 1101(5e), (5e.1)
    - traffic control equipment, capital cost allowance, Reg. 1100(1)(za.1), Reg. Sch. II:Cl. 1(i)
      - separate classes, Reg. 1101(5e.1)
    - trestles, Reg. 1100(1)(za.2), (zb), Reg. Sch. II:Cl. 3
      - separate classes, Reg. 1101(5e.2), (5f)
- Railway system**
- defined, Reg. 1104(2)
- Rapid transit car**
- capital cost allowance for, Reg. Sch. II:Cl. 8
- Rapidly depreciating electronic equipment**
- capital cost allowance, Reg. 1101(5p), Reg. Sch. II:Cl. 10(f)
- Rare earth element**, *see* Critical mineral
- Rate reduction for zero-emission technology manufacturing**, 125.2
- Rate reduction payment**
- treated as interest, 18(9.1)
- Rates of capital cost allowance**, Reg. 1100
- Rates of tax**, *see also* Surtax
- alternative minimum tax, 127.51
  - capital tax, financial institutions, 190.1
  - corporation, 123
    - abatement, 124
    - deposit insurance, 137.1(9)
    - excessive election, 184(2)
    - investment corporations, 130
    - manufacturing and processing, 125.1
    - non-resident, carrying on business in Canada, 219
    - personal services business, 123.4(1)“full rate taxable income”(a)(iii), 123.5
    - small business deduction, 125
    - surtax (before 2008), 123.2
  - DPSP trust
    - non-qualified investments, on, 198
  - deposit insurance corporation, 137.1(9)
  - income-splitting tax, 120.4(2)
  - individual, 117(2)
    - abatement for provincial schooling allowance, 120(2)
    - averaging, *see* Averaging of income
    - general averaging

## Index

### Rates of tax (*cont'd*)

- • • surtax, 180.1
- • income not earned in a province, 120(1)
- • indexing of, 117.1
- • over-contributions to deferred plans, 204.1
- investment corporation, 130(1)
- investment income of life insurer, 211.1(1)
- minimum tax, 127.51
- non-resident withholding tax, 212
- Part I (regular tax)
  - • corporation, 123(1)(a), 124(1)
  - • • deposit insurance corporation, 137.1(9)
  - • • general reduction, 123.4(2)
  - • • reduction for CCPC, 123.4(3), 125
  - • • surtax (before 2008), 123.2
- • income not earned in a province, 120(1)
- • income splitting tax, 120.4(2)
- • individual, 117(2)
- • minimum tax, 120.4(2)
- Part I.1 (individual surtax), 180.1(1)
- Part I.2 (OAS clawback), 180.2(2)
- Part I.3 (Large Corporations Tax) [pre-2006], 181.1(1)
- Part II (tobacco manufacturers' surtax), 182(1)
- Part II.1 (corporate distributions tax), 183.1(2)
- Part II.2 (stock buyback tax), 183.3(2)
- Part III (excessive capital dividend election), 184(2)
- Part III.1 (excessive eligible dividend election), 185.1(1)(a), (b)
- Part IV (dividends received by private corporation), 186(1)
- Part IV.1 (preferred shares), 187.2
- Part V
  - • charity revocation tax, 188(1.1)
  - • charitable foundation, transfer of property, 188(3)
  - • private foundation, non-qualified investments, 189(1)
- Part VI (financial institutions capital tax), 190.1(1)
- Part VI.1 (preferred shares), 191.1(1)
- Part VI.2 tax (banks and life insurers, for 2022), 191.5(2)
- Part IX (cumulative offset account), 196(1)
- Part IX.1, 197(2)
- Part X
  - • DPSP, inadequate consideration, 201
  - • DPSP, non-qualified investments or use of assets as security, 198(1)
- Part X.1
  - • DPSP with excess amount, 204.1(3)
  - • RRSP overcontributions, 204.1(2.1)
- Part X.2 (registered investment holding non-prescribed investment), 204.6(1)
- Part X.3 (labour-sponsored fund insufficiently invested), 204.82(1), (3)
- Part X.4 (overcontribution to RESP), 204.91
- Part XI.01
  - • advantage extended in relation to RRSP, RRIF, TFSA, RESP or RDSP, 207.05(2)
  - • excess FHSA contributions, 207.021
  - • excess TFSA contributions, 207.02
  - • non-resident contributions to TFSA, 207.03
  - • RRSP, RRIF, TFSA, RESP or RDSP holding prohibited or non-qualified investment, 207.04(2), (7)
- Part XI.1
  - • DPSP holding non-qualified investment, 207.1(2)
  - • RESP holding non-qualified investment, 207.1(3)
- Part XI.2 (disposition of cultural property by institution), 207.3
- Part XI.3 (retirement compensation arrangement), 207.7(1)
- Part XI.4 (employees profit sharing plan), 207.8(2)
- Part XI.5 (ELHT owning share or debt of participating employer), 207.9(3)
- Part XII.1 (carved-out income), 209(2)
- Part XII.2 tax (designated income of certain trusts), 210.2(1), (2)

- Part XII.3 (investment income of life insurer), 211.1(1)
- Part XII.4 (qualifying environmental trust), 211.6(2)
- Part XII.5 (recovery of LSVCC credit), 211.8(1), 211.81
- Part XIII (withholding tax)
  - • dividends paid to non-residents, 212(2) (as reduced by treaty)
  - • film and video royalties, 212(5) (as reduced by treaty)
  - • other passive income of non-residents, 212(1) (as reduced by treaty)
- Part XIII.1 (foreign bank), 218.2(1) (as reduced by treaty)
- Part XIII.2, 211.2(2)(b)
- Part XIV
  - • branch tax, 219(1) (as reduced by treaty)
  - • corporate emigration, 219.1
  - • registered charities, 188
  - • registered investments, re, 204.6
  - • trust, 122(1)

### Ratio of permissible expenses

- defined, for interest deduction restrictions, 18.2(1)

### Reacquired property, ITAR 26(6)

### Reading services

- disability supports deduction, 64(a)A(ii)(L)
- medical expense credit, 118.2(2)(1.43)

### Real estate, *see* Real property

### Real estate investment trust, *see also* Mutual fund trust

- allowed as mutual fund trust, 108(2)(b)(ii)(B), 108(2)(c), 132(6)(b)(ii)
- defined, for SIFT trust and partnership distributions, 122.1(1)
- • for stapled-security rules, 18.3(1), 122.1(1)
- excluded from income tax distributions tax, 122.1(1)“SIFT trust”
- tax on buying back units, 183.3(1)“covered entity”(b)(ii)(A), 183.3(2)
- United States
  - • dividends paid by, Canada-U.S. Tax Treaty:Art. X:7(c)

### Real Estate Mortgage Investment Conduit

- excess inclusion, Canada-U.S. Tax Treaty:Art. XI:9

### Real or immovable property

- defined, for SIFT trust and partnership distributions, 122.1(1)

### Real property, *see also* Building; Land; Real or immovable property; Rent

- acquired
  - • capital cost, 13(5.2)
- capital, taxable, Canada-U.S. Tax Treaty:Art. XXIII
- defined, *Income Tax Conventions Interpretation Act* s. 5
- disposed of
  - • non-resident, by, 216(5)
  - • recaptured depreciation, 13(5.3)
- donation after sale of, capital gain exempt, 38(a.4), 38.3, 38.4 (abandoned)
- income from, Canada-U.S. Tax Treaty:Art. VI
- interest in, defined, 248(4)
- leasehold interest in, *see* Leasehold interest
- life estate in, 43.1
- non-qualifying real property, defined, 110.6(1)
- outside Canada
  - • foreign tax credit to emigrant on disposition, 126(2.21)
  - • foreign tax credit to trust, 126(2.21)
  - • reporting of to CRA, 233.3
- principal-business corporations
  - • associated, base level deduction, 18(2.3)–(2.5)
  - • base level deduction, 18(2)(f), 18(2.2)
  - • rent paid before acquisition, deemed CCA, 13(5.2)
  - • trust owing, whether a unit trust, 108(2)(c)

### Real right in an immovable

- meaning of, 248(4.1)

### Real-time captioning services, *see* Captioning services

**Reality television**

- ineligible for Canadian film/video credit, Reg. 1106(1)“excluded production”(b)(vii)
- ineligible for film/video production services credit, Reg. 9300(2)(g)

**Reappropriations of amounts, 221.2****Reasonable efforts**

- to determine transfer prices
- defined, 247(4)
- required, 247(3)(a)(ii)(B)

**Reasonable expectation of profit**

- not required to deduct loss from business or property, 9(2) (Notes)
- personal or living expenses, 18(1)(h), 248(1)
- required for loss carryforward after change in control, 111(5)(a)(i), 111(5)(b)(i)

**Reasonable return**

- defined, for income-splitting tax, 120.4(1)

**Reasonableness**

- criterion for expenses, 67

**Reassessment, *see also* Assessment**

- after normal reassessment period, 152(4)–(5)
- disposition of vessel, after, 13(18)
- consequential on other change, 152(4.3)
- constitutes an assessment, 248(1)“assessment”
- deceased’s estate, election re losses, 152(6)
- election to capitalize interest, on, 21(5)
- exercise of option, on, 49(4), (5)
- extended reassessment period, 152(4)(b)
- Minister, by, 152(4), (4.1), (6), 165(3)
- after filing notice of objection, 165(5)
- disposing of appeal, on consent, 169(3)
- normal reassessment period, defined, 152(3.1)
- second notice of objection not required, 165(7)
- time for, 152(4), 231.8
- time to object to, 165(1)
- unused Part I.3 tax credit, 152(6)(f)
- validity, 165(5), (6)
- waiver of limitation period by taxpayer, 152(4)(a)(ii), 152(4)(c)
- within normal reassessment period, 152(4)

**Recapture, *see also* Clawback; Negative amounts**

- capital cost allowance, *see* Capital cost allowance: recapture
- clean technology investment tax credit, 127.45(11)–(14)
- eligible capital property, 14(1) [before 2017]
- goodwill, 14(1) [before 2017]
- investment tax credit, 127(27)–(36)
- SR&ED expenditures, 37(6)

**Receivables**

- in later year, reserve for, 20(1)(n), 20(8)
- where property repossessed by creditor, 79.1(4)
- 1971, ITAR 23(5)“1971 receivables”

**Received capacity**

- adds room for carryforward of denied interest expenses, 111(1)(a.1)B
- defined, for interest deduction restrictions, 18.2(1), (4)
- reduces limitation on interest expense, 18.2(2)D

**Receiver or receiver-manager, *see also* Legal representative**

- clearance certificate before distributing property, 159(2)
- deemed to be legal representative, 248(1)“legal representative”
- obligations of, 159
- return to be filed, 150(3)
- withholding tax, liability for, 227(5), 227(5.1)

**Recipient**

- defined, for hybrid mismatch arrangement rules, 18.4(1)
- multiple recipients, 18.4(19)

**Reclamation obligations**

- no reserve for, 20(7)(d)

**Reclamation of mines, *see* Qualifying environmental trust****Reclassification**

- depreciable property, change in class, 13(5)
- expenditures, R&D claims, 37(12)

**Recognized derivatives exchange**

- defined, for synthetic equity arrangement rules, 248(1)

**Recognized forestry professional**

- defined, Reg. 7400(3)

**Recognized stock exchange**

- defined, 248(1)

**Record, *see also* Books and records**

- defined, 248(1)

**Record suspension**

- defined, 149.1(1.01)
- effect on entitlement to operate charity, 149.1(1)“ineligible individual”(a)(ii)

**Recovery**

- labour-sponsored funds tax credit, *see* Labour-sponsored funds tax credit: recovery
- limit, *see* Recovery limit

**Recovery limit**

- defined, for non-resident trusts, 94(8)

**Recovery tax (CCUS credit), 211.92**

- assessment, objection and appeal, 211.94
- partnership liability, 211.92(12)–(15)

**Recovery taxation year**

- defined, for CCUS credit, 211.92(1)

**Recovery wage subsidy rate**

- defined, for Canada Recovery Hiring Program, 125.7(1)

**Recreation program**

- youth boarding allowance non-taxable, 6(1)(b)(v.1)

**Recreation vehicle service technician**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Recreational club**

- non-profit, exempt, 149(1)(l), 149(5)

**Recreational facilities**

- use of, expense not deductible, 18(1)(l)(i)

**Recreational program for children, *see* Children’s Arts Tax Credit (pre-2017)****Recreational property**

- capital cost allowance, Reg. 1102(17)

**Rectification, 169(1) (Notes)****Record suspension**

- defined, 149.1(1.01)
- effect on entitlement to operate charity, 149.1(1)“ineligible individual”(a)(ii)

**Red Seal trade**

- defined, for labour requirements for ITCs, 127.46(1)
- prescribed, for apprenticeship credit, Reg. 7310

**Red Seal worker**

- defined, for labour requirements for ITCs, 127.46(1)

**Redeeming entity**

- defined, 135.1(7)

**Redemption of shares by corporation**

- capital loss denied, 40(3.6)
- deemed dividend of excess over paid-up capital, 84(3)

**Redetermination, *see* Determination****Reduced tax credit rate**

- defined, for labour requirements for ITCs, 127.46(1)

**Reduction of tax, *see* Abatement of tax****Red Stenhouse Companies Ltd.**

- Class I shares, no deemed dividend on redemption, 84(8), Reg. 6206



**Reference security**

- defined, 18.3(1)“stapled security”(a)

**Refinery**

- capital cost allowance, Reg. Sch. II:Cl. 10(u), Sch. II:Cl. 41

**Refrigeration and air conditioning mechanic**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Refugee**

- entitled to Canada Child Benefit, 122.6“eligible individual”(e)(iii)

**Refund**

- after normal reassessment period, 152(4.2), 164(1.5)
- assignment of, by corporation, 220(6), (7)
- capital gains
  - mutual fund corporation, to, 131(2), (3)
  - mutual fund trust, to, 132(1), (2)
- Crown royalty, income inclusion, 12(1)(x.2)
- dividend
  - mutual fund corporation, to, 131(5)
  - private corporation, to, 129(1)
- duty of Minister, 164(4.1)
- employees profit sharing plan, to former beneficiary, 144(9)
- fraudulently obtained, offence, 239(1.1)
- included in income, 12(1)(x)(iv)
- interest on, 164(3)–(4)
- labour-sponsored funds tax credit clawback, 211.82
- non-resident tax, of, 227(6)–(7)
- of payments, *see* Refund of payments
- overpayment of tax, of, 164
  - application to other taxes, 164(2)
- Part I tax, 164
- partial refundable investment tax credit re scientific research and development, 164(1)
- premiums, of, *see* Registered retirement savings plan: refund of premiums
- provincial portion of income tax, 164(1.4)
- RRSP premiums, of, 146(1)“refund of premiums”
  - deemed receipt of, 146(8.1)
- reassessment to give rise to, 152(4.2)
- refundable dividend tax, 129
  - application to other liability, 129(2)
- repayment on objections and appeals, 164(1.1)
- returns must be filed before payable by Minister, 164(2.01)
- tax, of
  - deferred profit sharing plan, to, 202(2)
  - application to other taxes, 203
  - excessive, 160.1(1)
  - tax on non-qualified investment, of
    - on disposition, 198(4), 199(2)
    - on recovery of security, 198(5)

**Refund benefit**

- defined, Reg. 8300(1)

**Refund interest**

- defined
  - for M&P credit on resource income, Reg. 5203(4)
  - for corporate interest offset, 161.1(1)
- payable to taxpayer, 164(3)
- rate of interest, Reg. 4301(b)

**Refund of payments**

- defined, for education savings plan, 146.1(1)

**Refund of premiums, *see* Registered retirement savings plan: refund of premiums****Refund Set-Off program, 164(2)****Refundable capital gains tax on hand**

- mutual fund corporation, of, 131(6)“refundable capital gains tax on hand”
- carryover to mutual fund trust on qualifying exchange, 132.2(3)(i)

- reduction of, 131(9)
- mutual fund trust of, 132(4)“refundable capital gains tax on hand”

- addition to following reorganization, 132.2(3)(i)

**Refundable credits**

- Air Quality Improvement Tax Credit, 127.43
- CCUS credit, 127.44
- Canada Carbon Rebate, 122.8
- Canada Child Benefit, 122.61(1)
- Canada Training Credit, 122.91
- Canada Workers Benefit (former Working Income Tax Benefit), 122.7
- Canadian film/video production credit, 125.4
- carbon capture, use and storage credit, 127.44
- carbon tax rebate
  - for farmers, 127.42
  - for individuals (Canada Carbon Rebate), 122.8
  - for small business, 127.421
- clean electricity tax credit, 127.491
- clean hydrogen tax credit, 127.48
- clean technology investment tax credit, 127.45
- clean technology manufacturing investment tax credit, 127.49
- child fitness credit (2015-2016), 122.8
- Climate Action Incentive (now called Canada Carbon Rebate), 122.8
- dividend refund, 129(1)
- EV battery technology credit, 127.492 [expected]
- film or video production services credit, 125.5
- GST credit, 122.5(3)
- greenhouse gas tax rebate, 122.8
- individual resident in Quebec, 120(2)
- investment tax credit, 127.1(1)
- journalism labour credit, 125.6
- medical expenses, 122.51
- Multigenerational Home Renovation Tax Credit, 122.92
- qualifying environmental trust credit, 127.41(3)
- school supplies tax credit, 122.9
- U.S. social security tax adjustment due to treaty amendment, Canada-U.S. Tax Treaty:Art. XVIII:5

**Refundable dividend tax on hand, *see also* Dividend refund**

- aggregate investment income, defined, 129(4), 248(1)
- amalgamation, on, 87(2)(aa)
- deemed, 186(5)
- defined, 129(3) [repealed], 129(4)“eligible refundable dividend tax on hand”, “non-eligible refundable dividend tax on hand”
- foreign investment income, defined, 129(4)
- “income” or “loss” defined, 129(4)
- meaning of certain expressions, 129(8)
- parent’s, after subsidiary wound up, 87(2)(aa), 88(1)(e.2)
- refund of, 129(1)
- taxable dividend, defined, 129(7)

**Refundable federal sales tax credit, 122.4 [repealed]****Refundable goods and services tax credit, 122.5, *see also* Goods and services tax (GST): refundable credit****Refundable investment tax credit**

- deemed deduction from tax otherwise payable, 127.1(3)
- defined, 127.1(2)
- partial refund in respect of, 164(1)

**Refundable medical expense credit, 122.51****Refundable Part IV tax, 186**

- refund of, 129(1)

**Refundable Part VII tax**

- defined, 192(3), 248(1)

**Refundable Part VIII tax on hand**

- defined, 194(3), 248(1)

**Refundable taxes**

- investment income of CCPC, 123.3, *see also* Dividend refund
- Part IV tax, 186(1)

Refundable taxes (*cont'd*)

- prohibited investments for RRSP, RRIF, TFSA, RESP or RDSP, 207.04
- retirement compensation arrangement arrangement, 207.5(1)

**Refurbishment**

- defined, for clean electricity credit, 127.491(1)
- property incorporated into clean electricity property as part of, 127.491(1)“clean electricity property”(e)(x)

**Refurbishment credit**, *see* CCUS refurbishment tax credit

**Registered animal**

- defined, Reg. 1802(5)

**Registered Canadian amateur athletic association**

- business activities of, 149.1(6.01)
- constitutes qualified donee for donations, 149.1(1)“qualified donee”(c)
- defined, 248(1)
- donation to, 149.1(1)“qualified donee”(c)
  - by corporation, deduction, 110.1(1)(a)
  - by individual, tax credit, 118.1(1)“total charitable gifts”
- exempt from tax, 149(1)(g)
- gift to, *see* donation to (above)
- information return required from, 149.1(14)
- penalties, 188.1
  - penalty reduced by giving funds to another RCAA, 188(1.4), 189(6.3)
- political activities of, 149.1(6.201)
- public disclosure of information about, 149.1(15), 241(3.2)
- receipts, Reg. 3500, 3501
- records to be kept, 230(2)
- refusal by CRA to register, 149.1(22)
  - appeal from, 172(3)(a)
  - objection to, 168(4)
- revocation of registration, 149.1(4.2), 168
  - appeal from, 172(3)(a)
  - objection to, 168(4)
- suspension of receipting privileges, 188.2(1)

**Registered charity**, *see also* Charity

- accumulation of property, 149.1(8), (9)
- annulment of registration, *see* registration (below)
- bequest to, *see* Enduring property [repealed]
- books and records, 230(2)
- charitable activities, *see* Charitable activities
- communication of information by Minister, 149.1(15)
- constitutes qualified donee for donations, 149.1(1)“qualified donee”(b)
- controlled by person with criminal record, *see* Ineligible individual
- corporate tax return not required, 150(1.1)(a)
- criminal offence by director, *see* Ineligible individual
- defined, 248(1)
- designation as foundation or organization, 149.1(6.3)
  - objection to, 168(4)
- designation of, by Minister, as public foundation etc., 149.1(6.3)
  - appeal from, 172(3)(a.1)
- director committing offence, *see* Ineligible individual
- disbursement excess, 149.1(20)
  - defined, 149.1(21)
- disbursement quota, *see* Disbursement quota (of charity)
- donations to, *see* Gifts and donations (charitable)
- employee of, penalty for false statement in receipt, 188.1(9), (10)
- endowment to, *see* Enduring property [repealed]
- exemption for, 149(1)(f)
- false statement to obtain registration, revocation, 149.1(4.1)(c)
- fund-raising event
  - exempted from general limitation on entertainment expense deduction, 67.1(2)(b)
- gift to another registered charity
  - revocation of registration, 149.1(4.1)

- gifts to, 118.1(1), (3)
- information returns, 149.1(14), Reg. 204(3)(c)
- investment assets, disbursement requirement, *see* Disbursement quota (of charity)
- loan to donor, 118.1(16)
- non-qualified investment, tax re, 189
- officer of, penalty for false statement in receipt, 188.1(9), (10)
- option granted to, 110.1(10)–(13), 118.1(21)–(24)
- partnership look-through rule, 149.1(11)
- penalties, 188.1, 189(6.3)
  - appeal of penalty, 189(8), 169(1)
  - carrying on business, 188.1(2)
  - conferring undue benefit on any person, 188.1(4), (5)
  - failing to file information return, 188.1(6)
  - false statement in receipt, 188.1(9), 10
  - foundation acquiring control of corporation, 188.1(3)
  - incorrect receipt, 188.1(7)–(10)
  - making gift to delay charitable expenditures, 188.1(11)
  - objection to penalty, 189(8), 165(1)
  - penalty reduced by giving funds to another charity, 189(6.3)
- penalty taxes, 188, 189
- political activities of, *see* Political activity
- public information return, 149.1(14), (15)
- receipts issued by
  - penalty for incorrect or false information, 188.1(7)–(10)
  - revocation for incorrect or false information, 168(1)(d)
- requirements, Reg. 3501
- registration of, 248(1)“registered charity”
  - annulment of registration, 149.1(23), (24)
    - appeal from, 172(3)
    - objection to, 168(4)
  - refusal by Minister to register, 149.1(22)
    - appeal from, 172(3)
    - objection to, 168(4)
  - revocation of, 149.1(2)–(4.1), 168
    - appeal from, 172(3)
    - deemed year-end, 188(1)
    - grounds for, 149.1(2)–(4.1), 168
    - objection to, 168(4)
    - returns required, 189(6.1)
    - tax on, 188(1.1)
      - reduction of revocation tax liability, 189(6.2)
- remainder interest in real property, disposition to, 43.1(1)
- returning gift to donor, 110.1(14)–(17), 118.1(25)–(28), Reg. 3501.1
- specified gift, defined, 149.1(1)
- suspension of receipting privileges, 188.2
  - appeal of suspension, 189(8), 169(1)
  - objection to suspension, 189(8), 165(1)
- tax re, 188, 189
- taxation year, 149.1(1)
- ten-year gift to, *see* Enduring property [repealed]
- terrorism, supporting, *see* Charities Registration (Security Information) Act
- transfer of property
  - tax on, 188(3), (4)

**Registered disability savings plan (RDSP)**, 146.4

- advantage, 207.01(1)“advantage”, 207.05
- attribution rules do not apply, 74.5(12)(a.2)
- cessation of eligibility for disability tax credit
  - RDSP can stay open indefinitely, 146.4(4)(p)(ii)
- conditions, 146.4(2)–(4)
- defined, 146.4(1)
- disposition of property to, capital loss nil, 40(2)(g)(iv)(A)
- election on ceasing to be DTC-eligible, 146.4(4.1), (4.2)
- emigration from Canada, no tax on, 128.1(10)“excluded right or interest”(a)(iii.1)
- exempt from tax, 146.4(5)

**Registered disability savings plan (RDSP) (*cont'd*)**

- holder of, *see* Holder
- information return
  - required for payments to non-residents, Reg. 202(2)(n)
  - required for payments to residents, Reg. 200(1)
  - whether required for RDSP, Reg. 204(3)(g)
- interest on money borrowed for, not deductible, 18(11)(i)
- issuer extending advantage, 207.01(1)“advantage”
- non-compliant, 146.4(10)–(12)
- non-qualified investment
  - defined, 207.01(1)
  - tax on, 207.04
- payment from
  - not counted for purposes of Canada Child Benefit, 122.6“adjusted income”
  - not counted for purposes of GST/HST Credit, 122.5(1)“adjusted income”
  - not counted for purposes of Old Age Security clawback, 180.2(1)“adjusted income”
  - tax on, 56(1)(q.1), 146.4(6)
  - withholding tax
    - non-resident, 212(1)(r.1)
    - resident, 153(1)(i), Reg. 103.1
- prohibited investment, tax on, 207.04
- qualifying family member
  - becoming holder of RDSP, 146.4(1)“disability savings plan”(a)(ii)(B.1), (B.2)
  - defined, 146.4(1)
  - rules governing, 146.4(1.5)–(1.7)
- Quebec, in, deemed to be trust, 248(3)(c)
- reversionary trust rules do not apply, 75(3)(a)
- rollover to
  - from RRSP, RRIF or RPP, 60.02
  - RESP investment income, 146.1(1.1), (1.2)
- shortened life expectancy rules, 146.4(1.1)–(1.4)
- tax payable by
  - borrowing money, 146.4(5)(a)
  - carrying on business, 146.4(5)(b)
  - non-qualified investments, 146.4(5)(b)
  - on acquisition of shares not at fair market value, 207.1(5)
  - on non-qualified or prohibited investment, 207.04
- transfer to another RDSP, 146.4(8), (9)
- withholding, *see* payment from (above)

**Registered education savings plan, 146.1, *see also* Education savings plan**

- accumulated income payment
  - defined, 146.1(1)
  - included in income, 146.1(7.1)
  - restrictions on making, 146.1(2)(d.1)
- rollover to registered disability savings plan, 146.1(1.1), (1.2)
- advantage, 207.01(1)“advantage”, 207.05
- amendments to, 146.1(4.1)
- amounts received, income, 56(1)(q)
- annual limit, *see* RESP annual limit
- annuities, holding of, 146.1(1)“qualified investment”(c)
- beneficiary under
  - amount included in income, 146.1(7)
  - defined, 146.1(1)
- conditions for registrations, 146.1(2)
- contribution limits, *see* RESP annual limit; RESP lifetime limit
- defined, 146.1(1)
- distance education programs, 146.1(2)(g.1)
- educational assistance payment, *see* Educational assistance payment
- emigration of beneficiary, no deemed disposition, 128.1(10)“excluded right or interest”(a)(iii)
- “excess amount” defined, 204.9(1), (2)
- excluded amount, 146.1(7.2)

- excluded from various trust rules, 108(1)“trust”(a)
- family plan, 146.1(2)(j)
- information returns
  - by promoters, 146.1(15)
  - by trustees, 146.1(13.1)
- interest on money borrowed to contribute to, not deductible, 18(11)(h)
- locked-in annuities, 146.1(1)“qualified investment”(c)
- money borrowed for contribution to
  - limitation on deductibility, 18(11)(g)
- non-qualified investment
  - defined, 207.01(1)
  - tax on acquiring, 207.04
  - tax on holding before 2017, 207.1(3)
- notice of intent to revoke registration, 146.1(12.1)
- appeal from, 172(3)(e.1)
- notice of revocation, 146.1(12.2)
- notification to beneficiaries, 146.1(2)(l)
- overcontributions to, tax on, 204.9–204.93 (Part X.4)
- payments out of
  - non-residents, to, 212(1)(r)
  - residents, to, 56(1)(q), 146.1(7)
- prohibited investment, tax on, 207.04
- promoter extending advantage, 207.01(1)“advantage”
- qualified investment
  - defined, 146.1(1)
  - holding non-qualified investment
    - revocation of plan, 146.1(2.1), (12.1)
    - tax on, 207.1(3)
- Quebec, in, deemed to be trust, 248(3)(c)
- refund of payments under, 146.1(1)
- registration
  - conditions for, 146.1(2)
  - deemed date of, 146.1(12)
  - revocation of, 146.1(12.1), (12.2), (13), (14)
- reversionary trust rules do not apply, 75(3)(a)
- revocable, 146.1(2.1)
- revocation, 146.1(13)
- notice of, 146.1(12.1), (12.2)
- rollover of investment income to RDSP, 146.1(1.1), (1.2)
- subscriber not taxable, 146.1(6)
- tax payable by
  - on acquisition of shares not at fair market value, 207.1(5)
  - on non-qualified or prohibited investment, 207.04
- tax payable by subscribers, 204.91
- transfer of property to another plan, 146.1(2)(g.2), (j)(ii)(B), 146.1(6.1), 204.9(5)
- trust
  - rollover to new trust, 248(1)“disposition”(f)(vi)
- trust not taxable, 146.1(5), 149(1)(u)
- withholding of tax from payments, 153(1)(t), Reg. 103(6)(g), 103(8)

**Registered foreign charity**

- defined, 149.1(1)
- information return required, 149.1(14.2)
- penalty for failure to file, 188.1(6)
- registration of, by CRA, 149.1(26)
- revocation of registration, 168(1)(c)
- suspension of registration, 188.2(2.1)
- treated as charity, 149.1(1)“qualified donee”(a)(v)

**Registered home ownership savings plan, 146.2 [repealed]****Registered investment**

- defined, 204.4(1), 248(1)
- list of, 204.5
- qualifies for RDSP or RESP, Reg. 4900(5)
- qualifies for RRSP, Reg. 4900(1)(a)
- tax on
  - on holding certain property, 204.6

**Registered journalism organization, *see also* Qualified Canadian journalism organization; Qualifying journalism organization**

- defined, 248(1)
- exempt from tax, 149(1)(h)
- information return required, 149.1(14.1)
- qualifies for charitable donations, 149.1(1)“qualified donee”(b.1)

**Registered labour-sponsored venture capital corporation, *see* Labour-sponsored venture capital corporation (LSVCC): registered****Registered life insurance policy**

- defined, 211(1)

**Registered mail**

- no longer needed, for notice of objection, 165(2)

**Registered national arts service organization**

- benefits from, included in income, 56(1)(z.1)
- deemed to be registered charity, 149.1(6.4)
- defined, 248(1)
- exempt from tax, 149(1)(l)
- prescribed conditions, Reg. 8700
- receipts issued by, Reg. 3500“registered organization”
- registration, 149.1(6.4)
- revocation of designation, 149.1(6.5)

**Registered non-resident insurer**

- defined, Reg. 804
- withholding requirements, Reg. 800–805.1

**Registered organization**

- defined, for donations and gifts, Reg. 3500

**Registered pension plan, 147.1–147.3, Reg. Part LXXXIII–LXXXV**

- actuarial report, 147.2(3), Reg. 8410
- actuary, defined, 147.1(1)
- administrator, 147.1(6)–(7)
  - defined, 147.1(1)
  - obligations, 147.1(7)
  - requirement, 147.1(6)
  - separate liability, 147.1(16)
- amendments to, 147.1(4), (15), 172(3), (5), Reg. 8511, 8512(3)
- annuity, rollover from RPP, 147.4
- appeal
  - refusal to accept amendment, from, 172(3)(f.1), 172(5)
  - refusal to register, from, 172(3)
- application for registration, 147.1(2), Reg. 8512(1)
- “as registered” meaning, 147.1(15)
- average wage, defined, 147.1(1)
- balance of annuitized voluntary contributions, 60.2(2)
- benefit provisions, transfer between, 147.3(14.1)
- benefits from
  - association of, with employers, Reg. 8305
  - during phased retirement, Reg. 8503(16)–(25)
  - flowed through trust, 104(27)
    - unauthorized, 147.3(10), (12)
  - maximum, Reg. 8504
  - rollover for financially dependent child, 60(1)(v)(B.01)
  - taxable, 56(1)(a)(i)
- borrowing restrictions, Reg. 8502(i), (i.1)
- bridging benefits, pension income credit, 118(8.1)
- buy-out annuity, 147.4(1)
- COVID-19 relief for 2020–22, *see* COVID-19
- certification of past service benefit, *see* Past service event
- communication of information re, 241(4)(d)(vii)
- commutation of benefits, Reg. 8503(2)(m), (n), 8503(2.1)
- compensation, defined, 147.1(1)
- conditions, 147.1(2), (5), Reg. 8501–8506
- continuation of, in amalgamation, 87(2)
- contract under, 254
  - contribution error correction, *see* Pension adjustment correction; Permitted corrective contribution (to pension plan)
  - contribution made in error, repayment of, 56(1)(a)(i)(G), 147.1(19)
  - contribution, prescribed, 147.2(2), Reg. 8516
  - death of contributor, amount deductible, 147.2(6)
  - defined, 248(1); ITAR 17(8)
  - defined benefit provision, defined, 147.1(1)
  - definitions, 147.1(1)
  - designated plan, Reg. 8515
    - special rule, Reg. 8515
  - eligible contribution, defined, 147.2(2), Reg. 8515(5), 8516
  - emigration of member, no deemed disposition, 128.1(10)“excluded right or interest”(a)(viii)
  - employee’s contribution deductible, 147.2(4), Reg. 8502(b)(i), 8503(4)(a), (b)
  - employer’s contribution
    - deductible, 20(1)(q), (s), 147.2(1), Reg. Part XXVII
    - defined benefit provision, 147.2(2)
    - filing of actuarial report, 147.2(3)
    - limits, 147.1(8), (9), Reg. 8506(2)
    - not taxable benefit, 6(1)(a)(i)
  - exempt from tax, 149(1)(o), (o.1)
  - excluded from various trust rules, 108(1)“trust”(a)
  - filing annual return, Reg. 8409
  - fixing contribution errors, *see* Pension adjustment correction; Permitted corrective contribution (to pension plan)
  - foreign plan, *see* Foreign plan (pension plan)
  - foreign service, *see* Foreign service
  - grandfathered plan
    - complying before March 1996 budget date, Reg. 8509(13)
    - defined, Reg. 8500(1)
  - includes references to “approved” plan, ITAR 17(8)
  - income accruing in
    - not taxed by U.S., Canada–U.S. tax treaty Canada–U.S. Tax Treaty:Art. XVIII:7
  - information return, Reg. 8409
  - insolvent employer, commutation of benefits
    - rollover to RRSP, 146(5.2), (5.201)
    - transfer to another RPP, Reg. 8517(3)–(3.02)
  - insurance corporation demutualization conversion benefit, 139.1(12), (14)
  - limits on contributions, 147.1(8), (9), 147.2(4), Reg. 8506(2)
  - member of plan, defined, 147.1(1)
  - Minister to obtain advice of Superintendent of Financial Institutions, 147.1(17)
  - money borrowed for contribution to
    - limitation on interest deductibility, 18(11)(c)
  - money purchase limit, defined, 147.1(1)
  - money purchase provision
    - benefits permissible, Reg. 8506(1)
    - contributions eligible, Reg. 8506(2)
    - defined, 147.1(1)
    - minimum amount, Reg. 8506(5), (7), (7.1)
    - transfer from RRIF, 146.3(14.1)(b)
  - multi-employer plan
    - anti-avoidance, 147.1(14)
    - becoming revocable plan, 147.1(9)
    - defined, 147.1(1), Reg. 8500(1)
    - pension adjustment limits, 147.1(9)
    - registration requirements, Reg. 8510(7)
    - specified
      - defined, 147.1(1), Reg. 8510(2)
      - rules, Reg. 8510(3), (5)–(7)
  - no tax payable by, 149(1)(o), (o.1)
  - non-member benefits, Reg. 8500(8)
  - non-residents
    - payment under, withholding tax, 212(1)(h)
  - participating employer, defined, 147.1(1)



Registered pension plan (*cont'd*)

- past service benefits, determination of, 147.1(10)
- past service contributions
- additional voluntary contributions, deductible for 1986, 8(1.1)
  - by employer
    - deductible, 147.2(2), Reg. 8516(2)
- past service event
- defined, 147.1(1), Reg. 8300(1), (2)
- restrictions on pension funding and benefits, 147.1(10), Reg. 8306, 8307(2)
- past service payments into, 57(4)
- payment under, taxable, 56(1)(a)(i), 212(1)(h), 254
- pension adjustment, *see* Pension adjustment
- pension adjustment limits, *see also* Pension adjustment
- phased retirement, Reg. 8503(16)–(25)
- plan as registered, 147.1(15)
- pooled, *see* Pooled registered pension plan
- prohibited investments, Reg. 8502(h), 8514(1)
- refund of undeducted past service additional voluntary contributions, 60.2(1)
- registration of, 147.1(2), (3)
  - additional conditions, 147.1(5)
  - amendments, conditions for acceptance of, 147.1(4)
  - deemed from time of application, 147.1(3)
  - regulations, 147.1(18), Reg. Part LXXXIII–LXXXV
  - revocation of, 147.1(13), 147.3(12)
    - notice, 147.1(12)
    - notice of intention, 147.1(11)
- reorganization of money purchase plan, 147.3(7.1)
- repayment of post-1989 benefits, 60(j.04)
- reporting requirements, Reg. 8400–8410
- retiring allowances transferred to, 60(j.1)
- reversionary trust rules do not apply, 75(3)(a)
- rollover, *see* transfer from; transfer to
- salary deferral leave plan, Reg. 8508
- shared-funding arrangement, Reg. 8501(6.1)
- single amount, defined, 147.1(1)
- specified multi-employer plan
  - defined, 147.1(1), Reg. 8510(2)
  - rules, Reg. 8510(3), (5)–(7)
  - spouse, defined, 147.1(1)
  - successor plan, Reg. 8308(8)
- termination of, Reg. 8409(3)
- transfer of members to new plan, Reg. 8500(9)
- transfer of property between benefit provisions, 147.3(14.1)
- transfer to, Reg. 8502(b)(iv)
  - another RPP, from, 147.3
  - DPSP, from, 147(19)(d)(i)
  - PRPP, from, 147.5(21)(c)(iii)
  - RRIF, from, 146.3(14)(b)(iii), 146.3(14.1)(b)
  - RRSP, from, 146(16)(a)
- transfer from
  - ALDA (advanced life deferred annuity), to, 147.3(1)(c)(iv)
  - actuarial surplus, of, 147.3(4.1), (7.1)
  - annuity, to, 147.4
  - another RPP, to, 147.3(1)–(8), Reg. 8517
  - death, on, 147.3(7)
  - deemed, 147.3(14)
  - division of amount transferred, 147.3(11)
  - excess, 147.3(13)
  - lump sum on death, 147.3(7)
  - marriage breakdown, on, 147.3(5)
  - money purchase plan to money purchase plan, 147.3(7.1)
  - pre-1991 contributions, 147.3(6)
  - RRIF, to, 146.3(2)(f)(v), (vi), 147.3(1), (4)–(7), (10)
  - RRSP, to, 147.3(1), (4)–(7), (10)
  - registered disability savings plan, to, on death, 60.02
  - restrictions re, 147.3(12)

- taxation of amount transferred, 147.3(9)
- transfers to
  - actuarial surplus, of, 147.3(4.1), (7.1)
  - another RPP, from, 147.3, Reg. 8517
  - deferred profit sharing plan, from, 147(19)
    - via a trust, 104(27.1)
  - marriage breakdown, on, 147.3(5)
  - money purchase plan from money purchase plan, 147.3(7.1)
  - pension benefits received through trust, of, 60(j)(ii)
  - RRSP, from, 146(16)
  - retiring allowance, 60(j.1)
  - unregistered plan, from, 60(j)(i)
- United States tax treatment of, *see* Qualifying retirement plan
- variable benefits, Reg. 8506(1)(e.1)
- wage measure, defined, 147.1(1)

**Registered plan**

- defined, 207.01(1)

**Registered plan strip**

- constitutes advantage, 207.01(1)“advantage”(d)
- defined, 207.01(1)
- 100% tax on, 207.05(2)(c)

**Registered retirement income fund**

- acceptance for registration, 146.3(2)
- administration fees, non-deductible, 18(1)(u)
- advantage, 207.01(1)“advantage”, 207.05
- amended
  - deemed receipt, 204.2(1.4)
- amounts received, income, 56(1)(t)
- annuitant
  - defined, 146.3(1)
  - emigration from Canada, no deemed disposition, 128.1(10)“excluded right or interest”(a)(ii)
- annuities, holding of, 146.3(1)“qualified investment”(b.1), (b.2)
- benefits taxable, 146.3(5)
- business carried on by, 146.3(3)(c)
- carrier, defined, 146.3(1)“annuitant”
- change in fund after registration, 146.3(11)–(13)
- common-law spouse, breakdown of relationship, 146.3(14)(a)
- death of last annuitant, 146.3(6)–(6.2)
  - carryback of losses, 146.3(6.3), (6.4)
- defined, 146.3(1), 248(1)
- depository, 146.3(1)“carrier”(d)
  - conditions for registration, 146.3(2)(c)
- exempt from tax on amounts added or earned, 146.3(15)
- designated benefit
  - amount deductible, 146.3(6.2)
  - deemed received, 146.3(6.1)
  - defined, 146.3(1)“designated benefit”
  - transfer of, to spouse, child or grandchild, 146.3(6.11)
- designation of charity as beneficiary, 118.1(5.2)(b)
- disposition of property to, capital loss nil, 40(2)(g)(iv)(A)
- eligible amount, 146.3(6.11)
- emigration of annuitant, no deemed disposition, 128.1(10)“excluded right or interest”(a)(ii)
- excessive small business property holding, tax, 207.1(5) (repealed retroactively)
- excluded from various trust rules, 108(1)“trust”(a)
- exempt from tax, 146.3(3), 149(1)(x)
- fair market value of plan to be reported to CRA, Reg. 215(2.1)
- income accruing in
  - not taxed, 146.3(3), (15), 149(1)(x)
- not taxed by U.S., Canada–U.S. tax treaty Canada–U.S. Tax Treaty: Art. XVIII:7
- income not subject to annual accrual, Reg. 7000(6)
- information returns, Reg. 215
- insurance corporation demutualization conversion benefit, 139.1(12), (14)
- interest income deemed not received by annuitant, 146.3(15)
- investment counselling fees, non-deductible, 18(1)(u)

## Index

### Registered retirement income fund (*cont'd*)

- life income fund, treated as RRIF (no legislative provisions, *see* 147.3(1) Notes)
- locked-in annuities, 146.3(1)“qualified investment”(b.2)
- losses after death, 146.3(6.3), (6.4)
- minimum amount
  - defined, 146.3(1), Reg. 7308(3), (4)
  - for 2008, 146.3(1.1), (1.2)
  - for 2020, 146.3(1.4), (1.5)
  - re contribution due to reduced 2008 minimum, 60.021
  - re contribution due to reduced 2015 minimum, 60.022
- requirement to pay out annually, 146.3(1)“retirement income fund”
- non-qualified investment
  - defined, 146(1), 207.01(1)
  - tax on, 207.04
- non-resident, payment to, 212(1)(q)
- payments under
  - attributed to spouse, 146.3(5.1)
  - joint and several liability for tax on, 160.2(2)–(4)
  - non-resident, to, 212(1)(q)
  - election to file return, 217
  - taxable, 146.3(5)
  - withholding of tax, 153(1)(l), Reg. 103(4), 103(6)(d.1)
- plan fees paid by owner, not an advantage conferred on plan, 207.01(1)“advantage”(b)(i)
- prohibited investment, tax on, 207.04
- property
  - disposition or acquisition, 146.3(4)
  - transfer of, 146.3(14)–(14.2)
  - used as security, recovery of, 146.3(10)
- “property held” in connection with the fund, 146.3(1)
- qualified investment, defined, 146.3(1)
- Quebec, in deemed to be trust, 248(3)(c)
- re contribution of amounts withdrawn for 2015 when minimum amount reduced, 60.022
- registration of, 146.3(2)
- retirement income, defined, 146(1)
- retirement income fund, defined, 146.3(1)
- reversionary trust rules do not apply, 75(3)(a)
- revocation of registration, 146.3(11)–(13)
- rollover, *see* transfer from; transfer to
- services in respect of, non-deductible, 18(1)(u)
- tax-paid amounts, *see* Tax-paid amount
- tax payable by
  - on acquisition of shares not at fair market value, 207.1(5)
  - on non-qualified or prohibited investment, 207.04
- transfer from
  - another RRIF, to, 146.3(2)(e)–(e.2), 146.3(14)(b)(i)
  - marriage breakdown, on, to spouse’s RPP, RRSP or RRIF, 146.3(14)
  - money purchase RPP, to, 146.3(14.1)(b)
  - PRPP, to, 146.3(14.1)(a)
  - registered disability savings plan, to, on death, 60.02
- transfer to
  - ALDA (advanced life deferred annuity), from, 146.3(2)(f)(ix)
  - amount to be included in income, 146.3(5.1)
  - another RRIF, from, 146.3(14)(b)(i)
  - balance of annuitized voluntary contributions, pre-10/9/86, 60.2(2)
  - deceased spouse’s RRSP, from, 60(1)
  - PRPP, from, 147.5(21)(c)(iv)
  - RPP, from, 146.3(2)(f)(v), (vi), 147.3(1), (4)–(7), (10)
  - RRSP, from 146(16), 146.3(5.1)
  - rules, 146.3(5.1)–(5.5)
  - unregistered pension plan, from, 60(j)(i)
- trust, not taxed, 146.3(3), 149(1)(x)
- value of plan to be reported to CRA, Reg. 215(2.1)

- withholding of tax, 153(1)(l), Reg. 103(4), 103(6)(d.1)

### Registered retirement savings plan

- administration fees, non-deductible, 18(1)(u)
- advantage, 207.01(1)“advantage”, 207.05
- age 71 maturity, 146(2)(b.4)
- amended plan, 146(12)
- deemed receipt, 204.2(1.4)
- payments out of, subject to withholding of tax, 153(1)(j)
- amount deductible
  - excess premiums, 146(8.2)
  - deemed not premiums, 146(8.21)
- amount included in computing income, 146(8.3)–(8.7)
- amounts received from, income, 56(1)(h), 146(8)
- annuitant
  - defined, 146(1)
  - emigration from Canada, no deemed disposition, 128.1(10)“excluded right or interest”(a)(i)
- annuities, holding of, 146(1)“qualified investment”(c.1), (c.2)
- annuity acquired or provided under, pre-Oct9/86
- balance of annuitized voluntary contributions to RPP, 60.2(2)
- attribution rule re payments from spousal plan, 146(8.3)
- benefits from, 146(8)–(8.91)
  - rollover for financially dependent child, 60(1)(v)(B.01)
- spousal plan, attribution to spouse, 146(8.3)
- taxable, 146(8)
- where plan not registered at end of year entered into, 146(15)
- borrowing against,
  - income inclusion, 146(10)(b)
  - prohibited for depositary plan, 146(2)(c.3)(ii)
- borrowing from
  - to finance education, *see* Lifelong Learning Plan
  - to purchase a home, *see* Home Buyers’ Plan
- business carried on by, 146(4)(b)
- change in, after registration, 146(12), (13)
- common-law spouse, breakdown of relationship, 146(16)
- contributions, *see* premiums (*below*)
- cumulative excess amount re, 204.1(2.1), 204.2(1.1)
- death, effect of, 146(8.8)–(8.91)
- carryback of losses, 146(8.92), (8.93)
- refund of premiums to child or grandchild, rollover to new RRSP, 60(1)(v)(B.1)
- refund of premiums to spouse, child or grandchild, 146(1)“refund of premiums”
- deduction limit, 146(1)“RRSP deduction limit”
  - defined, 248(1)
- defined, 146(1), 248(1)
- definitions, 146(1)
- designation of charity as beneficiary, 118.1(5.2)(b)
- disposition of property to, capital loss nil, 40(2)(g)(iv)(B)
- dollar limit, 146(1)“RRSP dollar limit”
  - defined, 248(1)
- emigration of annuitant, no deemed disposition, 128.1(10)“excluded right or interest”(a)(i)
- excess amount for a year re, 204.2(1)
- excess contributions
  - tax on, 204.1
- withdrawal of, 146(8.2)
- excessive small business property holding, tax, 207.1(5) (repealed retroactively)
- excluded from various trust rules, 108(1)“trust”(a)
- exempt from tax, 146(4), 149(1)(r)
- fair market value of plan to be reported to CRA, Reg. 214(1.1)
- Home Buyers’ Plan, *see* Home Buyers’ Plan
- home mortgage as investment, Reg. 4900(1)(j)–(j.2)
- income accruing in
  - not taxed, 146(4), 149(1)(r)

Registered retirement savings plan (*cont'd*)

- not taxed by U.S., Canada-U.S. Tax Treaty: Art. XVIII:7, XXIX:5
  - income not subject to annual accrual, Reg. 7000(6)
  - information returns, Reg. 214, 214.1
  - insurance corporation demutualization conversion benefit, 139.1(12), (14)
  - interest on money borrowed to invest in, not deductible, 18(11)(b)
  - investment counselling fees, non-deductible, 18(1)(u)
  - investment in small businesses, Reg. 4900(6), (12)
  - issuer extending advantage, 207.01(1)“advantage”
  - “issuer” of, defined, 146(1)
  - labour-sponsored venture capital corporation, 127.4(1)“qualifying trust”, 127.4(6)(a)
  - labour-sponsored venture capital corporation shares, acquisition of, 127.4(1)“qualifying trust”, (3)
  - life insurance policies, 146(11)
  - Lifelong Learning Plan, *see* Lifelong Learning Plan
  - losses after death, 146(8.92), (8.93)
  - maturity by age 71, 146(2)(b.4)
  - money borrowed to pay premium
    - limitation on interest deductibility, 18(11)(b)
  - mortgage as investment, Reg. 4900(1)(j)–(j.2)
  - net past service pension adjustment, meaning, 146(1)
  - non-qualified investment
    - defined, 146(1), 207.01(1)
    - tax on, 207.04
  - non-resident withholding tax, 212(1)(l)
  - overcontribution to
    - no deduction for, 146(5)
    - non-deductible, withdrawal of, 146(8.2)
    - tax on, 204.1(2.1)
  - transfer from RPP, deduction if withdrawn, 147.3(13.1)
  - payments under
    - joint and several liability for tax on, 160.2(1), (3), (4)
    - non-residents, to, 212(1)(l)
    - election to file return, 217
    - remuneration, Reg. 100(1)
    - taxable, 56(1)(h), 146(8), 212(1)(l)
    - withholding tax, 153(1)(j)
  - plan fees paid by owner, not an advantage conferred on plan, 207.01(1)“advantage”(b)(i)
  - pledging assets of, *see* borrowing against (above)
  - premiums
    - amount deductible, 60(i), 146(5), (5.2), (6.1)
    - excess, refunded, deemed not premiums, 146(8.21)
    - minimum tax, 127.52(1)(a) [repealed]
    - paid before registration, 146(14)
    - refund of, on overcontribution, 146(8.2)
    - undeducted, 204.2(1.2)
  - prohibited investment, tax on, 207.04
  - property used as security for loan, recovery of, 146(7)
  - qualified investments of, 146(1), Reg. 4900
  - Quebec, in deemed to be trust, 248(3)(c)
  - recontribution of certain withdrawals, deduction for, 146(6.1)
  - refund of excess contributions, 146(8.2)
  - refund of premiums, 146(1)
    - deemed receipt of, 146(8.1)
    - defined, 146(1)
    - estate, to, 146(8.1)
    - transferred to annuity, RRSP or RRIF, 60(l)
  - registration of, 146(2), (3), (13.1)
    - change after, 146(12), (13)
  - retiring allowance, transfer to, 60(j.1)
  - reversionary trust rules do not apply, 75(3)(a)
  - rollover, *see* transfer from; transfer to
  - rules governing, 146
  - security, not to be used as, 146(2)(c.3)(ii)
    - services in respect of, non-deductible, 18(1)(u)
  - spousal plan, 146(8.3)
    - attribution on withdrawals, 146(8.3)
    - defined, 146(1)
    - premiums
      - amount deductible, 146(5.1)
      - not subject to income attribution rules, 74.5(12)
  - spouse
    - breakdown of relationship, on, 146(16)
    - transfer to, on death, 146(1)“refund of premiums”, 146(8.91)
  - tax on over-contributions to, 204.1
  - tax-paid amounts, *see* Tax-paid amount
  - tax payable by
    - on acquisition of shares not at fair market value, 207.1(5)
    - on non-qualified or prohibited investment, 207.04
    - termination at age 71, 146(2)(b.4)
  - transfer from
    - to ALDA (advanced life deferred annuity), 146(16)(a.1)
    - to another RRSP or RRIF, 60(l), 146(16)
      - amount to be included in income, 146.3(5.1)
      - rules, 146.3(5.1)–(5.5)
      - tracking of funds, 146(8.4)
    - to RDSP, on death, 60.02
    - to RPP, 146(16)(a)
  - transfer to
    - another RPP, from, 147.3
    - another RRSP, from, 146(16)
    - capital loss deemed nil, 40(2)(g)(iv)(A)
    - capital loss denied, 40(2)(g)(iv)(B)
    - DPSP, from, 147(19)(d)(i)
    - deceased person’s RRSP, from, 60(l)
    - PRPP, from, 147.5(21)(c)(iv)
    - pension benefits received through a trust, 60(j)(ii)
    - RPP, from, 147.3(1), (4)–(7), (10)
      - division of amount transferred, 147.3(11)
      - taxation of amount transferred, 147.3(10)
    - RRIF, from, 146.3(14)(b)(ii)
    - RRSP, from, 146(16)(a)
    - retiring allowance, 60(j.1)
    - spouse, for, on marriage breakdown, 147.3(5)
    - unregistered pension plan, from, 60(j)(i)
  - trust
    - disposition of property by, 146(9)
    - non-qualified investments acquired by, 146(10)
    - non-qualified investments held by
      - tax payable, 146(10.1)
    - not taxed, 146(4), 149(1)(r)
  - United States residents, deferral, Canada-U.S. Tax Treaty: Art. XVIII:7
  - United States retirement plan, deduction limit applies, 146(1)“unused RRSP deduction room”(b)(D)(ii), Canada-U.S. Tax Treaty: Art. XVIII:11
  - unused deduction room, meaning, 146(1)
  - value of plan to be reported to CRA, Reg. 214(1.1)
  - withdrawal of funds for education, *see* Lifelong Learning Plan
  - withdrawal of funds to purchase home, *see* Home Buyers’ Plan
  - withholding on withdrawals of funds, Reg. 103(4)
- Registered securities dealer**, *see also* Broker; Investment dealer; Securities
- defined, 248(1)
  - securities lending arrangement payments to non-residents
  - information return required, 212(18)
  - tax on excessive payments, 212(19)
- Registered segregated fund trust**
- excluded from various trust rules, 108(1)“trust”(a)
- Registered supplementary unemployment benefit plan**
- amendment of, amounts received, 145(4)
  - benefits received, income, 56(1)(g)

## Index

Registered supplementary unemployment benefit plan (*cont'd*)

- defined, 145(1)
- emigration of employee, no deemed disposition, 128.1(10)“excluded right or interest”(a)(xi)
- employer’s contribution under, 20(1)(x), 145(5)
- excluded from various trust rules, 108(1)“trust”(a)
- reversionary trust rules do not apply, 75(3)(a)
- rollover to new trust, 248(1)“disposition”(f)(vi)
- trust not taxable, 145(2), 149(1)(q)
- winding-up of, amounts received, 145(4)

### Registration

- business, *see* Business Number
- Canadian amateur athletic association, 248(1)“registered Canadian amateur athletic association”
- • appeal from refusal or revocation by Minister, 172(3), (4)
- certificate in Federal Court, of tax owing to Crown, 223(3)
- charity, *see* Registered charity: registration of
- deferred profit sharing plan, 147(2)–(5), Reg. 1501
- education savings plan, 146.1(2), (4), (12)
- employees profit sharing plan, as DPSP, 147(3), (4)
- GST, *see* Business Number
- labour sponsored venture capital corporation, 204.81(1)
- multi-employer pension plan, Reg. 8510(7)
- national arts service organization, 149.1(6.4)
- • appeal from refusal or revocation by Minister, 172(3), (4)
- pension plan, 147.1(2), (3), Reg. 8512(1)
- • multi-employer plan, Reg. 8510(7)
- profit sharing plan, as DPSP, 147(2)
- registered education savings plan, *see* education savings plan (above)
- registered investment, deemed, 204.4(7)
- registered pension plan, *see* pension plan (above)
- registered retirement income fund, *see* retirement income fund (below)
- registered retirement savings plan, *see* retirement savings plan (below)
- retirement income fund, 146.3(2)
- retirement savings plan, 146(2), (3), (13.1)
- revocation of, *see* Revocation of registration
- tax shelter, 237.1, *see also* Tax shelter

### Registration information

- defined, re disclosure of taxpayer information, 241(10)
- disclosure of, 241(4)(l)

### Regular adjustment period

- defined, re indexed debt obligation, Reg. 7001(7)

### Regular customers

- defined, for FAPI rules, 95(2.4)(b)

### Regular eligible amount

- defined, for Home Buyers’ Plan, 146.01(1)

### Regular tax credit rate

- defined, for labour requirements for ITCs, 127.46(1)

### Regulated energy utility business (for EIFEL)

- deeming rule for income from, 18.2(20)
- defined, 18.2(1)
- excluded from limitation, 18.2(1)“exempt interest and financing expenses”(c)

**Regulated foreign financial institution, *see* Offshore regulated bank**

### Regulated innovative capital

- defined, 122.1(1)
- excluded in determining whether trust is SIFT trust, 122.1(1)“investment”(b)(ii)

### Regulated Investment Company (U.S.)

- dividend paid to Canadian resident, Canada-U.S. Tax Treaty:Art. X:7(b)

### Regulations

- definitions in, *Interpretation Act* s. 16
- failure to comply with, penalty, 162(7)

- incorporating material amended from time to time, 221(4)
- Income Tax, reproduced after the *Income Tax Act* and *Income Tax Application Rules*
- judicial notice to be taken of, 244(12)
- meaning, 248(1)
- provision for, 147.1(18), 214(13), 215(5), 221(1)
- publication of, in *Canada Gazette*, 221(2)
- reducing amount of non-resident withholding tax, 215(5)
- residents in Canada, re, 214(13)
- retroactive effect, limitation on, 221(2)
- whether binding on Her Majesty, 221(3)

**Regulatory innovative capital, *see* Regulated innovative capital**

### Rehabilitative therapy

- for hearing/speech loss, medical expense, 118.2(2)(1.3)

### Reimbursement

- alimony or maintenance payments, 56(1)(c.2), 60(c.2)
- disability insurance top-up paid by employer, 8(1)(n.1)
- election to offset against outlay or expense, 12(2.2)
- housing loss, by employer, 6(19)–(22)
- included in income, 12(1)(x)
- • prescribed amount, Reg. 7300
- inducements, 20(1)(hh)
- legal expenses of collecting salary etc., re
- • included in employee’s income, 6(1)(j)
- loss in value of home, for, 6(19)–(22)
- medical expenses, 118.2(3)(b)
- motor vehicle expenses, in respect of, 6(1)(b)(xi)
- payments as
- • election re adjusted cost base, 53(2)(s), 53(2.1)
- petroleum/natural gas etc. royalties included in income, for, 80.2
- received by beneficiary of trust, or partner, 12(2.1)
- salary or wages, of, 8(1)(n)
- support payments, 56(1)(c.2), 60(c.2)

### Reimbursement payment

- defined (re top-up disability payments), 8(1)(n.1)(i)

### Reinsurance arrangement

- defined, 211(1)

### Reinsurance commission

- defined [repealed], Reg. 1408(1)
- exclusion from matchable expenditure rules, 18.1(15)
- whether deductible, 18(9.02)

### Reinsurance contract held amount

- defined
- • for determining insurer’s capital, 138(12), 181(2), Reg. 8600
- • for insurers’ IFRS transition rules, 138(12), Reg. 2400(1)
- • for insurers’ policy reserves, Reg. 1408(1)

### Reinsurance recoverable

- defined [repealed], Reg. 2400(1)

### Reinsurance recoverable amount

- defined, Reg. 1408(1)

### Reinsurance trust

- exemption from withholding tax, 212(9)(d)

### Reinsurer

- sales commissions, excluded from matchable expenditure rules, 18.1(15)

**Related, *see* Related persons**

### Related business

- defined, for income-splitting tax, 120.4(1)
- income derived from, income-splitting tax, 120.4(1)“split income”(b)(ii), (c)(ii)(C)
- of charity
- • defined, 149.1(1)
- • revocation of registration for carrying on other business, 149.1(2)(a)

### Related entity

- defined, for Common Reporting Standard, 270(1)



**Related group**

- allocation of surtaxes on banks and life insurers, 123.6(3), 191.5(5)
- defined, 251(4)
- for surtaxes on banks and life insurers, 123.6(3), 191.5(5)

**Related persons, see also Associated corporations**

- deemed not to deal at arm's length, 251(1)(a)
- defined, 251(2)
- extensions to definition
  - for butterfly transactions, 55(5)(e)
  - for debt forgiveness rules, 80(2)(j)
  - for financial institutions tax, 190.15(6)
  - for foreign affiliates, 95(2.2)(b), 95(6)(a)(i)
  - for loans to non-residents, 17(11), (11.1), (11.3)
  - for transfer pricing, Canada-U.S. Tax Treaty:Art. IX:2

**Related segregated fund trust, 138.1**

- adjusted cost base of, 53(1)(l), 53(2)(q)
- application on qualifying disposition to trust, 107.4(3)(g)
- defined, 138.1(1)(a)
- minimum tax not payable by, 127.55(f)(i)
- rollover to new trust, 248(1)“disposition”(f)(vi)

**Related transactions**

- defined, for foreign tax credit, 126(7)

**Relationship, defined, 251(6)**

- for certain Part I.3 purposes, 181.5(6)

**Relationship deposits**

- defined, for FAPI of banks, 95(2.43)

**Release or surrender, defined, 248(9)****Relevant activity**

- defined, for digital platform operator reporting rules, 282(1)

**Relevant affiliate interest and financing expenses**

- defined, for interest deduction restrictions, 18.2(1)

**Relevant affiliate interest and financing revenues**

- defined, for interest deduction restrictions, 18.2(1)

**Relevant assumption**

- defined, FAPI partnership rules, 93.1(6)(b)

**Relevant authority, see also Competent authority**

- defined
  - for IFRS transition for insurers, 138(12)
  - for insurers' policy reserves regulations, Reg. 1408(1)
  - for policy reserves in insurance business, Reg. 1408(1)
  - for prescribed amount and recovery rate, Reg. 8006

**Relevant census**

- defined, for carbon tax refund, 122.8(1)

**Relevant contribution (re eligible funeral arrangement)**

- defined, 148.1(1)

**Relevant conversion benefit**

- defined, for insurance demutualization, 139.1(16)(a)

**Relevant cost base**

- defined, 95(4)

**Relevant criminal offence, see also Relevant offence**

- causing person to be ineligible to manage charity, 149.1(1)“ineligible individual”(a)
- defined, 149.1(1)

**Relevant entity**

- defined, for residence of international shipping corporation, 250(6.02)

**Relevant factor**

- defined, 248(1)

**Relevant financial statements**

- defined, for uncertain-tax-treatment rules, 237.5(1)

**Relevant foreign income or profits**

- defined, for hybrid mismatch arrangement rules, 18.4(1), 113(3)

**Relevant foreign tax law**

- defined, for artificial foreign tax credit generator rules, 91(4.1)(a)(i), (ii), 126(4.11), Reg. 5907(1.03)(a), (b)

**Relevant funder**

- defined, for non-resident withholding tax back-to-back rules, 212(3.8)

**Relevant funding arrangement**

- defined, for non-resident withholding tax back-to-back rules, 212(3.8)

**Relevant inter-affiliate interest**

- defined, for EIFEL rules, 18.2(1)
- EIFEL adjustment for, 18.2(19)

**Relevant licensor**

- defined, for non-resident withholding tax back-to-back rules, 212(3.94)

**Relevant limit (re debt forgiveness rules, partnerships)**

- defined, 80(15)(b)
- limitation on deduction to partner, 80(15)(a)

**Relevant loss balance (for debt forgiveness rules)**

- application of, 80(3), (4)
- defined, 80(1)

**Relevant non-arm's length entity**

- defined, for FAPI rules, 95(1)

**Relevant offence, see also Relevant criminal offence**

- causing person to be ineligible to manage charity, 149.1(1)“ineligible individual”(b)
- defined, 149.1(1)

**Relevant period**

- defined
  - for alternative interest-deduction restrictions, 18.21(1)
  - for non-resident withholding tax on back-to-back loans, 212(3.1)(c)

**Relevant person**

- defined
  - for acquisition of control of corporation from SIFT, 256(7)(c.1)(i)
  - for FAPI rules re services, 95(3.02)
  - for FAPL (loss) rules, Reg. 5903(7), *see also* Relevant person or partnership
  - for private foundations, 149.1(1)

**Relevant person or partnership**

- defined, for foreign accrual property loss, Reg. 5903(6)

**Relevant project period**

- defined, for CCUS credit, 211.92(1)

**Relevant proportion**

- for carbon tax refund to farmers, 127.42(1)

**Relevant province**

- defined, for Canada Carbon Rebate, 122.8(4)A

**Relevant provision**

- defined
  - FAPI partnership rules, 93.1(6)(a)
  - trust transfer of farm/fishing property to settlor's children, 70(9.11)(c)

**Relevant royalty arrangement**

- defined, for non-resident withholding tax back-to-back rules, 212(3.94)

**Relevant service**

- defined, for digital platform operator reporting rules, 282(1)

**Relevant spot rate**

- defined, for functional currency rules, 261(1)

**Relevant tax factor (for FAPI)**

- defined, 95(1)

**Religious order, members' charitable gifts, 110(2)****Religious organization, see Communal organization; Registered charity****Relocation, see also Moving expenses**

- counselling, *see* Counselling services

**Relocation** (*cont'd*)

- eligible, *see* Eligible relocation
- reimbursement for loss of value of home, *see* Housing loss

**Remainder interest, disposition of**, *see* Life estate in real property**Remission orders**

- text of, reproduced after the *Income Tax Regulations*

**Remittance of taxes withheld**, *see also* Withholding

- deemed remitted on day received by Receiver General, 248(7)
- interference with, by secured creditor, 227(5.2)–(5.4) (1995 draft, abandoned)
- large employers must remit through financial institution, 153(1), Reg. 110
  - exception, 153(1.4)
- new small employers, quarterly remittance, Reg. 108(1.13)
- over \$10,000, must be electronic, 160.5(2), 162(7.4)
- small employers, quarterly remittance, Reg. 108(1.12)
- source withholdings, Reg. 108
- unclaimed dividends and interest, 153(4), Reg. 108(4)

**Remote work site, employment at**, 6(6), *see also* Northern Canada**Remuneration**, *see also* Salary

- defined
  - for Canadian film/video tax credit, Reg. 1106(1)“remuneration”
  - for source withholdings, Reg. 100(1)
- information returns, Reg. Part II
- ranges of, Reg. Sch. I
- total
  - defined, Reg. 100(1)
- unpaid, 78(4)
- withholding of tax on, 153(1)(a)
  - failure to remit amounts withheld, 227(9.5)
  - failure to withhold, 227(8.5)

**Renewable energy**, *see* Energy: renewable**Renovation period**

- defined, for Multigenerational Home Renovation Tax Credit, 122.92(1)

**Renovation period taxation year**

- defined, for Multigenerational Home Renovation Tax Credit, 122.92(1)

**Renovations**

- disability-related
  - deductible, 20(1)(qq)
  - medical expense credit, 118.2(2)(l.2)

**Rent**

- accrual of, to date of death, 70(1)(a)
- deduction for, 9(1)
- future period, for
  - not “outlay” or “expense”, 66(15)“outlay” or “expense”
- income
  - taxable, 9(1)
  - whether specified investment business, 125(7)“specified investment business”
- meaning of, 18(1)(d) (Notes)
- non-resident withholding tax, *see* paid to non-resident (below)
- office, paid by employee, 8(1)(i)(ii)
  - certificate of employer, 8(10)
- paid on depreciable property before acquisition, deemed CCA, 13(5.2)
- paid to non-resident, 212(1)(d), 212(13)
  - alternative tax, 216
  - re railway rolling stock, exemption, 212(1)(d)(vii)
- prepaid, non-deductible, 18(9)
- scientific research expenditures, limitations, 37(8)(d)(ii)
- subsidy, *see* Canada Emergency Rent Subsidy
- treaty rules, Canada-U.S. Tax Treaty:Art. VI

**Rent from real or immovable property**

- defined, for SIFT trust and partnership distributions, 122.1(1)

**Rent subsidy percentage**

- defined, for COVID-19 Canada Emergency Rent Subsidy, 125.7(1)

**Rent top-up percentage**

- defined, for COVID-19 Canada Emergency Rent Subsidy, 125.7(1)

**Rental cost**

- defined, Reg. 5202

**Rental housing**, *see* Residential rental unit**Rental Housing Benefit Act**

- details of, 122.5(3.002) Notes
- disclosure of information for purposes of, 241(4)(d)(xxi), (xxii)

**Rental or leasing property**

- defined, 127.52(3)
- minimum tax, 127.52(1)(b), (c)(ii)

**Rental properties**

- capital cost allowance, Reg. 1100(11)–(14.2), 1101(1ac)–(1ae)
  - non-arm’s length exception, Reg. 1102(20)
- defined, Reg. 1100(14)–(14.2)
- minimum tax, 127.52(1)(b), (c.2)(ii), 127.52(3)“rental or leasing property”
- short-term, deductions disallowed if not compliant with local laws, 67.7

**Renunciation**, *see* Flow-through shares**Reorganization**, *see also* Amalgamation; Rollover; Winding-up

- butterfly, 55(3)(b)
- corporate, generally, 84–88
- divisive (butterfly), 55(3)(b)
- effect on stock options, 7(1.4), (1.5)
- mutual fund corporation or trust, 132.2
- of business, payment to shareholder deemed dividend, 84(2), (6)
- of capital, exchange of shares, 86(1); ITAR 26(27)
- property acquired in course of
  - capital cost allowance, Reg. 1100(2.2)
- registered pension plan, members transferred, Reg. 8500(9)
- treaty protection, Canada-U.S. Tax Treaty:Art. XIII:8

**Reorganization transaction**

- defined, for stock buyback tax, 183.3(1)

**Repaid amount (tax shelter investment)**

- defined, 143.2(10)

**Repair**

- automobile, *see* Automobile: operating costs

**Repayment**, *see also* Reimbursement

- amount previously included in income, 20(1)(m.2)
- application to other taxes, 164(2)
- employment insurance benefits, 60(n), (v.1)
- government assistance, *see* Assistance/government assistance: repayment of
- inducements, 20(1)(hh)
- overpayment of interest, by taxpayer, 164(3.1)
  - deduction for, 20(1)(ll)
- pension benefits, 60(j.04)
- policy loan, 60(s)
- Quebec Parental Insurance Plan benefits, 60(g)
- shareholder’s loan, 20(1)(j)
- tax, *see* Refund

**Repayment period**

- defined, for Lifelong Learning Plan, 146.02(1)

**Repeal**

- legislation, *Interpretation Act* s. 25(1)
- regulations, *Interpretation Act* s. 31(4)

**Replacement cost of property**

- value of inventory, 10(4)

**Replacement obligation**

- corporation in financial difficulty, exemption from non-resident withholding tax, 212(3)

**Replacement property**, *see also* Exchanges of property

- defined
- for capital property, 44(5)
- for depreciable capital property, 13(4), (4.1)
- for Home Buyers' Plan, 146.01(1)
- shares, *see* Replacement share
- taxable Canadian property
- capital property, 44(5)(c), (d)
- depreciable property, 13(4.1)(c), (d)

**Replacement share**

- defined, for small business investment capital gain rollover, 44.1(1)

**Repo agreement**, 260(1)“securities lending arrangement”**Reportable account**

- defined, for Common Reporting Standard, 270(1)

**Reportable jurisdiction**

- defined
- for Common Reporting Standard, 270(1)
- for digital platform operator reporting rules, 282(1)

**Reportable jurisdiction person**

- defined, for Common Reporting Standard, 270(1)

**Reportable period**

- defined, for digital platform operator reporting rules, 282(1)

**Reportable person**

- defined, for Common Reporting Standard, 270(1)

**Reportable property**

- defined, 128.1(10)
- reporting of, required, 128.1(9)

**Reportable seller**

- defined, for digital platform operator reporting rules, 282(1)

**Reportable transaction**

- mandatory disclosure rules
- defined, 237.3(1)
- information return required, 237.3(2)
- exception for clerical or secretarial services, 237.3(4)
- filing by one person before 2023 constitutes filing by all, 237.3(4)
- filing deadline, 237.3(5)
- penalty for failure to file, 237.3(8), (8.1)
- reassessment deadline 3 years after filed, 152(4)(b.5)
- transactions with non-residents
- defined, 233.1(1)
- information return required, 233.1(2), (3)

**Reportable uncertain tax treatment**

- defined, 237.5(1)
- requirement to report, 237.5(2)

**Reported**

- meaning of, for insurer, 138(12.3)

**Reported reserve (of insurer)**

- defined, Reg. 1408(1)

**Reporting corporation**

- defined, for uncertain tax treatment rules, 237.5(1)
- required to report uncertain tax treatment, 237.5(2)

**Reporting-due day**

- defined
- for CCUS knowledge sharing and climate risk disclosure, 211.92(1)

**Reporting entity**

- electronic funds transfer reporting
- defined, 244.1
- obligation to file, 244.2(1), 244.6
- foreign affiliate reporting
- defined, 233.4(1)

- obligation to file, 233.4(4)

- foreign property reporting

- defined, 233.3(1)

- obligation to file, 233.3(3)

**Reporting financial institution**

- defined, for Common Reporting Standard, 270(1)

**Reporting fiscal year**

- defined, for country-by-country reporting, 233.8(1)

**Reporting of foreign owners of bank accounts**, *see* Common Reporting Standard**Reporting partnership**

- defined, re transactions with non-residents, 233.1(1)

**Reporting period**

- defined
- for CCUS knowledge sharing, 211.92(1)
- for construction payment reporting, Reg. 238(3)
- for GST/HST-related provisions, *Excise Tax Act* 123(1)

**Reporting person**

- defined
- re transactions with non-residents, 233.1(1)
- re qualified investments, 221(1)

**Reporting platform operator**

- defined, for digital platform operator reporting rules, 282(1)

**Reporting requirements**, *see* Information return**Reporting taxation year**

- defined, for CCUS climate risk disclosure, 211.92(1)

**Repossession of property**

- effect on creditor, 79.1
- capital gains reserve, 79.1(3)
- deemed cost of seized property, 79.1(6)
- foreign resource property, 79.1(2.1)
- in same taxation year as sale, 79.1(5)
- inventory reserve, 79.1(4)
- effect on debtor, 79

**Representation allowances, not income**, 6(1)(b)(iii), (iv)**Representation expenses**

- deductible, 20(1)(cc)
- deemed deducted as depreciation, 13(12)
- election to defer, 20(9), Reg. 4100

**Representative**

- of deceased taxpayer, *see* Legal representative of deceased taxpayer
- of government entity, defined, 241(10)
- of taxpayer, disclosure of information to, 241(5)

**Representative of deceased taxpayer**, *see* Legal representative of deceased taxpayer**Repricing of stock options**, 110(1.7), (1.8)**Repurchase of equity**, *see* Stock buyback tax**Repurchase of shares**, 260(1)“securities lending arrangement”**Required statement**

- defined, Reg. 809(4)

**Requirement**, *see* Demand; Garnishment for taxes unpaid**Res judicata**, 169(2)**Rescheduling of debt, expenses deductible**, 20(1)(e)(ii.2), 20(1)(e.1)(iii)**Research and development**, *see* Scientific research and experimental development**Research grant**

- receipt of, income, 56(1)(o)
- refund of, 56(1)(p)
- repayment of, deductible, 60(q)

**Reserve**

- allowed, 20(1)(l)–(o)
- amalgamation, on, 87(2)(g), (i), (j)
- amount not due until later year, 20(1)(n)

## Index

### Reserve (*cont'd*)

- no deduction in certain circumstances, 20(8)
- bond premium, *see* unamortized bond premium (below)
- capital gain, 40(1)(a)(iii), 40(2)(a)
- 5-year reserve, 40(1)(a)(iii)
- 10-year reserve
  - intergenerational transfer of business, 40(1.2)
  - transfer of farm property or small business shares to child, 40(1.1)
  - transfer to employee ownership trust, 40(1.3)
  - transfer to workers cooperative, 40(1.4)
- donation to charity of non-qualifying security, 40(1.01)(c)
  - disallowed in year of death, 72(1)(c)
- on exchange of property, 44(1)(e)(iii)
- where property repossessed by creditor, 79.1(3)
- contingent account, limitation on deductibility, 18(1)(e)
- corporation that is member of partnership, 34.2(11)
- credit unions, Reg. Part VI
- debt forgiveness, 61.2–61.4
- defined
  - for capital gains, 40(1)(a)(iii)
  - for large corporations tax, 181(1)
  - for registered labour-sponsored venture capital corporations, 204.8(1)
- disallowed, 18(1)(e), 20(7)
- donation of non-qualifying security to charity, 40(1.01)(c)
  - disallowed in year of death, 72(1)(c)
- doubtful debts, 12(1)(d), 20(1)(l)
- exchange of property, 44(1)(e)(iii)
- foreign exchange restriction, 91(2), (3)
- goods not delivered, 12(1)(e), 20(1)(m)
- guarantees etc., for, 12(1)(d.1)
- impaired debts, 20(1)(l)(ii)
- imputed to spouse on death of taxpayer, 72(2)
- insurance agent or broker, 32
- insurer, *see* Insurance corporation: policy reserves; Insurance corporation: reserve for unpaid claims
- inventory, 20(1)(n)
  - where property repossessed by creditor, 79.1(4)
- life insurer's, 138(3)
- limitation on deductibility, 18(1)(e)
- manufacturer's warranty, 20(1)(l), (m), (m.1), (n), (o)
- maximum cumulative, of credit union, 137(6) "maximum cumulative reserve"
- negative, of insurer, 20(1)(e.1), 20(22), Reg. 1400(2)
- not deductible, 18(1)(e), 20(7)
- quadrennial survey, 12(1)(h), 20(1)(o), Reg. 3600
- qualifying transitional income (corporate partner), 34.2(11)
- reported (insurer), Reg. 1408(1)
- sectoral, defined, 20(2.3)
- services not rendered, 12(1)(e), 20(1)(m)
- transportation tickets, 20(6)
- unamortized bond premium, 20(1)(m.3)
  - income inclusion in following year, 12(1)(d.2)
- undelivered food or drink, 20(6)
- unearned commissions, 32
- unpaid claims, *see* Insurance corporation: unpaid claims reserve adjustment
- unpaid insurance policy claims
  - deduction, life insurance business, 138(3)(a)(ii)
  - deduction, non-life insurance business, 20(7)(c)
  - limitation, 18(1)(e.1)
- unrealized receivables, 20(1)(n)
- wind-up, on, 88(1)(e.1)
- year of death, not deductible for, 72(1)

### Reserve adjustment

- life insurance corporations capital tax, 190.11

### Reserve amount

- re resource property, defined, 66(15)

### Reserve deficiency

- defined, Reg. 1403(8)(c)
- revision of policy lapse rates, Reg. 1403(8)–(10)

### Reserve transition amount

- defined, for IFRS transitional rules for insurers, 138(12)

### Reservoir

- substances injected into, deduction for, 20(1)(mm)

### Residence, *see* Home

### Resident beneficiary

- defined, 94(1)

### Resident compensation

- defined, Reg. 8300(1)

### Resident contributor

- defined, 94(1)

### Resident of Canada

- absent from Canada
  - child care, moving, and attendant expenses, 64.1
- becoming, *see* Becoming resident in Canada
- ceasing to be, *see* Ceasing to be resident in Canada
- corporate emigration, 219.1
- corporation, 250(4)
- deemed, 250
  - for capital gains exemption, 110.6(5)
  - tuition credit, 118.5(2)
- defined, 250
  - authorized foreign bank, 212(13.3)
  - non-resident trust, 94(3)(a); *Income Tax Conventions Interpretation Act* s. 4.3
- entitled to U.S. treaty benefits, Canada-U.S. Tax Treaty:Art. XXIX-A:2
- extended meaning of, 250(1), (2)
- former, *see* Former resident
- former, deemed employed in Canada, 115(2)(c)
- income earned in a province, Reg. 2601
- liability for tax, 2(1)
- ordinarily, meaning of, 250(3)
- part-year, *see* Part-year resident
- partnership, *Income Tax Conventions Interpretation Act* s. 6.2
- person deemed not due to tax treaty, 250(5)
- regulations re, 214(13)
- returning, 128.1(6), (7)
- short-term, 128.1(4)(b)(iv)
- treaty purposes, Canada-U.S. Tax Treaty:Art. IV
- trust, deemed, 94(3)(a); *Income Tax Conventions Interpretation Act* s. 4.3

### Resident portion (of trust)

- defined, 94(1)
- included in deemed-resident trust's income, 94(3)(f)(ii)

### Residential property

- defined, for AirBNB rentals, 67.7(1)
- defined, for minimum tax purposes, 127.52(3)
- partnership investing in
  - capital cost allowance limitation, 127.52(2)

### Residential rental unit

- defined
  - for capital cost allowance, Reg. 1104(2)
  - for excessive interest limitation (EIFEL), 18.2(1)

### Residential schools settlement, *see* Indian Residential Schools Settlement trust

### Residual balance (upon debt forgiveness)

- defined, 80(14)
- included into income, 80(13)

### Residual portion (on disposition of specified debt obligation), *see also* Current amount (on disposition of specified debt obligation)

- application of, 142.4(4)
- defined, 142.4(8)



Residual portion (on disposition of specified debt obligation) (*cont'd*)

- re disposition by financial institutions, Reg. 9200(1)

**Resman Holdings TCC case overruled**, 66.1(6)“Canadian exploration expense”(d)(i), 66.1(9)(a)

#### Resource

- defined, Reg. 1206(1)
- mineral, *see* Mineral resource

#### Resource activity

- defined, for resource allowance claims, Reg. 1206(1)

**Resource allowance**, 20(1)(v.1) [repealed], Reg. 1210 [repealed]

**Resource expenses**, *see also* Canadian development expense; Canadian exploration expense; Canadian oil and gas property expense

- amounts recovered included in income, 59
- Canadian development expenses, 66.2
- Canadian exploration and development expenses, 66(1)
- Canadian exploration expenses, 66.1
- Canadian oil and gas property expenses, 66.4
- change of control, rules, 66.7(10), (11)
- flow-through shares, 66(12.6)–(12.74), *see also* Flow-through shares
- flow-through to shareholder, 66(12.6), (12.62), (12.64)
- foreign exploration and development expenses, 66(4)
- joint exploration corporation, 66(10)–(10.4)
- limited partner, at-risk rules, 66.8
- minimum tax, 127.52(1)(e), (e.1) [to be repealed]
- partnership, of, 96(1)(d)
- reduction of, on debt forgiveness, 80(8)
- successor rules, 66.7
- “warehousing” prohibited, 66(19)

#### Resource income

- manufacturing profits, Reg. 5203

#### Resource profits

- defined, Reg. 1204(1.1), 5202

#### Resource property

- Canadian, *see* Canadian resource property
- carved-out income, *see* Carved-out income
- deceased taxpayer's, 70(5.2)
- disposition
  - consideration for, on amalgamation, 87(2)(p)
  - involuntary, 59.1
  - reserve for uncollected amount
    - income in later year, 59(2)
- expropriation, 59.1
- foreign, *see also* Foreign resource property
  - proceeds of disposition, 59(1)
- partnership, of, 96(1)(d)
- rules for trusts, 104(5.2)
- timber, *see* Timber resource property

#### Respiratory aids

- medical expense, Reg. 5700(c), (c.1), (c.2)

**Respite care**, *see* Attendant; Nursing home

**Restaurant relief (COVID)**, Reg. 8901.1(2)(b)(ii), *see also* Qualifying tourism or hospitality entity

#### Restricted farm loss

- addition to adjusted cost base of land, 53(1)(i)
- amalgamation, on, 87(2.1)
- carryover of, 111(1)(c)
- deduction by partner where partnership disposes of land, 101
- defined, 31(1), (1.1), 111(9), 248(1)
- determination of, by Minister, 152(1.1), (1.2), (1.3)
- limitation on deductibility, 31(1), 111(3)
- partnership, from, 96(1)
- reassessment, 152(6)(c)
- reduction of, on debt forgiveness, 80(3)(c)

**Restricted financial institution**, *see also* Financial institution; Taxable RFI share

- defined, 248(1)
- dividends received on term preferred shares, 112(2.1)
- receiving dividends on taxable RFI shares
  - where shares acquired under securities lending arrangement, 260(9)

#### Restricted financial institution (RFI) shares, taxable

- tax on dividends received by restricted financial institution, 187.3
  - information return, 187.5
  - partnership, 187.4

#### Restricted interest and financing expense

- carryforward, 111(1)(a.1)
- defined, 111(8), 248(1)

#### Restricted investment

- defined, for pooled registered pension plan, 147.5(1)

#### Restricted property (for non-resident trust rules)

- defined, 94(1), 94(14)
  - deemed, on indirect transfer to trust, 94(2)(b)
- determination of value when contributed to deemed-resident trust, 94(9)
- FAPI on contribution of to certain trusts, 94.2(1)(b)(ii)

#### Restrictive covenant (or non-competition payment)

- allocation of price paid, 68(c)
- defined, 56.4(1)
- employment income from
  - taxable when receivable after 3 years, 6(3.1)
- income from
  - deduction for bad debt, 60(f)
    - bad debt recovered, 56(1)(m)
  - included in income, 56.4(2)
  - non-resident withholding tax, 212(1)(i), 212(13)(g)
  - succession planning exclusion, 56.4(7)

**Restructuring of debt, expenses deductible**, 20(1)(e)(ii.2), 20(1)(e.1)(iii)

**Retention of books and records**, 230(4), (4.1)

#### Retirement benefits

- defined, Reg. 8500(1)
- while continuing employment (phased retirement), Reg. 8503(16)–(25)

#### Retirement compensation arrangement

- administration of, corporation exempt, 149(1)(o.1)(i)(B)
- advantage, tax on, 207.5(1)“advantage”, 207.62
- amount paid in respect of
  - withholding of tax, 153(1)(p)–(r)
- amount payable under trust, not income, 12(1)(m)(ii)
- amounts received by employer under, includable in income, 12(1)(n.3)
- amounts transferred under, deduction from income, 60(j.1)
- benefits under
  - deduction from income re, 60(t)
  - includable in income, 56(1)(x), (z)
  - not includable in employee's income, 6(1)(a)(ii)
  - received by another
    - joint and several liability for tax on, 160.3
  - whether eligible for pension income splitting, 60.03(1)“eligible pension income”(b)(i)(A)
- contribution to
  - tax on, 207.7(1)
  - withholding, Reg. 103(7)
- creation of trust, 207.6(1)
- deduction for contributions to
  - by employee, 8(1)(m.2), 60(t), (u)
  - by employer, 18(1)(o.2), 20(1)(r)
- defined, 248(1), Reg. 6802
- disposition of interest in
  - amount included in income, 56(1)(y)

## Index

### Retirement compensation arrangement (*cont'd*)

- deduction from income re, 60(u)
  - disposition of property by trust, 56(11)
  - distribution by trust, 107.2
  - emigration of employee, no deemed disposition, 128.1(10)“excluded right or interest”(a)(ix)
  - employee benefit plan becoming
    - deemed contribution, 207.6(4)
  - employer contribution deductible, 20(1)(r)
  - excluded from annual interest accrual rules, 12(11)“investment contract”(b)
  - excluded from non-resident trust rules, 94(1)“exempt foreign trust”(e)
  - exclusion for letter of credit or surety bond, 207.5(1)“excluded contribution”
    - refund for pre-March 28/23 amounts, 207.71
  - failure to withhold amounts in respect of, 227(8.2)
  - foreign plan, *see* Foreign plan (pension plan)
  - incorporated employee carrying on personal services business, 207.6(3)
  - life insurance policies, 207.6(2)
  - Member of Parliament, Reg. 6802.1
  - money borrowed to make employee contributions
    - limitation on interest deductibility, 18(11)(e)
  - non-resident compensation plan not retirement compensation arrangement
    - exception re “resident’s arrangement”, 207.6(5)
  - payment of tax, 207.7(3)
  - pension income credit not available, 118(8)(e), (f)
  - pension income splitting on income from, 60.03(1)“eligible pension income”(b)(i)(A)
  - portion of benefits taxable, 56(1)(a)(i)
  - prescribed plan or arrangement, 207.6(6), Reg. 6802
  - prohibited investment, tax on, 207.5(1)“advantage”, 207.61
  - purchase price of interest in, paid by non-resident, 212(1)(j)
  - refund of tax, 207.7(2)
  - refundable tax, 207.5–207.7
    - defined, 207.5(1)
    - election re, 207.5(2)
  - resident’s arrangement, 207.6(5)
  - resident’s contribution, defined, 207.6(5.1)
  - reversionary trust rules do not apply, 75(3)(a)
  - severability of plan, 56(10)
  - subject property
    - defined, 207.5(1)
  - tax payable
    - advantage, 207.62
      - waiver of tax, 207.64
    - prohibited investment, 207.61
      - waiver of tax, 207.64
    - refundable tax, 207.7(1)
  - transfer to another RCA, 207.6(7)
  - no withholding, Reg. 103(7)(a)
- trust
  - corporation administering, exempt, 149(1)(o.1)(i)(B)
  - creation of, 207.6(1)
  - defined, 207.5(1)
  - exempt from tax, 149(1)(q.1)
  - withholding tax, 153(1)(p)–(r), Reg. 103(7)

**Retirement counselling**, *see* Counselling services

**Retirement income, defined**, 146(1)

**Retirement income fund**, *see also* Registered retirement income fund

- registration of, 146.3(2)
  - appeal from refusal, 172(3)(g), 180
  - deemed refusal by Minister, 172(4)(f)
  - revocation of, 146.3(11)–(13)
- services relating to, non-deductible, 18(1)(u)

### Retirement payment

- single, from deferred profit sharing plan, 147(10.1), (10.2), Reg. 1503

**Retirement savings plan**, *see also* Registered retirement savings plan

- appeal from refusal to register, 172(3)(b), 180
- deemed registered, when, 204.2(3)
- defined, 146(1)
- foreign, *see* Foreign retirement arrangement
- registration of, 146(2), (3)
  - deemed refusal by Minister, 172(4)(b)
- services relating to, non-deductible, 18(1)(u)

### Retiring allowance

- defined, 248(1)
- emigration, no deemed disposition of right, 128.1(10)“excluded right or interest”(d)
- income, 56(1)(a)(ii)
- legal costs of collecting or establishing right to
  - deduction for, 60(o.1)
  - income when recovered, 56(1)(l.1)
- paid to non-resident, 212(1)(j.1)
- election to file return, 217
- repayment of, deductible, 60(n)(iii)
- spread retroactively over prior years, 110.2, 120.31
- transferred to RRSP or RPP, 60(j.1)
- unpaid, 78(4)
- withholding tax, 153(1)(c), Reg. 103(4), (6)(e)

**Retroactive effect**, *see also* Grandfathering

- of amendments to pre-RSC 5th Supp. Act, ITAR 79
- of interest, to date of effect of amendment, 221.1
- of regulations, to date of public announcement, 221(2)

### Retroactive legislation

- GAAR amendments, 245(4)
- GST disallowed as moving expense, 62(3)(f)

**Retroactive lump-sum payment**, *see* Lump-sum payment

**Retrospection**, ITAR 17(4)

### Return of income

- defined
  - for GST Credit, 122.5(1)
  - for OAS clawback, 180.2(1)
  - for teacher school-supplies credit, 122.9(1)

### Returned property

- from charity to donor, 110.1(16), 118.1(27), Reg. 3501.1

**Returning former resident**, 128.1(6), (7)

**Returns**, *see also* Information return

- alternative to withholding tax, 216(1), 217
- amended, 152(6)
- bankrupt individual, 128(2)(e), (f)
- carved-out income, tax on, 209(3)
- corporation, 150(1)(a)
  - electronic filing mandatory, 150.1(2.1), (2.3)
- death of beneficiary, 104(23)(d)
- death of partner or proprietor, 150(4)
- deceased taxpayer, 150(1)(b), (e)
- deferred income plans
  - over-contributions, 204.3
- property held by, 207.2
- demand for, by Minister, 150(2)
- designated persons, 150(1)(e)
- due date, 150(1)
- electronic filing of, 150.1
  - mandatory, 150.1(2.1), (2.3)
- employee’s declaration, 227(2)
  - when to be filed, Reg. 107
  - where not filed, 227(3)
- estates, 150(1)(c)
- estimate of surtax, 180.1

Returns (*cont'd*)

- estimate of tax, 151
- excessive eligible dividend designation, 185.2(1)
- extension of time for filing, 220(3)
- failure to file, penalty
  - demand by Minister, 150(2)
  - penalty, 162(1)
    - repeated, 162(2)
    - trustees etc., 162(3)
  - false
    - penalty for, 163(2)
    - “understatement of income”, 163(2.1)
- films, Reg. 225
- guardian, etc., 150(1)(d), (e)
- home insulation program, Reg. 224
- incomplete, penalty, 162(5)
- individual, 150(1)(d), (e)
  - in bankruptcy, 128(2)(e)
- information, *see* Information return
- late filing, penalty, 162(1)
- Minister not bound by, 152(7)
- non-profit organization, 149(12)
- omission in, penalty, 163(2)
- Part I, 150
- Part I.2, 180.2(5)(a)
- Part I.3, 181.6
- Part II, 183(1)
- Part II.1, 183.2
- Part II.2, 183.4
- Part III.1, 185.2(1)
- Part IV, 187(1)
- Part IV.1, 187.5
- Part V, 189(6), (6.1)
- Part VI, 190.2
- Part VI.1, 191.4
- Part VI.2, 191.5(8)
- Part IX, 196(2)
- Part IX.1, 197(4), (5)
- Part X, 202(1)
- Part X.1, 204.3
- Part X.2, 204.7
- Part X.3, 204.86
- Part X.4, 204.92
- Part XI.01, 207.07(1)
- Part XI.1, 207.2
- Part XI.2, 207.4
- Part XI.3, 207.7(3)(a)
- Part XI.4, 207.8(5)
- Part XII.1, 209(3)
- Part XII.2, 210.2(5)
- Part XII.3, 211.2
- Part XII.4 (qualifying environmental trust), 211.6(3)
- Part XII.5, 211.8(2), 211.82
- Part XII.6, 211.91(2)(a)
- Part XII.7 tax, 211.94
- Part XIII.1, 218.2(5)
- Part XIII.2 (optional), 218.3(3)–(9)
- Part XIV, 219(3)
- proof of, 244(17)–(19)
- public authorities (Part XI.2), 207.4
- refunds not payable until all filed, 164(2.01)
- registered investment, 204.7
- repeated failures to report an amount of income, penalty for, 163(1)
- required of employee, 227(2)
  - where not filed, 227(3)
- separate
  - amounts receivable on death, 70(2)

- bankrupt individual, 128(2)(e), (f)
- death of beneficiary, 104(23)(d)
- death of partner or proprietor, 150(4)
  - off-calendar year adjustment, 34.1(9)
- deductions in computing taxable income, 114.2
- minimum tax carryover not applicable, 120.2(4)
- minimum tax not applicable, 127.55
- tax credits, 118.93
- trustees etc., 150(3)
  - failure to file, penalty for, 162(3)
  - in bankruptcy, 128(2)(e)
- trusts, 150(1)(c)
- understatement of income, 163(2.1)

**Revenue Canada**, *see* Canada Revenue Agency

**Revenue guarantee**

- creates tax shelter, Reg. 3100(1)(b)(ii)

**Revenue reduction percentage**

- defined, for COVID-19 Canada Emergency Wage Subsidy, 125.7(1)

**Reverse attribution**, 74.5(11)**Reverse takeover**, 256(7)(c)–(c.2)**Reversionary trust**, 75(2), (3)

- non-resident trust, 94(8.1), (8.2)

**Reversionary year**

- defined, for functional currency rules, 261(1)

**Revised Statutes of Canada, 1985 (5th Supp.)**

- amendments to previous Act, ITAR 79
- continuity of previous versions of Act, ITAR 75, 77
- effective dates, ITAR 73

**Revocable living trust**

- excluded from qualifying disposition, 107.4(1)(e)

**Revocable plan**

- defined
- for DPSP, 147(21), Reg. 8408(2)
- for PRPP, 147.5(3), (4)
- for RPP, 147.1(8), (9), 147.3(12), Reg. 8301(14)(a), 8305(2)(a), 8408(2), 8501(2), 8503(11), (15), 8506(4), 8511(2), 8515(9)

**Revocable trust**, 75(2), (3)**Revocation of Canadian film/video production certificate**, 125.4(6)

**Revocation of charity**, *see* Registered charity: registration of: revocation of

**Revocation of designation**

- as qualified Canadian journalism organization, 168.1(2), (3)

**Revocation of elections**, 220(3.2)

- COVID-19 Canada Emergency Wage Subsidy and Canada Emergency Rent Subsidy, 125.7(10)
- election by mutual fund trust for December 15 year-end, 132.11(1.1)
- election to trigger capital gains exemption, 110.6(25)

**Revocation of film/video production services certificate**, 125.5(6)**Revocation of registration**, *see also* Notice of intent

- amateur athletic association, 149.1(4.2), 168
- appeal from, 172(3), 180(1), 204.81(9)
- charity, 149.1(4.1), 168, 188, 188.1
- deferred profit sharing plan, 147(14)–(15)
- education savings plan, 146.1(12.1), (12.2), (13), (14)
- labour-sponsored venture capital corporation, 204.81(6)–(9)
- national arts service organization, 149.1(6.5)
- pension plan, 147.1(11)–(13)
- pooled registered pension plan, 147.5(24)–(28)
- profit sharing plan, 147(14)–(15)
- qualified donee, 149.1(4.3), 168
- retirement income fund, 146.3(11)–(13)
- retirement savings plan, 146(12)

**Revocation tax, charities, 188****Revoked corporation (registered labour venture capital)**

- defined (RLSVCC), 204.8(1), 211.7(1)

**Revoked plan, see** Deferred profit sharing plan**Rider**

- deemed to be separate life insurance policy
- • for insurer's reserves, Reg. 1408(5), (6)
- • when added to pre-1990 policy, 12.2(10)

**Riding horses**

- eligible for children's fitness credit, Reg. 9400(5)

**Right of use or habitation (Quebec)**

- deemed to be trust, 248(3)

**Right to receive an amount**

- cost amount of, 248(1)“cost amount”(e)

**Right to receive production**

- deduction of matchable expenditure prorated, 18.1(4)
- defined, 18.1(1)
- disposition of, income inclusion, 12(1)(g.1), 18.1(6)

**Right to reduce**

- defined, for limitations on contingent expenditures, 143.4(1)

**Rights**

- exchange of, on amalgamation, 87(4.3)

**Rights or things**

- acquired by beneficiary
- • deemed cost, 69(1.1)
- exclusions, 70(3.1)
- transferred to beneficiaries, 70(3)
- value of, included in income at date of death, 70(2)

**Rights to drill or explore, see** Exploration and drilling rights**Rights to income**

- transfer of, 56(4)

**River improvements**

- capital cost allowance, Reg. 1102(7)

**River rafting relief (COVID), Reg. 8901.1(2)(b)(ix)(A)(V), see** also Qualifying tourism or hospitality entity**Road, see also** Specified temporary access road

- capital cost, 13(7.5)(b), Reg. 1102(14.3)

**Roadways**

- capital cost allowance, Reg. Sch. II:Cl. 1(g), Sch. II:Cl. 17
- • for mine, Reg. Sch. II:Cl. 10(1), Sch. II:Cl. 41

**Robinson case overruled, 253.1(1)****Rocking bed, as medical expense, 118.2(2)(i)****Rockmore Investments case overruled, 125(7)“active business carried on by a corporation”****Rogers Enterprises case paras. 46–49 overruled, 245(1)“tax benefit”(c)****Roller skating rink floor, Reg. Sch. II:Cl. 10(i)****“Rolling start” rule, 13(27)(b), 13(28)(c), 13(29)****Rollout**

- from trust, 107(2)
- on partnership ceasing to exist, 98(3)

**Rollover, see also** Transfer of property

- accounts receivable, 22
- amalgamation, on, 87
- bare trust, to or from, 248(1)“disposition”(e)(i)
- convertible debentures, 51
- convertible property, 51
- corporation, to, 85(1)
- • by partnership, 85(2)
- • capital property, 85(1)(c.2)
- • depreciable property, 85(1)(c)
- • farming inventory, 85(1)(c.2)
- • from shareholder, 85(1)
- • • eligible property, 85(1.1)
- • • inventory, 85(1)(c.1)

- • • wholly-owned corporation, 85(1)(e.2), 85(1.3)
- death, on
- • registered retirement savings plan, 60(1)(v)(B.1), 146(8.8)–(8.91)
- • to registered disability savings plan, 60.02
- • to spouse or spouse trust, 70(6), (6.1)
- debt, in settlement of commercial debt obligation, 80(2)(h)
- demutualization of insurance corporation, 139.1(4)(a), (d)
- distress preferred share, converted to or from debt, 80.02(3)–(5)
- effect on shares held by former resident of Canada, 128.3
- exchange of property, 13(4), (4.1), 44
- exchange of shares, 51(1)
- exchange of shares on reorganization of capital, 86
- farm property, of, 70(9)–(9.31), 73(3)–(4.1)
- farming inventory, transfer to corporation, 85(1)(c.2)
- fishing property, of, 70(9)–(9.31), 73(3)–(4.1)
- foreign share for foreign share exchange, 85.1(5), (6)
- foreign spin-off, 86.1
- insurance business, 138(11.5), (11.94)
- insurer policyholder's rights, on demutualization, 139.1(4)(a), (d)
- internal reorganization, 86
- life insurance policy
- • to child, 148(8)
- • to spouse
- • • inter vivos, 148(8.1)
- • • on death, 148(8.2)
- mark-to-market property prohibited, 85(1.1)(g)(iii)
- mutual fund trust or corporation, 132.2
- net income stabilization account/NISA Fund No. 2
- • to corporation, 85(1)(c.1), 85(1.1)(i)
- • to spouse or spouse trust, 70(6.1)
- non-resident insurance business, of, 138(11.5)
- parent, to
- • on death of individual, 70(9.6)
- • on wind-up of corporation, 88(1)
- partnership, from
- • to new partnership, 98(1)
- • to partners on windup, 98(3)
- • to proprietorship, 98(5)
- partnership, to, 97(2)
- qualifying disposition to a trust, 107.4
- registered disability savings plan, to, on death, 60.02
- registered education savings plan, investment income to RDSP, 146.1(1.1), (1.2)
- registered pension plan to RPP annuity, 147.4
- registered retirement savings plan, on death, 60(1)(v)(B.1), 146(8.8)–(8.91)
- reorganizations, 84–88
- replacement property, 13(4), (4.1), 44
- reserves for year of death, 72(2)
- retiring allowance, to RRSP, 60(j.1)
- rights or things transferred to beneficiary, 69(1.1)
- SIFT units exchanged for shares of corporation, 85.1(7), (8)
- share for share exchange, 85.1
- shareholder, from, to corporation, 85(1)
- • eligible property, 85(1.1)
- • small business investments, 44.1
- spouse or spouse trust, to
- • death, on, 70(6), (6.1)
- • inter vivos, 73(1)
- • life insurance policy
- • • inter vivos, 148(8.1)
- • • on death, 148(8.2)
- • registered retirement savings plan, 146(8.8)–(8.91)
- • stock options, of, on corporate reorganization, 7(1.4), (1.5)
- taxable Canadian property, 85(1)(i)
- transaction, *see* Rollover transaction



**Rollover** (*cont'd*)

- transfer of insurance business by non-resident insurer, 138(11.5)
- treaty protection, Canada-U.S. Tax Treaty:Art. XIII:8
- trust, from
  - to beneficiary, 107(2)
  - to new trust, 107.4, 248(1)“disposition”(e), (f)
- trust, to, 107.4
- winding-up, on, 88(1)
- winding-up of partnership, on, 98(3)

**Rollover period**

- defined, re death of TFSA holder, 207.01(1)“exempt contribution”(a)

**Rollover transaction**, *see also* Rollover

- acquisition of specified debt obligation by financial institution, 142.6(5)
- defined, 142.6(6)

**Roofers**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Roth IRA**

- conversion from regular ITA, whether taxable in Canada, 56(12), Canada-U.S. Tax Treaty:Art. XVIII:7
- included in definition of pension, Canada-U.S. Tax Treaty:Art. XVIII:3(b)
- not subject to non-resident trust rules, 94(1)“exempt foreign trust”(h)(ii)(D)

**Rounding of amounts**

- Child Tax Benefit, 122.61(7)
- inflation indexing, 117.1(3)
- pension calculations, Reg. 8311
- TFSA, 207.01(1)“TFSA dollar limit”(d)

**Rousseau-Houle case overruled**, 34.2, 245(4)**Rowboats**

- capital cost allowance, Reg. Sch. II:Cl. 7

**Royal Assent**

- amendments in force, *Interpretation Act* s. 6(3)

**Royal Bank v. Sparrow Electric case overruled**, 227(4)**Royal Canadian Mint, subject to tax**, 27(2), Reg. 7100

- **Royal Canadian Mounted Police**, *see also* Police officer
- disability pension exempt, 81(1)(i)
- provision of charity information to, for security purposes, 241(9), (9.1)

**Royalties**

- accrual to date of death, 70(1)(a)
- based on production or use, income, 12(1)(g)
- copyright, paid to non-resident, exempt, 212(1)(d)(vi)
- Crown, *see* Crown royalty
- defined, Canada-U.S. Tax Treaty:Art. XII:4, 6
- income from
  - whether specified investment business, 125(7)“specified investment business”
- motion picture films, paid to non-residents, 212(5)
- paid to non-resident, 212(1)(d)
  - back-to-back royalties, 212(3.9)–(3.94)
  - to U.S. resident, Canada-U.S. Tax Treaty:Art. XII
- paid to trust for non-resident, exemption, 212(9)(b)
- petroleum, natural gas, minerals
  - reimbursement for, 80.2
- prepaid, non-deductible, 18(9)
- production, defined, Reg. 1206(1)
- timber, 212(1)(e)
  - alternative tax, 216

**Runway**, *see* Aircraft: runway**S****S corporation**, *see* United States: S corporation**SBB**, *see* Small business bond [repealed]**SBDB**, *see* Small business development bond [repealed]**SBITC**, *see* Small business investment tax credit**SCI**, *see* Specified corporate income**SCP**, *see* Shared-custody parent; Solicitor-client privilege**SDA**, *see* Salary deferral arrangement; Synthetic disposition arrangement**SDO**, *see* Specified debt obligation**SDSP**, *see* Specified disability savings plan**SEA**, *see* Synthetic equity arrangement**SEP**, *see* Surplus entitlement percentage**SERP**, *see* Supplemental employee retirement plan**SHT**, *see* Specified hedging transaction**SIB**, *see* Specified investment business**SIFT**, *see* Specified investment flow-through**SIFT partnership**, *see also* SIFT trust

- defined, 197(1), (8), 197.1, 248(1)
- distributions to partners
  - taxed in partnership at corporate rate, 197(2)
  - how taxed at partnership level, 96(1.11)
- instalments of tax, 157(1), 197(6)
- required to file information return, Reg. 229
- required to file Part IX.1 partnership distributions tax return, 197(4)
- requirement to post income information on CDS Innovations website, Reg. 229.1(2)
- tax on buying back units, 183.3(1)“covered entity”(b)(iii)(A), 183.3(2)

**SIFT partnership balance-due day**

- defined, 248(1)

**SIFT trust**, *see also* SIFT partnership

- conversion to corporate form, *see* SIFT wind-up entity
- defined, 122.1(1), (2), 248(1)
- distributions to unitholders
  - deemed to be taxable dividend, 104(16)
  - reduced deduction to trust, 104(6)(b)B(ii)
- taxed in trust at corporate rate, 122(1)(b)
  - not taxed provincially, 120(3)(d)
- instalments of tax, 157(2)
- province of residence, Reg. 2608
- requirement to post income information on CDS Innovations website, Reg. 204.1(2)
- tax on buying back units, 183.3(1)“covered entity”(b)(ii)(A), 183.3(2)

**SIFT trust wind-up event**, *see also* SIFT wind-up entity

- deemed settlement of debt, 80.01(5.1)
- defined, 248(1)
- no Part XIII.2 tax, 218.3(1)“assessable distribution”
- wind-up into corporation, 88.1
- other wind-up, 107(3), (3.1)

**SIFT wind-up corporation**

- amalgamation of, 87(2)(s.1)
- defined, 248(1)

**SIFT wind-up entity**

- defined, 248(1)
- exchange of employee stock options, 7(1.4)(b)(vi)
- rollover on exchange of units for shares before 2013, 85.1(7), (8)
- wind-up into corporation, 88.1
  - other wind-up, 107(3), (3.1)

**SIFT wind-up entity equity**

- defined, 248(1)

**SIN**, *see* Social insurance number**SLA compensation payment**

- deductibility, 260(6)
- defined, for securities lending arrangement, 260(1)

## Index

- SLES**, *see* Significantly lacking in economic substance, GAAR test
- SNQII**, *see* Specified non-qualified investment income (of registered plan)
- SPDRs**, *see* Standard & Poor 500 Depositary Receipts
- SPI**, *see* Specified participating interest
- SPLC**, *see* Special purpose loss corporation
- SPTC**, *see* Share-purchase tax credit
- SR&ED**, *see* Scientific research and experimental development
- SR&ED form**
- defined, 162(5.3)
  - no deduction if prescribed information not provided, 37(11.1)
  - requirement to disclose claim preparer information on, 37(11)(b)
  - penalty for not disclosing, 162(5.1)
- SR&ED qualified expenditure pool**
- defined, 127(9)
  - investment tax credit for, 127(5)(a)(i), (ii)(A), 127(9)“investment tax credit”(a.1), (f)
  - additional, for Canadian-controlled private corporation, 127(10.1)(b)
  - transfer to other taxpayer, 127(13)–(17)
- SRA**, *see* Specified retirement arrangement
- SRTC**, *see* Scientific research tax credit (expired)
- SSHRC**, *see* Social Sciences and Humanities Research Council
- Sabbatical arrangement**, Reg. 6801(a)
- COVID-19 relief for 2020–22, Reg. 6801.1
  - effect on pension plan, Reg. 8508
  - exemption for recontributed amount received from plan, 81(1)(s)
- Sabel Investments case overruled**, 160(5)(a)
- Sable Island**
- prescribed intermediate zone for northern residents’ deduction, Reg. 7303.1(2)
- Safe harbour capital return**
- defined, for income-splitting tax, 120.4(1)
- Safe harbour price**
- defined, for CTM investment tax credit, 127.49(1)
- Safe income**, 55(5)(b), (c)
- effect of, 55(2)
- Safe-income determination time**
- defined, 55(1)
- Safety deposit box**
- no deduction for use of, 18(1)(l.1)
- Salaries and Wages**, *see* Salary
- Salary**, *see also* Office or employment; Salary or wages
- accrued to date of death, 70(1)(a)
  - defined, 248(1)
  - for manufacturing and processing credit, Reg. 5202
  - garnishment of, *see* Garnishment for taxes unpaid
  - legal expenses of collecting or establishing right to, 8(1)(b)
  - paid by employee, to assistant or substitute, 8(1)(i)(ii)
  - certificate of employer, 8(10)
  - reimbursement of, 8(1)(n)
  - tax to be withheld from, 153(1)(a)
  - failure to withhold, 227(8.5)
  - unpaid, 78(4)
- Salary deferral arrangement**
- benefit from, income, 56(1)(w)
  - deduction to employer, 20(1)(oo), (pp)
  - limitation, 18(1)(o.1)
  - defined, 248(1)
  - emigration or immigration, no deemed disposition, 128.1(10)“excluded right or interest”(a)(vii), (b)
  - excluded from annual interest accrual rules, 12(11)“investment contract”(a)
  - forfeited amounts
  - deductible from income, 8(1)(o)
  - includable in employer’s income, 12(1)(n.2)
  - inclusion in income from employment, 6(1)(a)(v), 6(1)(i), 6(11), (12), (14)
  - exception for non-residents, 6(13)
- Salary deferral leave plan**, Reg. 6801(b), Reg. 8508
- Salary or wages**
- defined, 248(1)
  - re Canadian film/video tax credit, 125.4(1)
  - re film/video production services credit, 125.5(1)
  - journalist or editor, refundable credit, 125.6
  - taxable, 5(1)
- Sale**
- accounts receivable, 22
  - bond, by conversion, 51.1
  - business, of, *see also* Ceasing to carry on business; Rollover
  - taxation year-end, 25(1)
  - to corporation for shares, 85(1)
  - to partnership, 97(2)
  - to spouse or controlled corporation, 24(2)
  - defined, for information returns on securities transactions, Reg. 230(1)
  - depreciable property, *see* Capital cost allowance: recapture; Depreciable property
  - mortgage included in proceeds of disposition, 20(5), (5.1)
  - shares, not at arm’s length, 84.1
  - by non-residents, 212.1
- Sales suppression software**, *see* Zapper software (or hardware)
- Sales tax, federal**, *see* Federal sales tax credit
- Salesperson**
- automobile
  - reasonable standby charge for use of, 6(2.1)
  - automobile or aircraft
  - capital cost allowance, 8(11)
  - deemed, 13(11)
  - costs, deduction, 8(1)(j), 8(9)
  - expenses, deduction, 8(1)(f)
  - certificate of employer, 8(10)
  - limitation, 8(4)
- Same-sex marriage**, *see also* Common-law partner
- religious charity entitled not to perform, 149.1(6.21)
- Same-sex partner**, *see* Common-law partner
- Sand**, 248(1)“mineral”
- tar, *see* Tar sands, defined; Tar sands ore
- Saskatchewan**, *see also* Province
- labour-sponsored venture capital corporation of
  - prescribed, Reg. 6700(a)(iv), (ix)
  - northern, *see* Northern Canada
  - Pension Plan, *see* Specified pension plan
  - prescribed stock savings plan, Reg. 6705(b)
  - tax rates, *see* introductory pages
- Saskatchewan Pension Plan**, *see* Specified pension plan
- Satisfaction of obligation**
- deemed not to be disposition, 49.1
- Savings and credit unions**, 137
- Scale, metric, for retail use**
- capital cost allowance, Reg. Sch. II:Cl. 10(p)
- Scandium**, *see* Critical mineral
- Scholarship**
- employer-provided, whether taxable, 6(1)(a)(vi)
  - receipt of, income, 56(1)(n)
  - exemption, *see* Scholarship exemption
  - refund of, 56(1)(p)
  - repayment of, deductible, 60(q)
  - reportable on information return, Reg. 203

**Scholarship exemption**, 56(3), (3.1)

- defined, 56(3), (3.1)
- exempt from tax, 56(1)(n)(ii)
- not for post-doctoral students, 118.6(1)“qualifying educational program”
- only if scholarship intended to support studies, 56(3.1)(a)
- part-time students, limited to cost of program and materials, 56(3.1)(b)

**School**

- attendance at, child care deduction, *see* Secondary school

**School board**

- allowance from, exempt, 81(3) [before 2019]
- exempt from tax, 149(1)(c)

**School fees**, *see* Tuition fees**School supplies credit**, *see* Teacher school-supplies credit**School trustee**

- expense allowance exempt, 81(3) [before 2019]

**Schooling allowance, provincial tax reduction**, 120(2)**Scientific research and experimental development**

- assistance, *see* Assistance/government assistance
- available-for-use rules, 37(1.2), 248(19)
- buildings
  - do not qualify as R&D expenditure, 37(8)(d)(i), Reg. 2900(11)
- Canadian employees outside Canada, 37(1.4), (1.5)
- claim preparer information, *see* Claim preparer information (SR&ED claim)
- contingency fees not required to be reported, 237.3(1)“reportable transaction”(a)
- contracted out to non-arm’s length person, 127(9)“qualified expenditure”(f)
  - transfer of investment tax credit, 127(13)–(16)
- credit for, *see* investment tax credit (below)
- debt forgiveness, effect of, 37(1)(f.1)
- deduction for, 37
  - amount included in income, 12(1)(v)
- defined, 37(8), (13), 248(1), Reg. 2900(1)
- election to use proxy amount for overhead, 37(8)(a)(ii)(B), 37(10), Reg. 2900(4)
- expenditure pool, *see* SR&ED qualified expenditure pool
- expenditures, 37(1)–(2), Reg. 2900(2)–(4)
  - change of control, 37(1)(h)
    - computation, 37(6.1)
  - deduction for, 37(1), (2)
  - election for alternative calculation, 37(8)(a)(ii)(B), 37(10)
  - excluded, 37(8)(d)
    - on amalgamation, 87(2)(l)–(l.2)
  - stock options, whether excluded, 143.3
- filing deadline, 37(11), 220(2.2)
- financial institution, by, 248(1)“scientific research and experimental development”
- form required, *see* SR&ED form
- investment tax credit
  - basic 20% credit, 127(9)“investment tax credit”(a.1)
  - extra 15% credit, 127(10.1)
  - refundable, 127.1
- linked work, 37(13), Reg. 2900(1)(d)
- meaning of, 37(9)(a)
- overhead expenses, election for prescribed proxy amount
  - calculation of prescribed proxy amount, Reg. 2900(4)–(10)
  - exclusion of proxy amount from expenditure pool, 37(8)(a)(ii)(B)
  - filing of election, 37(10)
  - investment tax credit, 127(9)“qualified expenditure”
- partnership, of
  - no carryforward, 96(1)(e.1)
  - no losses for passive partners, 96(1)(g)
- performed outside Canada, 37(1.4), (1.5), (2)

- pilot plants, qualify for investment tax credits, Reg. 2900(11)(c), (d)
- prescribed form required, 37(11), 127(9)“investment tax credit”(m)
- provincial super-allowance, 127(9)“super-allowance benefit amount”
- proxy amount, prescribed, Reg. 2900(4)
  - reduction in, 127(11.1)(f) [repealed], 127(18)
- qualified expenditure
  - defined, 127(9)
  - prescribed, Reg. 2902
    - subsidiary’s, on winding-up, 88(1.4)
- related corporations, of, 37(1.1)
- rent for buildings, does not qualify as R&D expenditure, 37(8)(d)(ii)
- salaries, directly engaged in SR&ED, Reg. 2900(4)
- sole-purpose R&D performer, Reg. 2902(a) (closing words)
- specified employee, paid to, 37(9.1)–(9.5)
- stock option cost, whether disallowed, 143.3
- super-allowance, 127(9)“super-allowance benefit amount”
- third party payment, 37(1)(a)(i.1), (ii), (iii)
  - exclusion from prepaid expense rules, 18(9)(d)(i)

**Scientific research and experimental development financing contract**

- defined, 194(6), 248(1)

**Scientific research corporation (non-profit)**

- annual information return, 149(7)
- exemption for, 149(1)(j), 149(2)
  - rules as to control, 149(8)
  - rules as to income, 149(9)

**Scientific research tax credit (expired)**, 127.3**Scott case (1975) overruled**, 64.1**Scow, capital cost allowance**, Reg. Sch. II:Cl. 7**Screenwriter (for Canadian film/video tax credit)**

- principal, whether Canadian, Reg. 1106(8)(c)

**Script material**

- defined, for Canadian film tax credit, 125.4(1)

**Sculptor**, *see* Artist**Sculpture**, *see also* Cultural property; Listed personal property

- Canadian, CCA claims allowed, Reg. 1102(1)(e)

**Search-and-rescue volunteer**

- exemption from employment income, 81(4)
- tax credit if performs 200 hours per year, 118.06(2)

**Search warrant**

- compliance required, 231.51
- covert investigation authorized, 231.31
- issue of, 231.3(1)–(4)

**Second affiliate**, *see* Foreign affiliate: second affiliate**Second instalment base**

- of corporation, 157(4), Reg. 5301(2)

**Second project period**

- defined, for CCUS credit, 211.92(1)

**Second recovery taxation year**

- defined, for CCUS credit, 211.92(1)

**Second term shared-use-equipment, for R&D investment tax credit**

- defined, 127(9)

**Second-tier financing structures**

- application of FAPI, 95(6)

**Secondary adjustment (transfer pricing)**, 247(12)–(16)**Secondary earner exemption (Canada Workers Benefit)**, 122.7(1.3)**Secondary recovery method, defined**, Reg. 1206(1)**Secondary school**

- attendance at, child care deduction, 63(2)(b)(iii), 63(2.2)(a)

**Secondary unit**

- defined, for Multigenerational Home Renovation Tax Credit, 122.92(1)

**Secrecy provision**, 241

**Secretarial services**, *see* Clerical or secretarial services

**Secretary**, *see* Officer: corporation, of

**Section 160 avoidance planning**

- defined, 160.01(1)
- penalty for, 160.01(2)

**Section 160 avoidance transaction**

- defined, 160.01(1)

**Sectoral reserve**

- defined, 20(2.3)

**Secured creditor**

- defined, 224(1.3)
- garnishment of property of, 224(1.2)
- interference with taxpayer's remittances, 227(5.2)–(5.4) (1995 draft, abandoned)
- withholding tax, liability for, 227(5), (5.1)(h)

**Securities**

- amalgamation, acquired in, 87(2)(e.2)
- Canadian, *see* Canadian security
- dealer, trader or agent, *see also* Broker; Registered securities dealer
  - fees of, deduction for, 20(1)(e), (bb)
  - ineligible for Canadian securities election, 39(5)(a)
  - return re securities lending arrangements and non-residents, 212(18)
- tax re interest paid under securities lending arrangements to non-residents, 212(19)
- fair market value, ITAR 26(11)
- lending arrangements, *see* Securities lending arrangement
- prescribed, Reg. 6200
- publicly-traded, Reg. 4400
  - V-day values, Reg. Sch. VII
- received for income debt, 76
- small business, Reg. 5100(2)
- transactions
  - information returns, Reg. 230
  - used or held in insurance or moneylending business
  - “eligible property” for transfer to corporation by shareholder, 85(1.1)(g)

**Securities lending arrangement**, 260, *see also* Dividend rental arrangement

- amount received deemed to be a dividend, 260(4)–(7)
- anti-avoidance rule, *see* Specified hedging transaction
- compensation payment
  - deductible, conditions, 260(6)
  - defined, 260(1)“SLA compensation payment”
  - no deduction generally, 18(1)(w)
- deemed dividend, 260(5)
  - dividend refund, 260(7)
  - no deduction for, 260(6)
- deemed not disposition, 260(2)
- defined, 260(1)
- disposition of right under, 260(3), (4)
- dividend compensation payment
  - deemed to be eligible dividend, 260(1.1), (5)
  - non-deductible, 18(1)(w)
- lender non-resident, effect, 260(8)
- non-resident withholding tax
  - amounts deemed to be interest, 260(8)
  - special tax on securities dealers, 212(19)
  - return required, 212(18)
- qualified security, defined, 260(1)
- restricted financial institution receiving dividend on shares acquired under, 260(9)
- specified, *see* Specified securities lending arrangement

**Security**, *see also* Securities

- defined
  - for Part I.3 large corporation tax, Reg. 8605(4)
  - for stapled-security rules for SIFT trusts, 18.3(1)
  - for winding-up rules, 88(1) opening words
- granting of, not a disposition, 248(1)“disposition”(j), (k)
- non-qualifying, *see* Non-qualifying security
- qualified, *see* Qualified security

**Security distribution**

- defined, 260(1)

**Security for tax**, 220(4)–(4.4)

- defined, *Interpretation Act* 35(1)
- departure tax, 220(4.5)–(4.71)
- discharge, Reg. Part XXII
- extends 10-year collection limitation period, 222(8)(b)
- taxpayer becoming non-resident, 220(4.5)–(4.71)

**Security interest**

- defined
  - for garnishment rules, 224(1.3)
  - for thin capitalization rules, 18(5)

**Seeing Eye dog**, *see* Guide dog expenses

**Segregated fund (of life insurer)**

- defined, 138.1(1), 211(1), Reg. 1408(1)
- merger of, 138.2
- related, *see* Related segregated fund trust
- rules re, 138.1
- trusts, 138.1
  - election, Reg. 6100
  - interest in, adjusted cost base, 53(1)(l), 53(2)(q)

**Segregated fund policies**

- defined, 138.1(1)(a)

**Seismic testing**

- off-the-shelf data, no renunciation of cost of, 66(12.6)(b.1)

**Seizure**

- chattels, of, 225
- documents, of, 231.3(5)–(8)
  - compliance required, 231.51, 232(15)
  - copies, 231.5
  - where privilege claimed, 232(3), (4)–(7)
- property, for non-payment of debt
  - effect on creditor, 79.1
    - deemed cost of property, 79.1(6)
    - foreign resource property, 79.1(2.1)
    - no deduction for principal portion of bad debt, 79.1(8)
  - effect on debtor, 79

**Select Luxury Items Tax**, *see* Luxury Items Tax

**Self-benefit trust**, *see* Alter ego trust

**Self-contained domestic establishment**, defined, 248(1)

**Self-employed person**

- Canada Pension Plan contributions, credit, 118.7:B(c)
- home office expenses, conditions for deductibility, 18(12)

**Seller**

- defined, for digital platform operator reporting rules, 282(1)

**Selling cost**, *see* Adjusted selling cost (re investment tax credits)

**Senate Appointment Consultations Act**

- candidates and parties under
  - political contribution credit, 127(3)
  - records re monetary contributions, 230.1
- nominee under
  - political contribution credit, 127(3)
  - records re monetary contributions, 230.1

**Senegal**

- Canadian Forces personnel and police serving in, no tax on income, 110(1)(f), Reg. 7500(g) [repealed]

**Senior citizen**, *see* Age



**Separate business**

- deemed
- for CCA, life and non-life insurance businesses, Reg. 1101(1a)
- for FAPI, 95(2)(a.1)(iii), (a.2)(iv), (a.3)(iii), (a.4)(iii), (b)(i), (b)(ii), (k)(i)
- separate CCA classes for each business, Reg. 1101(1)

**Separate classes for capital cost allowance**, Reg. 1101

- automobile costing over \$24,000, Reg. 1101(1af)
- buildings, Reg. 1101(1ac)–(1ae), (5b), (5b.1)
- Canadian film or video production, Reg. 1101(5k.1)
- certified productions, Reg. 1101(5k)
- combustion turbines, Reg. 1101(5t)
- computer equipment and software, Reg. 1101(5p), 1103(2g)
- computer software tax shelter property, Reg. 1101(5r)
- computer tax shelter property, Reg. 1101(5r)
- deemed depreciable property, 13(5.2)(c), 13(21.2)(e)(ii), Reg. 1101(5g)
- different businesses, properties for, Reg. 1101(1)
- different mines, properties for, Reg. 1101(4a)–(4d)
- excavating or moving equipment, Reg. 1101(5l)
- exempt properties, Reg. 1101(5o)
- fax machine, Reg. 1101(5p), 1103(2g)
- industrial mineral mines, Reg. 1101(4)
- leasehold interest in real property, Reg. 1101(5h)
- leasing properties, Reg. 1101(5c), (5n)
- life insurance and other insurance business, Reg. 1101(1a)
- manufacturing and processing property, Reg. 1101(5s)
- mine property, Reg. 1101(4g), (4h)
- outdoor advertising sign, Reg. 1101(5l)
- partnership and non-partnership property, Reg. 1101(1ab)
- photocopier, Reg. 1101(5p), 1103(2g)
- pipeline costing over \$10,000,000, Reg. 1101(5i), (5j)
- railway assets, Reg. 1101(5d)–(5e)
- rental and non-rental property, Reg. 1101(1ae)
- scientific research expenditures, 37(6)
- software, Reg. 1101(5p), 1103(2g)
- telecommunication spacecraft, Reg. 1101(5a)
- telephone equipment, Reg. 1101(5p), 1103(2g)
- timber limits and cutting rights, Reg. 1101(3)
- vessels, Reg. 1101(2), (2a), (2b)
- conversion cost, 13(14), (17)

**Separate return**, *see* Returns: separate**Separate school board**, *see* School board**Separated organics**

- defined, Reg. 1104(13)
- gas produced by, Reg. 1104(13)“biogas”

**Separation agreement**

- defined, 248(1)
- payments under
  - deductible by payor, 60(b), (c)
  - taxable to recipient, 56(1)(b), (c)

**Series**

- of shares, 248(6)
- of transactions, 248(10)

**Servant**

- defined, 248(1)“employment”

**Service**

- proof of, 244(5), (6)

**Service animal**

- disability supports deduction, 64(a)A(ii)(Y)
- medical expense credit, 118.2(2)(l)

**Service cost**, *see* Adjusted service cost (re investment tax credits)**Service pension**

- exemption, 81(1)(d)
- other country, from, 81(1)(e)

**Service-related injuries, payments exempt**, 81(1)(d.2)**Services**

- defined, for FAPI, 95(3)
- not rendered, reserve for, 20(1)(m), 20(24), (25)
- provision of, along with property disposed of
  - allocation rule, 68
- rendered, amounts receivable for, 12(1)(b), 12(2)
- to be rendered
  - amount received for, income, 12(1)(a)(i), 12(2)
  - repayment of, deductible, 20(1)(m.2)
  - consideration for, not “outlay” or “expense”, 66(15)“outlay” or “expense”

**Servitude**

- ecologically sensitive land, value when donated, 110.1(5), 118.1(12)
- valuation applies for capital gains purposes, 43(2)

**Set-off**

- debt owing by Crown, against taxes owing, 224.1
- communication of information to facilitate, 241(4)(d)(xiii)
- interest, on instalment payments, 161(2.2)
- refund of tax, against other debt owing to Crown or province, 164(2)
- Part X refunds, 203
- transfer pricing adjustments, *see* Transfer pricing capital setoff adjustment; Transfer pricing income setoff adjustment

**Set-top box**, *see* Television set-top box**“Settled” (debt)**

- deemed, 80.01
- defined, 80(2)(a)
- for distress preferred shares, 80.02(2)(c), 80.02(7)(a)

**Settlement, structured**, *see* Structured settlement**Settlement of debt**, *see also* Debt forgiveness

- deemed, 80.01
- on amalgamation, 80.01(3)
- on debt becoming statute-barred, 80.01(9)
- on debt parking, 80.01(6)–(8)
- on share ceasing to be distress preferred share, 80.02(7)
- on winding-up, 80.01(4)
- distress preferred share, on winding-up, 80.01(5)
- effect of, 80(3)–(13)
- foreign affiliate’s gain or loss on, 95(2)(i)
- simultaneous, 80(2)(i)
- subsequent payment following deemed settlement, 80.01(10)

**Settlement of litigation**

- property transfer, 49.1
- Tax Court appeal, 169(3)
- wrongful dismissal, 248(1)“retiring allowance”

**Settlor (of trust)**

- defined
- for loan by corporation to non-resident, 17(15)
- for T3 Schedule 15 reporting, Reg. 204.2(3)
- for trust income rules, 108(1)
- reported to CRA on T3 Schedule 15, Reg. 204.2(1)(a)

**Severance pay**, *see* Retiring allowance**“Shall”**

- meaning of, *Interpretation Act* s. 11

**Share**

- acquired before 1976
- cost base, deductions from, 53(2)(e)
- acquisition of
  - by corporation, deemed dividend, 84(3), (6)
  - deemed, 256(8)
- “actual cost”, ITAR 26(15)–(17)
- agreement to issue, to employees, 7(1)
- average annual rate of return, capital gains deduction, 110.6(9)
- bankrupt corporation, of
  - deemed disposition of, 50(1)
- block of, defined, Reg. 4803(1)

## Index

### Share (*cont'd*)

- bought back by corporation
- amount paid for unpaid dividends deemed dividend substitute, 183.1(4)
- cancellation, deemed dividend, 84(3), (6)
- capital property, deemed, 39(4)
- capital stock of family farm corporation, of, 110.6(1)“share”
- capital stock of family fishing corporation, of, 110.6(1)“share”
- class of, series of, 248(6)
- common, defined, 248(1)
- for mutual fund rollover rules, 132.2(2)
- controlled corporation, of
  - disposition of, 40(2)(h)
- convertible, exchanged for other shares, 51; ITAR 26(24)
- cost base of
  - additions to, 53(1)(b)–(d), (f.1)
  - deductions from, 53(2)(a)
  - deemed dividend added to, 53(1)(b)
- deemed benefit from
  - cost base, addition to, 53(1)(j)
- deemed disposition of, to corporation, 84(9)
- deemed interest on, 258(5)
- deemed receipt of, on merger, 87(1.1)
- defined, 248(1)
  - for insurance demutualization, 139.1(1)
  - for non-resident corporation with no share capital, 93.2(2)
- disposition of
  - capital gain or loss, 40(1)
  - deemed, on death, 70(5)
  - for insurance demutualization, 139.1(1)
  - order of, for employee stock option benefit, 7(1.3)
  - subsequent to debt forgiveness, deemed capital gain, 80.03(2), (4)
  - where dividend previously paid, stop-loss rules, 112(3)
- distribution of, by corporation, 84(5)
- donation of or donation after sale of, capital gain exempted, 38(a.1)
- “equity” defined, 204
- exchanged for shares, 85.1; ITAR 26(26)
  - amalgamation, on, 87(4.1), (4.2)
  - computation of paid-up capital, 85.1(2.1)
  - reorganization of capital, 86(1); ITAR 26(27)
  - rules, 7(1.5), 112(7)
- “excluded” defined, 204
- expense of issuing, 20(1)(e)
- exploration and development, 66.3(1)
- fair market value, ITAR 26(11.1), (11.2)
- flow-through, 66(12.6)–(12.75), Reg. 6202.1
- foreign affiliate, of, *see also* Foreign affiliate
- fractional interest, *see* Fractional share
- grandfathered
  - defined, 248(1)
- guaranteed, *see* Guaranteed shares
- held by trustee for employee, 7(2)
- included in single payment under DPSP, 147(10.1), (10.2)
  - deduction re amount, 110(1)(d.3)
- disposal of, 147(10.4), (10.5)
- interest paid on money borrowed to purchase, 20(1)(c)
- issued in exchange for property, rollover, 85(1)
- issued in settlement of debt, 80(2)(g), (g.1)
- issued to avoid tax, by foreign affiliates, 95(6)(b)
- loan to shareholder/employee to purchase, 15(2.4)(c)
- loss on, 112(3), (3.1), (3.2), (4.3)
- mark-to-market rules, *see* Mark-to-market property
- non-arm’s length sale of, 84.1
  - by non-resident, 212.1
- non-capital property of partnership
  - loss on, 112(4.2)
- “non-participating, defined, 204“non-participating share”

- non-resident corporation, of
    - cost base, deductions from, 53(2)(b)
  - not capital property
    - fair market value of, 112(4.1)
    - loss on, 112(4)
  - paid-up capital in respect of class of, 84.2
  - paid-up capital value, defined, 204
  - payment for, no capital cost allowance, 18(1)(y)
  - predecessor corporation, on amalgamation, 87(4)
  - preferred, *see also* Preferred share; Term preferred share
    - deemed interest on, 258(3)
    - defined, 248(1)
    - prescribed, Reg. 6201–6207
      - flow-through, Reg. 6202.1
    - publicly-traded, Reg. 4400
      - V-day value, Reg. Sch. VII
  - purchase of
    - through series of transactions/events
      - tax on distribution of corporate surplus, 183.1(4)
    - trustee, by, for employees of corporation, 7(6)
  - qualified small business corporation
    - capital gains deduction, 110.6(2.1)
    - defined, 110.6(1)
    - related person, 110.6(14)
    - rules re, 110.6(14)
  - received on amalgamation, ITAR 26(21)
  - redemption, deemed dividend, 84(3), (6)
  - registered charities, held by, 189(3)–(5)
  - right to acquire
    - shares deemed owned, where, 95(6)(a)
  - sale of
    - non-arm’s length, 84.1
  - short-term preferred, defined, 248(1)
  - specified shareholder’s
    - adjusted cost base, 53(1)(d.3)
  - subsidiary, of
    - cost of, 52(7)
  - tax-deferred preferred, amalgamation where, 83(7)
  - taxable preferred, *see* Taxable preferred share
  - term preferred, *see* Term preferred share
  - value, whether deductible to issuer, 143.3(3)
  - where deemed capital property, 54.2
- Share buybacks**, *see* Stock buyback tax
- Share for share exchange**, 85.1
- Share-funding arrangement (registered pension plan)**, Reg. 8501(6.1)
- Share of the capital stock of a family farm or fishing corporation**
- defined, 70(10)
  - rollover to children/grandchildren, 70(9)–(9.31), 73(3)–(4.1)
- Share options**
- employee, 7
    - where person ceases to be employee, 7(4)
- Share-purchase tax credit**, 127.2, 192–193 [expired]
- Share repurchase transaction, anti-avoidance rule**, 112(5.2)B(a)
- Share transfer fees, deduction**, 20(1)(g)
- Shared-custody parent**, *see also* Splitting, sharing or apportionment
- defined
    - for Canada Child Benefit, 122.6
    - for GST Credit, 122.5(3.01)
  - division of Canada Carbon Rebate, 122.8(4.1)
  - division of Canada Child Benefit, 122.61(1.1)
  - division of GST/HST Credit, 122.5(3.01)–(3.04)
  - division of Universal Child Care Benefit, *UCCB Act* s. 4(1)(a) [see Notes to 56(6)]

Shared-custody parent (*cont'd*)

- is eligible individual for Canada Child Benefit, 122.6“eligible individual”

#### Shared-use-equipment

- defined, 127(9)

#### Shareholder

- appropriation of property to, 15(1), 69(4), (5), 84(2)
- automobile available to, 15(5), (7)
- benefit from corporation, 15(1), (7), (9)
- GST portion included, 15(1.3)
- loan forgiven, 15(1.2)
- deemed disposition of share to corporation, 84(9)
- defined, 248(1)
- disclosure of identity to CRA and the public, *see* Individuals with Significant Control (of corporations)
- exchange of shares in course of reorganization, 86(1)
- issue of stock rights to, 15(1)(c)
- loan to, by corporation, *see* Loan: shareholder, to, by corporation
- non-resident
  - interest paid to, not deductible, 18(4)–(6)
- persons connected with, 15(2.1), 80.4(8)
- prospective
  - benefit conferred on, by corporation, 15(1)
- share for share exchange, 85.1
- specified
  - adjusted cost base of share, 53(1)(d.3)
  - defined, 248(1)
- transfer of property by, to corporation, 85(1), (1.1)

#### Shareholder corporation

- “agreed portion” in respect of, 66(15)
- defined, 66(15)
- election by joint exploration corporation to renounce expenses to, 66(10)–(10.3) [repealed]
- payment made to joint exploration corporation
  - reduction in adjusted cost base of property received as consideration, 53(2)(f)

**Shareholder loan**, *see* Loan: shareholder to, by corporation

#### Shareholder's equity

- determination of, for LSVCC investment shortfall, 204.82(2.2)(b), (c)

**Sharing**, *see* Splitting, sharing or apportionment

#### Sheep

- basic herd maintained since 1971, deduction, 29
- breeding, 80.3(1)“breeding animals”

#### Sheet metal worker

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Sheitel**, *see* Wig, medical expense

**Shelf, continental**, *see* Continental shelf

**Shell Canada case overruled**, 20.3

**Shellfish**, *see* Ammonite gemstone

**Shelter**, *see* Tax shelter

**Sherman case overruled**, 127.531(b)

**Sherway Centre case overruled**, 20(1)(e)(iv.1)

**Ship**, *see also* Vessel

- non-resident's income from, exempt, 81(1)(c)
- operators, taxable income earned in a province, Reg. 410
- resident corporation's income from, exempt, 81(1)(c.1)
- treaty provisions, Canada-U.S. Tax Treaty:Art. VIII:1–3, Canada-U.S. Tax Treaty:Art. XV:3, XXIII(3)
- used in international traffic, *see* International shipping

**Shipping**, *see* International shipping

#### Shoes/boots

- orthopaedic etc., medical expense, Reg. 5700(e)

**Shopping**, *see* Treaty shopping

**Short-form amalgamation**, 87(1.1), (2.11)

#### Short sale

- dividend paid on borrowed securities not deductible, 260

#### Short taxation year

- causes
  - becoming or ceasing to be CCPC, 249(3.1)
  - becoming or ceasing to be exempt, 149(10)
  - becoming or ceasing to be financial institution, 142.6(1)
  - change in control of corporation, 249(4)
  - charity given notice of revocation, 188(1)
  - reduction in (foreign affiliate) surplus entitlement percentage, 91(1.1)–(1.5)
- inclusion of FAPI, 91(1), (1.1)
- prorating of \$1 million threshold for Part II.2 stock buyback tax, 183.3(4)
- prorating of bank and life insurer surtax \$100m deduction, 123.6(2)B(a)(ii)C
- prorating of base level deduction, 18(2.5)(b)
- prorating of capital cost allowance, Reg. 1100(3)
- prorating of deduction for injection substances, 20(1)(mm)(iii)
- prorating of farmer's animal valuation rules, 28(1.3)
- prorating of financial institutions capital tax, 190.1(2)
- prorating of ITC expenditure limit, 127(10.6)(b), (c)
- prorating of Part VI.1 tax dividend allowance, 191.1(6)(a)
- prorating of Part VI.2 tax on banks and life insurers for 2022, 191.5(4)
- prorating of refundable investment tax credit, 127.1(4)
- prorating of resource deductions, 66(13.1)
- prorating of small business deduction, 125(5)(b)
- prorating of tax on investment income of life insurer, 211.1(4)
  - instalments, 211.3(2)A(b)

#### Short-term preferred share

- defined, 248(1)

#### Short-term rental

- defined, for AirBNB rentals, 67.7(1)
- deductions disallowed if not compliant with local laws, 67.7(2)

#### Shower

- mechanical aid for getting into and out of, medical expense, Reg. 5700(g)

**Shutdown of business**, *see* Ceasing to carry on business; Winding-up

#### Sickness and accident insurance

- benefits taxable, 6(1)(f); ITAR 19
- employee contributions to employee life and health trust deemed to be premiums if identified as such, 144.1(10)
- employer's contribution a taxable benefit, 6(1)(e.1)

**Sidewalks, capital cost allowance**, Reg. Sch. II:Cl. 1(g)

- for mines, Reg. Sch. II:Cl. 10(l)

**Siemens-OSRAM spinoff**, Reg. 5600(h)

**Sift trust**, *see* SIFT trust [at beginning of “S” listings]

#### Sight impairment

- devices to assist person with, business expense, 20(1)(rr)

**Sightseeing tours relief (COVID)**, Reg. 8901.1(2)(b)(vi), *see also* Qualifying tourism or hospitality entity

#### Sign language

- interpretation service
  - disability supports deduction, 64(a)A(ii)(A)
  - medical expense credit, 118.2(2)(l.4)
- training, medical expense credit, 118.2(2)(l.3)

#### Signalling device

- visual or vibratory, for person with hearing impairment, Reg. 5700(q.1)

#### Significant interest

- corporation, in a partnership
  - defined, 34.2(1)
- debt settlement rules
  - defined, 80.01(2)(b)

## Index

### Significant interest (*cont'd*)

- financial institutions
- defined, 142.2(2), (3)
- financial institution holding, excluded from mark-to-market rules, 142.2(1)“mark-to-market property”(d)
- pooled registered pension plan rules
- defined, 147.5(30)
- RCA
- defined, 207.01(4), 207.5(1)
- registered plan advantage rules
- defined, 207.01(4)

### Significant part of exempt capital gain attributable to unpaid dividends, 110.6(8)

### Significant reduction in capital gain resulting from dividend, 55(2)

### Significantly lacking in economic substance, GAAR test, 245(4.1), (4.2)

### Signing bonus, 6(3), 115(2)(c.1), 115(2)(e)(v)

- athlete or artist, Canada-U.S. Treaty Art. XVI:4

### Signs, outdoor advertising, *see* Outdoor advertising structures

### Silden case confirmed, 15(2.4)(e)

### Silica, included in definition of “mineral”, 248(1)

### Silicon Graphics Ltd. case overruled, 95(1)“controlled foreign affiliate”(b), 125(7)“Canadian-controlled private corporation”(b)

### Silver, *see* Precious metals

### Simser case offset by deduction, 64

### Simultaneous

- dividends, designation of order, 89(3), 133(7.2)
- settlement of debt obligations, designation of order, 80(2)(i)

### Singapore, *see also* Foreign government

- stock exchange recognized, 262

### Singer

- deduction from employment income, 8(1)(q)

### Single amount

- defined
- for pooled registered pension plans, 147.5(1)
- for registered pension plans, 147.1(1)

### Single mine property

- capital cost allowance, Reg. 1100(1)(y.2)
- separate prescribed class, Reg. 1101(4g)

### Single purpose corporation

- whether use of corporate property taxable to shareholder, 15(1)

### Single status, credit for, 118(1)B(c)

### Single-tier alignment

- defined (for corporate inclusion of partnership income), 34.2(1)
- election by partnership, 249.1(8)

### Singular includes plural, *Interpretation Act* s. 33(2)

### Sister

- deemed not related on butterfly transaction, 55(5)(e)
- dependent, 118(6)(b)
- includes sister-in-law or in common-law, 252(2)(c)
- sharing of RESP assets, 204.9(5)(c)(ii)

### Site, investigation of, 20(1)(dd)

### Siwik case overruled, 80.4(1.1)

### Six employees test

- FAPI active business, 95(1)“investment business”(c)(i), (ii)
- personal services business, 125(7)“personal services business”(c)
- specified investment business, 125(7)“specified investment business”(a), (b)

### SKI operators relief (COVID), Reg. 8901.1(2)(b)(ix)(A)(II), *see also* Qualifying tourism or hospitality entity

### Skytrain trusts

- anti-avoidance rule, 106, 108(1)“income interest”

### Sleights

- capital cost allowance, Reg. Sch. II:Cl. 10(d)

### Small amounts owing (up to \$2) not payable, 161.4

### Small business, investment in, by deferred income plans, Reg. 4900(6), Part LI

### Small business bond [repealed], 15.2

### Small business corporation

- attribution rules inapplicable, 74.4(2)(c)
- business investment loss on share or debt of, 39(1)(c)
- defined, 248(1)
- disposition to child, 10-year reserve, 40(1.1)(c)
- qualified, share of
- capital gains deduction, 110.6(2.1)
- defined, 110.6(1)
- transfer to child, grandchild or other relative, *see* Intergenerational transfer

### Small business deduction, 125

- associated corporations, 125(3)–(5)
- “business limit”, 125(2)
- special rules for, 125(5)
- corporation deemed member of partnership, 125(6.1)
- credit union, 137(3), (4)
- definitions, 125(7)
- large corporation, restricted, 125(5.1)(a)
- multiple access, provisions preventing, 125(6)–(6.3)
- partnership, *see* Partnership
- passive income, reduces SBD, 125(5.1)(b)
- rules for business limit, 125(5)
- two taxation years ending in year, 125(5)

### Small business deduction rate

- defined, 125(1.1)

### Small business development bond [repealed], 15.1

### Small business investment capital gain rollover, 44.1

### Small business investment corporation

- defined, Reg. 5101(1)
- exemption from tax, 149(1)(o.3)
- qualifies as RRSP or RRIF investment, Reg. 4900(6)(a)

### Small business investment limited partnership

- defined, Reg. 4901(2), 5102
- eligible for RRSP or RRIF investment, Reg. 4900(6)(b)

### Small business investment tax credit

- calculation of, 127(9)“qualified small-business property” [repealed], 127(9)“specified percentage”(i)
- not refundable, 127.1(2)“refundable investment tax credit”(d)(i)

### Small business investment trust

- defined, Reg. 4901(2), 5103
- eligible for RRSP or RRIF investment, Reg. 4900(6)(c)
- information return where interest claimed to be qualified investment, Reg. 221

### Small business property, Reg. Part LI

### Small business security

- defined, Reg. 4901(2), 5100(2)

### Small-CCPC

- defined, 157(1.2)–(1.4)
- instalment obligation, 157(1.1), (1.5)

### Small employer

- quarterly remittance of source deductions, Reg. 108(1.12)

### Small manufacturers’ rule, Reg. 5201

### Small modular nuclear reactor

- defined, for clean technology investment tax credit, 127.45(1)

### Social assistance payment

- deduction from taxable income, 110(1)(f)(iii)
- foster child, for, exempt, 81(1)(h)
- inclusion in income, 56(1)(r), (u)
- information return, Reg. 233
- supplementing employment income, 56(1)(r)



- Social assistance payment (*cont'd*)
- eligible for child care deduction, 63(3)“earned income”(b)
- Social benefits repayment**, 180.2
- Social club**
- dues not deductible, 18(1)(l)
  - exemption for, 149(1)(l), 149(2)
  - deemed a trust, 149(5)
- Social insurance number**, *see also* Business Number
- application for, 221(1)(d.1), Reg. 3800
  - failure to provide, penalty, 162(5)(b), 162(6)
  - information return requiring
    - reasonable effort to obtain, 237(2)(a)
  - RESP contributions, 146.1(2)(g.3)
  - registration of RRIF under, 146.3(1)“registered retirement income fund”
  - requirement to provide, 221(1)(d.1), 237(1), (1.1)
  - attendant care receipts, 64(a)A(iii), 118.2(2)(b.1)(iv), 118.2(2)(c)(iii)
  - child care receipts, 63(1)
  - farm support payment slips, for, Reg. 236
  - partnership information return, Reg. 229(1)(b)
  - penalty for failure to provide, 162(6)
  - tax shelter investor, 237.1(7)(a)
  - use or communication of prohibited, 237(2)(b)
  - offence of, fine or imprisonment, 239(2.3)
- Social Sciences and Humanities Research Council**
- payments to, as R&D expenditures, 37(1)(a)(ii)(E), 37(7)“approved”
  - research grants, taxable, 56(1)(o)
- Social security**
- benefits, Canada-U.S. Tax Treaty:Art. XVIII:5
  - legislation
    - pension plan under, excluded from RCA, Reg. 6802(g)
    - social security taxes
      - paid to U.S., Canada-U.S. Tax Treaty:Art. XXIV:2(a)(ii)
- Social Security Tribunal**
- costs of appeal to
  - deductible, 60(o)(ii)
  - reimbursement of, taxable, 56(1)(l)(ii)
- Société internationale de télécommunications aéronautiques**
- employment income of non-Canadians, deduction for, 110(1)(f)(iv)
- Societies**
- exemption for, 149(1)(l), 149(2)
  - deemed a trust, 149(5)
- Soft costs**
- construction, 18(3.1)–(3.7), 20(29)
- Software**, *see also* Computer software tax shelter property [repealed]
- air navigation, withholding tax exemption on lease of, 212(1)(d)(xi)(D)
  - capital cost allowance
    - application software, Reg. Sch. II:Cl. 12(o)
    - “computer software” defined, Reg. 1104(2)
    - limitation where tax shelter, Reg. 1100(20.1)
    - system software, Reg. Sch. II:Cl. 10(f), Sch. II:Cl. 29
    - defined, Reg. 1104(2)
    - separate class, Reg. 1101(5p)
  - development by financial institution, no R&D credits, 248(1)“scientific research and experimental development”
  - non-resident withholding tax, 212(1)(d)
  - royalties paid to U.S. resident, Canada-U.S. Tax Treaty:Art. XII:3(b)
  - sales suppression, *see* Zapper software (or hardware)
  - tax shelters
    - capital cost allowance limitation, Reg. 1100(20.1)
    - registration requirements, 237.1
    - voice recognition
      - disability supports deduction, 64(a)A(ii)(G)
      - medical expense credit, 118.2(2)(l.42)
      - zapper, *see* Zapper software (or hardware)
- Sojourning in Canada**
- 183 days, deemed resident, 250(1)(a)
- Solar heating equipment**
- capital cost allowance, Reg. Sch. II:Cl. 43.1(d)(i), Sch. II:Cl. 43.2(b)
- Solar panels**, 9(1) (Notes)
- Soldiers**, *see* Canadian Forces and veterans
- Sole proprietorship**, *see* Proprietorship
- Sole-purpose R&D performer**
- ITCs allowed for administrative costs, Reg. 2902(a) [closing words, repealed]
- Solicitor-client privilege**
- defence, 232(2)
  - defined, 232(1)
  - for reportable-transaction rules, 237.3(1)
  - definitions, 232(1)
  - protection from notifiable-transaction rules, 237.4(15)
  - protection from reportable-transaction rules, 237.3(17)
  - rules governing, 232
  - waiver of, 232(14)
- Solid biofuel**
- defined, Reg. 1104(13)
  - for clean technology credit, 127.45(1), Reg. 1104(13)
- Solidarily liable**, *see* Liability for tax: joint and several
- Solution gas**
- CCA application, Reg. Sch. II:Cl. 43.1(c)(i)(B)
  - defined, Reg. 1104(13)
- Solway case overruled**, 244(13.1) [repealed]
- Sommerer case overruled**, 94(8.1), (8.2)
- Son-in-law, as child of the taxpayer**, 252(1)(c)
- Source**
- business or property, income or loss, 9–37
  - capital gains and losses, 38–55
  - deductions applicable to, 4(2), (3)
  - employment income, 5–8
  - income from, 4(1)
  - other sources of income, 56–59.1
  - withholding of tax at, 153(1)
  - non-residents, 215
- Source deductions**, *see* Withholding
- Source individual**
- defined, for income-splitting tax, 120.4(1)
- Source withholding**, *see* Withholding
- South Africa**, *see also* Foreign government
- stock exchange recognized, 262
  - universities, gifts to, Reg. Sch. VIII, s. 19
- Spacecraft, telecommunication**, *see* Telecommunication spacecraft
- Spain**, *see also* Foreign government
- stock exchange recognized, Reg. 3201(1)
  - universities, gifts to, Reg. Sch. VIII, s. 13
- Sparrow Electric case overruled**, 227(4)
- Speaking aid, as medical expense**, 118.2(2)(i)
- Special Access Programme**
- drugs, medical expense credit, 118.2(2)(s)
  - medical devices, medical expense credit, 118.2(2)(t)
- Special foreign tax credit**
- allowed for minimum tax purposes, 127.5(a)(ii)
  - carryforward to other years, 120.2(3)(c)(i)
  - defined, 127.54(2)
- Special-purpose building, defined**, Reg. 2903

**Special purpose loss corporation**

- defined, for interest deduction restrictions, 18.2(1)

**Special refundable tax**

- under Part IID of former Act, ITAR 67

**Special work site, employment at, 6(6)****Specific provisions**

- defined, Reg. 8006

**Specified active business**

- defined
- • for labour-sponsored venture capital corporations, 204.8(1)

**Specified active member**

- defined, Reg. 8306(4)(b)

**Specified adjustment factor**

- defined, FAPI rules, Reg. 5902(2)(b)

**Specified affiliate**

- for stock buyback tax
- • acquisition of equity, may trigger tax, 183.3(5)
- • defined, 183.3(1)

**Specified amount**

- defined
- • re disposition of foreign resource properties, 66.7(13.2)
- • re disposition of resource properties, 66.7(12.1)
- • re flow-through share renunciations, 66(20)
- • re indexing to inflation, 117.1(2)
- • re loan from foreign affiliate, 90(15)
- • re royalty reimbursements, 80.2(1)(a)
- • re seizure of property by creditor, 79(1), 79.1(1)

**Specified animal**

- valuation of, 28(1.2)

**Specified arrangement**

- for retirement compensation arrangement, defined, 207.5(1)

**Specified beneficiary**

- re foreign reporting requirements
- • defined, 233.2(1)
- re principal residence
- • defined, 54“principal residence”(c.1)(ii)
- re retirement compensation arrangement (RCA)
- • defined, 207.5(1)
- re thin capitalization
- • defined, 18(5)

**Specified Canadian entity**

- defined, 233.3(1)
- reporting re distribution from foreign trust, 233.6(1)
- reporting re foreign property, 233.3(3)

**Specified Canadian risk**

- defined
- • for FAPI insurance rules, 95(2)(a.3)
- • for insurer’s foreign branch, 95(2)(a.3), 138(12)

**Specified child care start-up expenditure**

- defined, 127(9)

**Specified class**

- defined
- • associated-corporation rules, 256(1.1)
- • capital gains strips, 55(1)
- • wind-up of corporation, 88(1)(c.8)
- effect on corporations being associated, 256(1), (1.6)
- redemption of, 55(1)“permitted redemption”

**Specified cooperative corporation**

- defined, Reg. 4901(2)

**Specified cooperative income (repealed)**

- defined, 125(7)
- small business deduction for, 125(7)“specified corporate income”(a)(i)

**Specified corporate income**

- defined, for small business deduction, 125(7)

- excluded from eligibility for small business deduction, 125(1)(a)(ii.1)

**Specified corporation**

- defined
- • re butterfly reorganization, 55(1)
- • re FAPI stub-period election, 91(1.4)(c)
- • re gold and silver investments by RRSPs, etc., Reg. 4900(1)(t)(iv)

**Specified cost**

- debt forgiveness rules
- • application of, 79.1(6), (7)
- • defined, 80.01(1)
- seizure of property by creditor
- • cost of seized property includes, 79.1(6)
- • defined, 79.1(1)

**Specified counterparty**

- defined, for synthetic equity arrangement rules, 112(2.32)(b)(ii)(A)(l)

**Specified date**

- defined, for rule on dispositions subject to warranty, 42(2)

**Specified debt obligation, *see also* Lending asset; Mark-to-market property**

- accrued return from, Reg. 9102(1), (3)
- amalgamation of holder, 87(2)(e.3)
- amortization date, Reg. 9200(2)
- cost amount of, 248(1)“cost amount”(d.2)
- credit-related gains and losses, 142.4(7)
- defined, 142.2(1), Reg. 9100, 9200(1)
- disposition of, 142.4, Reg. 9200–9204
- • no capital gain, 39(1)(a)(ii.2)
- • no capital loss, 39(1)(b)(ii)
- • payment received after disposition, 142.4(11)
- early repayment of, 142.4(10)
- foreign exchange adjustment, Reg. 9104
- income inclusion and deduction prescribed, 142.3(1)
- mark-to-market property, 142.5(3)
- partial disposition of, 142.4(9)
- payment received after disposition, 142.4(11)
- prescribed obligations, Reg. 9202
- primary currency of, defined, Reg. 9100
- rollover of, 85(1.1)(g.1)
- superficial loss rule not applicable, 142.6(7)
- transfer of insurance business by non-resident holder, 138(11.5)(k.1)
- wind-up of holder into parent, 88(1)(a.3)

**Specified debtor**

- defined, re loan from foreign affiliate, 90(15)

**Specified deposit**

- defined, 95(2.5)
- excluded from FAPI, 95(2)(a.3)

**Specified development phase (of oil sands project)**

- defined, Reg. 1104(2)

**Specified disability savings plan**

- plan becoming, 146.4(1.1)
- plan ceasing to be, 146.4(1.2), (1.3)
- withdrawals permitted, 146.4(1)“specified year”(a), 146.4(4)(n)(i)

**Specified disabled person**

- defined, for Home Buyers’ Plan, 146.01(1)
- loan from RRSP to acquire home for, 146.01(1)“supplemental eligible amount”

**Specified discontinuance****Specified distribution**

- for registered pension plan
- • defined, Reg. 8304.1(8)
- for TFSA
- • defined, 207.01(1)

**Specified distribution (*cont'd*)**

- does not increase unused contribution room, 207.01(1)“unused TFSA contribution room”(b)B(ii)
- does not reduce excess TFSA amount, 207.01(1)“excess TFSA amount”C(b), E(a)

**Specified educational program**

- defined, 118.6(1), 146.1(1)

**Specified eligibility day**

- defined, for phased retirement rules, Reg. 8503(16)

**Specified employee**

- defined, 248(1)
- of partnership, 15(2.7)
- remuneration of
- calculation of prescribed proxy amount for R&D investment tax credit, Reg. 2900(7), (8)
- excluded from R&D expenditure pool, 37(8)
- limitation on SR&ED deduction, 37(9.1)

**Specified energy property**

- defined, Reg. 1100(25), (27)–(29)
- limitation on capital cost allowance, Reg. 1100(24)
- separate class, Reg. 1101(5m)

**Specified entity**

- defined, for hybrid mismatch arrangement rules, 18.4(1), 18.4(17)

**Specified event**

- defined, re stock option deduction, 110(1.6)

**Specified expense (re flow-through shares)**

- defined, 66(12.6), (12.601)

**Specified farming or fishing income**

- allowed for small business deduction, 125(7)“specified corporate income”(a)(i)
- defined, 125(7)

**Specified fixed interest**

- defined, for FAPI rules, 95(1)

**Specified foreign exploration and development expense**

- country-by-country allocation, 66(4.1), (4.2)
- successor corporation, 66.7(2.1), (2.2)
- defined, 66(15)

**Specified foreign property**

- defined, 233.3(1)
- over \$100,000, reporting requirement, 233.3(1)“reporting entity”

**Specified future tax consequence**

- defined, 248(1)
- ignored for balance-due day of corporation, 248(1)“balance-due day”(d)(i)(C)
- ignored for instalment threshold
- corporation, 157(2.1)(a), 161(4.1)(a)
- farmers and fishermen, 161(4)(a)
- individuals, 156.1(1.1), (1.2), 161(4.01)(a)
- ignored for investment tax credit of small corporation, 127(10.2)A
- ignored for penalties, 162(11)
- ignored for refundable investment tax credit, 127.1(2)“qualifying corporation”

**Specified gain**

- defined, 93(2.02), (2.12), (2.22), (2.32)

**Specified gift [repealed]**

- registered charity, of
- defined, 149.1(1)
- excluded from charitable expenditures and qualified gifts, 149.1(1.1)

**Specified greenhouse gas**

- defined, for clean hydrogen tax credit, 127.48(1)

**Specified hedging transaction**

- deemed to be dividend rental arrangement, 248(1)“dividend rental arrangement”(b.1)

- intercorporate dividend deduction denied, 112(2.3)
- securities dealer allowed full deduction, 260(6.2)
- defined, 248(1)

**Specified holding corporation**

- defined, Reg. 5100(1)

**Specified individual**

- for income-splitting tax
- defined, 120.4(1), 248(1)
- tax on, 120.4(2)
- for LSVCCs
- defined, 204.8(1)
- ownership and transfer of labour-sponsored venture capital corporation shares, 204.81(1)(c)(v)–(vii)
- for pension regulations
- defined, Reg. 8515(4)

**Specified insurance benefit**

- defined, for insurance demutualization, 139.1(1)

**Specified interest amount**

- defined, for shareholder loans, 80.4(7)

**Specified interest expense**

- defined, for alternative interest-deduction restrictions, 18.21(1), (4)

**Specified interest income**

- defined, for alternative interest-deduction restrictions, 18.21(1), (4)

**Specified investment business, *see also* Investment business**

- defined, 125(7), 248(1)
- excluded from active business income, 125(7)“active business carried on by a corporation”
- included in base for dividend refund, 129(4)“income” or “loss”(a)
- included in property income, 129(4)“aggregate investment income”(b)

**Specified investment flow-through**

- distributions tax on income trusts and partnerships, *see* SIFT trust; SIFT partnership

**Specified investment flow-through partnership, *see* SIFT partnership****Specified investment flow-through trust, *see* SIFT trust****Specified jurisdiction**

- defined, 93.3(1)(b)

**Specified leasing property**

- acquired in the year, Reg. 1100(2)C:F(b)(iii)
- addition or alteration to, Reg. 1100(1.19)
- amount deductible in respect of, Reg. 1100(1.1)
- defined, Reg. 1100(1.11)
- separate class, Reg. 1101(5n)

**Specified licensee**

- defined, for non-resident withholding tax back-to-back rules, 212(3.8)

**Specified loan**

- defined, Reg. 8006

**Specified maximum amount**

- defined, for RDSP, 146.4(1)

**Specified member (of partnership), *see also* Limited partner**

- anti-avoidance rule
- re alternative minimum tax, 127.52(2.1)
- re negative ACB triggering gain, 40(3.131)
- CNIL of, 110.6(1)“investment expense”, “investment income”
- deemed capital gain on negative adjusted cost base, 40(3.1)(a)
- defined, 248(1), (28)
- FAPI rules, 95(1)“investment business”
- investment tax credit of, 127(8)(b)
- minimum tax, 127.52(1)(c.1)
- R&D losses of, no deduction, 96(1)(g)
- real property of (capital gains exemption), 110.6(1)“non-qualifying real property”

- Specified member (of partnership) (*cont'd*)
- where interest in partnership loaned or transferred, 96(1.8)
- Specified mineral processing activity**
- defined, for CTM investment tax credit, 127.49(1)
- Specified minimum tax regime**
- defined, for hybrid mismatch arrangement rules, 18.4(1)
- Specified Minister**
- defined, for RDSPs, 146.4(1)
- Specified multi-employer plan**, *see also* Registered pension plan
- defined, Reg. 8510(2), (3)
- Specified multiplier**
- defined, 84.1(2.11)
- Specified mutual fund trust**
- defined, for synthetic equity arrangement rules, 248(1)
- Specified natural gas energy system**
- defined, for clean electricity credit, 127.491(1)
- Specified non-member**
- defined, for alternative interest-deduction restrictions, 18.21(1), (6)
- Specified non-qualified investment income (of registered plan)**
- CRA may notify that distribution required within 90 days, 207.06(4)
  - benefit attributable to SNQII is advantage if not distributed after notice, 207.01(1)“advantage”(b)(iv)
  - defined, 207.01(1)
- Specified non-resident beneficiary**
- defined, for thin capitalization rules, 18(5)
- Specified non-resident shareholder**
- defined, 18(5)
  - loans by, thin capitalization rules, 18(4)–(6)
- Specified obligation (re debt forgiveness rules)**
- defined, 80.01(6)
  - parking of, deemed settled, 80.01(7), (8)
- Specified oil sands property**
- defined, Reg. 1104(2)
- Specified oil sands mine development expense**
- defined, 66.1(6)
  - excluded from EOSMDE, 66.1(6)“eligible oil sands mine development expense”A
  - included in CEE, 66.1(6)“Canadian exploration expense”(g.2)(i)
- Specified oil sands mine development project**, *see also* Specified oil sands mine development expense
- completion of defined, 66.1(6)“completion”
  - defined, 66.1(6)
- Specified owner**
- defined, for artificial foreign tax credit generator rules, 91(4.2), Reg. 5907(1.04)
- Specified participating interest**
- defined, 248(1)
- Specified participating percentage**
- defined, for interest deduction restrictions, 18.2(1)
- Specified partnership business limit**
- assignment of, 125(8)
  - defined, for small business deduction, 125(7)
- Specified partnership income**
- defined, 125(6), (6.2), 125(7)“specified partnership income”
  - small business deduction for, 125(1)(a)(ii)
- Specified partnership loss**
- defined, 125(7)
  - reduces small business deduction, 125(1)(a)(iv)
- Specified party**
- defined, for non-resident trust rules, 94(1)
- Specified pension plan**
- defined, 248(1), Reg. 7800
  - treated as RRSP for certain purposes, 146(21)–(21.3)
- Specified percentage**
- COVID-19 Canada Emergency Wage Subsidy
  - defined, 125.7(1)
  - Canadian oil and gas exploration expense, re, Reg. 1206(1)
  - carbon capture, utilization and storage (CCUS) credit
  - applied to create tax credit, 127.44(4), (5)
  - defined, 127.44(1)
  - clean electricity tax credit
  - credit based on, 127.491(1)“clean electricity investment tax credit”(a)
  - defined, 127.491(1)
  - clean hydrogen tax credit
  - credit based on, 127.48(1)“clean hydrogen tax credit”(a)
  - defined, 127.48(1)
  - clean technology investment tax credit
  - defined, 127.45(1)
  - clean technology manufacturing ITC
  - credit based on, 127.49(1)“CTM investment tax credit”(a)
  - defined, 127.49(1)
  - corporation, in respect of partnership
  - defined, 34.2(1)
  - credit for northern residents
  - application in calculation of credit, 110.7(1)(a), (b)(ii)
  - defined, 110.7(2)
  - impaired debts reserve
  - defined, 20(2.4)
  - investment tax credit, 127(9)
  - application in calculation of credit, 127(9)“investment tax credit”(a), (a.3), (e.1)
  - defined, 127(9)“specified percentage”
  - long-haul truck driver meals
  - allowed for consumption by driver, 67.1(1.1)
  - defined, 67.1(5)
  - manufacturing and processing credit — resource income
  - application in calculation of credit, Reg. 5203(3)(d)
  - defined, Reg. 5202
  - trust distribution
  - defined, 107(2)(b.1)
- Specified period**
- defined, for insurance demutualization, holding corporation, 141(4)
- Specified person**
- defined
  - for attribution rules, 74.5(8)
  - for dividend deductibility on guaranteed share, 112(2.22)(b)
  - for First-Time Home Buyer's Credit, 118.05(1)
  - for flow-through shares, Reg. 6202.1(5)
  - for prescribed security for non-resident withholding tax, Reg. 6208(3)
  - for prescribed share for capital gains exemption, Reg. 6205(5)
  - for prescribed shares under stock option rules, Reg. 6204(3)
  - for source withholdings, 227(5.1)
  - for stock option limit rules, 110(0.1)
  - for wind-up of corporation, 88(1)(c.2)
- Specified person or partnership**
- defined, 95(1)
- Specified personal corporation, defined**, ITAR 57(11)
- Specified place**
- defined, for long-haul trucker rules, 67.1(5)
- Specified plan**
- defined, 146.1(1)
- Specified portion**
- defined, for retroactive spreading of lump-sum payments, 110.2(1)
- Specified predecessor corporation**
- defined, 95(1)



**Specified predecessor, defined, 59(3.4)****Specified pre-regime loss**

- defined, for EIFEL rules, 18.2(1)

**Specified property**

- adjustment to adjusted cost base, 53(2)(g.1), 53(4)–(6)
- child care space investment tax credit
  - defined, 127(9)
  - excluded, 127(9)“eligible child care space expenditure”(b)(i)
- debt forgiveness rules
  - defined, 54
  - gain on disposition of, 80.03
  - option in respect of, when exercised, 49(3.01)
- FAPI of banks
  - defined, 95(2.32)
  - excluded from FAPI rule, 95(2.31)
- labour requirements for ITCs
  - defined, 127.46(1)
- resource allowance
  - defined, Reg. 1206(1)
- wind-up of corporation
  - defined, 88(1)(c.4)
  - whether subject to bump in cost based on wind-up, 88(1)(c.3)(i), (v)

**Specified proportion**

- for thin capitalization rules, defined, 18(5)
- of partner, defined, 248(1)

**Specified provision**

- defined, for attribute trading restrictions on change in control, 256.1(1)
- defined, for FAPI partnership rule where shares owned by partnership, 93.1(1.1)

**Specified publicly offered debt obligation**

- defined, 212(23)

**Specified purchaser**

- defined, for FAPI rules, 95(1)

**Specified purpose**

- defined
  - for Australian trust rules, 93.3(4)
  - for Canadian exploration expenses, 66.1(6)

**Specified RDSP payment**

- defined, for rollover to RDSP on death, 60.02(1)

**Specified reserve adjustment**

- defined, 20(30)
- impaired debt reserve calculation, 20(1)(l)(ii)(D)(II)N

**Specified retirement arrangement**

- defined, Reg. 8308.3(1)
- PSPA of, Reg. 8308.3(4)
  - information return, Reg. 8402(3)
- pension credit under, Reg. 8308.3(2), (3)

**Specified right**

- defined
  - for back-to-back shareholder loan rules, 15(2.192)
  - for non-resident withholding tax back-to-back rules, 212(3.8)
  - for thin capitalization rules, 18(5)
  - for trust loss trading rules, 251.2(1)
  - for 1972 transitional rules for goodwill, ITAR 21(3)

**Specified royalty**

- defined, Reg. 1206(1)

**Specified royalty arrangement**

- defined, for non-resident withholding tax back-to-back rules, 212(3.8), (3.94)

**Specified sampling**

- defined, 127(9)
- eligible for flow-through mining credits, 127(9)“flow-through critical mineral mining expenditure”(b)(ii), 127(9)“flow-through mining expenditure”(b)(ii)

**Specified section 93 election**

- defined, 92(1.3)
- effect of, 92(1.2), (1.4)

**Specified securities**

- defined, for stock option grants deduction, 110(1.31)

**Specified securities lending arrangement**

- defined, 260(1)

**Specified share**

- defined
  - for non-resident trust rules, 94(1)
  - for non-resident withholding tax back-to-back rules, 212(3.8)

**Specified shareholder**

- defined, 18(5), 18(5.1), 55(3.2)(a), 88(1)(c.2)(iii), 248(1)
- extension of definition to trusts and partnerships, *see* Specified unitholder
- interest on debt relating to the acquisition of land, 18(3)“interest on debt relating to the acquisition of land”(b)
- non-resident, loans by, thin capitalization rules, 18(4)
- soft costs relating to construction, 18(3.1)(b), 18(3.2)(b)

**Specified small business corporation**

- defined, for RRSP etc. qualified investments, Reg. 4901(2)

**Specified subsidiary corporation**

- acquisition of share by, 88(1)(c.4)(i)
- defined, 88(1)(c.5)

**Specified synthetic equity arrangement, *see also* Synthetic equity arrangement**

- defined, 248(1)

**Specified tax credit**

- defined, for labour requirements for ITCs, 127.46(1)

**Specified taxation year**

- defined, 95(2)(j.1), 95(2)(k), Reg. 5907(2.9)

**Specified taxpayer**

- defined, for look-through rule for certain trusts, 259(5)

**Specified temporary access road**

- defined, Reg. 1104(2)

**Specified tenant**

- defined, 125.7(1)“public health restriction”(e)

**Specified time**

- defined
  - for new employers remitting quarterly, Reg. 108(1.41)
  - for non-resident trust rules, 94(1)

**Specified transaction or event**

- defined, 211(1)

**Specified trust**

- defined
  - for Australian and Indian trusts, 93.3(1)
  - for prescribed annuity contracts, Reg. 304(1)(c)(iii)(A)

**Specified unitholder**

- defined, 248(1)

**Specified value**

- defined, for stock option deferral rules, 7(11)

**Specified waste material**

- defined, Reg. 1104(13)
  - for clean technology credit, 127.45(1), Reg. 1104(13)

**Specified wholly-owned corporation**

- defined, 55(1)

**Specified year**

- defined
  - for employee life and health trust carryforward, 111(7.5)
  - for registered disability savings plan, 146.4(1)
  - for registered pension plan maximum lifetime retirement benefits, Reg. 8504(1)(a)

**Speech impairment**

- Bliss symbol board for, disability supports deduction, 64(a)A(ii)(N)

**Speech impairment** (*cont'd*)

- certification of
- • for disability credit, 118.3(1)(a.2)(ii)
- sign language interpretation services for, *see* Sign language: interpretation service

**Speech-language pathologist**

- certification of speech impairment
- • for disability credit, 118.3(1)(a.2)(ii)
- defined, 118.4(2)

**Speech recognition software**, *see* Voice recognition software**Speech synthesizer for mute person**

- disability supports deduction, 64(a)A(ii)(E)
- medical expense credit, Reg. 5700(p)

**Speech therapy**

- medical expense credit, 118.2(2)(l.3), (l.9)

**Spent pulping liquor**

- cogeneration system using, Reg. Sch. II:Cl. 43.1(c)(i)(A)
- defined, Reg. 1104(13)
- • for clean technology credit, 127.45(1), Reg. 1104(13)

**Sperm**

- cost of, medical expense credit, 118.2(2)(v)

**Spinal brace, as medical expense**, 118.2(2)(i)**Spinoff**, *see* Foreign spin-off**Spire Freezers case overruled**, 96(8)**Split income**, 120.4

- attribution rules do not apply, 56(5), 74.4(2)(g), 74.5(13)
- deduction from regular income, 20(1)(ww)
- defined, 120.4(1), 248(1)
- tax on children, 120.4(2)
- • minimum tax carryover not allowed, 120.2(1), 120.2(1)(b)(i)
- • parent jointly liable with child, 160(1.2)

**Split-pension amount**

- deduction to pensioner, 60(c)
- defined, 60.03(1)
- included in pension transferee's income, 56(1)(a.2)
- joint liability for tax, 160(1.3)

**Split-receipting**

- charitable gifts or political contributions, 248(30)–(33)

**Splitting, sharing or apportionment**

- adoption expense credit, 118.01(3)
- charitable donation super credit for first-time donors, 118.1(3.2)
- charitable donations, 118.1(1)“total charitable gifts”(c)(i)(A)
- child tax credit, where custody divided, 118(5.1)
- digital news subscription credit, 118.02(3)
- disability credit, 118.3(3)
- equivalent-to-spouse credit, where custody divided, 118(5.1)
- first-time home buyer's credit, 118.05(4)
- home accessibility tax credit, 118.04(5)
- income, *see* Income splitting
- medical expenses, 118.2(1)B
- pension income, 60.03

**Sport centres or sport clubs relief (COVID)**, Reg.

- 8901.1(2)(b)(ix)(A)(I), (V), *see also* Qualifying tourism or hospitality entity

**Sports event**, *see also* Amateur athlete trust; Athlete

- ineligible for Canadian film/video credit, Reg. 1106(1)“excluded production”(b)(iv)
- ineligible for film/video production services credit, Reg. 9300(2)(d)

**Sports participation credit**, *see* Children's Fitness Credit (pre-2017)**Sports program**

- youth boarding allowance non-taxable, 6(1)(b)(v.1)

**Spousal bridging benefits**

- for registered pension plan, Reg. 8503(2)(l.1)

**Spousal education upgrade benefit**

- paid to Canadian Forces member or veteran, exempt, 81(1)(d.1)(vii)(G)

**Spousal equivalent credit**, 118(1)B(b)**Spousal or common-law partner plan**

- defined, 146(1)

**Spousal support**, *see* Support payments (spousal or child)**Spousal trust**, *see also* Trust (or estate): spouse

- pre-1972
- • deemed disposition by, 104(4)(a.1)
- • defined, 108(1)

**Spouse**, *see also* Common-law partner

- alimony, *see* Support payments (spousal or child)
- common-law deemed spouse, *see* Common-law partner
- death
- • claim under provincial family law deemed to be transfer on death, 248(23.1)
- • rollover of property, 70(6)
- • deemed benefits under plans, 146(8.91)
- defined, 252(3), (4)
- • re prescribed annuity contracts, Reg. 304(5)
- dividends received by, election re, 82(3)
- divorce, *see* Divorce and separation
- former
- • defined, 252(3)
- • transfer of property to, 73(1)
- income from property transferred to
- • joint liability for tax, 160(1)–(3)
- income splitting through RRSP transfers, 146(8.3), 146.3(5.1)–(5.5)
- joint and several liability for tax, 160
- living apart
- • commutation of RRSP, 146(8.3)
- • property transferred
- • • liability for tax on income or gain from, 160(4)
- • transfer to, 74.5(3)
- loans to, 74.1(1)
- • for value, 74.5
- • gain or loss, 74.2
- • repayment of, 74.1(3)
- maintenance, *see* Support payments (spousal or child)
- marriage breakdown, *see* Divorce and separation
- notch provision, 117(7), 118.2(1)D
- pension payments to widow(er) of contributor, 57(5)
- principal residence transferred to, 40(4)
- private health services plan premiums, medical expenses, 118.2(2)(q)
- property acquired from deceased taxpayer, 70(6)
- property in trust for, deemed disposition by trust, 104(4)(a)
- • deemed proceeds and cost, 104(5)
- property transferred between
- • valuation rules, 73
- • where transferee non-resident, Part XIII tax not exigible, 212(12)
- registered retirement savings plan for
- • amount of premiums deductible, 146(5.1)
- • meaning, 146(1)“spousal or common-law partner plan”
- • premiums not subject to income attribution rules, 74.5(12)
- • transfers to
- • • income splitting via, 146(8.3), 146.3(5.1)–(5.5)
- • • marriage breakdown, on, 146(16), 146.3(5.1), 147.3(5)
- reserves allowed to, for year of taxpayer's death, 72(2)
- rollover of property
- • death, on, 70(6)
- • generally, 70(6)
- • *inter vivos*, 73(1)
- • reserves for year of death, 72(2)
- separation, *see* Divorce and separation

**Spouse (*cont'd*)**

- support of
  - when living together, 118(1)B(a)
  - when separated or divorced, *see* Support payments (spousal or child)
- surviving
  - as RRIF annuitant, 146.3(1)“annuitant”(b)
  - death benefit paid to, 248(1)“death benefit”
- transfer of business to, 24(2)
- transfer of property to, 74.1(1)
  - for fair market value, 74.5
  - gain or loss, 74.2, 74.5
  - RRSP on marriage breakdown, 146(16)(b)
  - repayment of, 74.1(3)
  - special rules, 160(4)
  - valuation rules, 73
- trust for, *see* Trust (or estate): spouse
- unused credits transferred to, 118.8

**Sprinkler system installer**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**St. Lawrence Seaway Authority, subject to tax, 27(2), Reg. 7100****Stabilization account, *see* Net income stabilization account****Stable equipment**

- capital cost allowance for, Reg. Sch. II:Cl. 10(c)

**Stairs, power-operated climbing chair for, medical expense, Reg. 5700(f)****Stakeholder**

- defined, for insurance demutualization, 139.1(1)

**Standard & Poor 500 Depositary Receipts**

- qualified investments for deferred income plans, Reg. 4900(1)(n.1)

**Standard amount**

- defined, for northern residents' deduction, 110.7(6)

**Standby charge**

- automobile, 6(1)(e)
  - car salesperson/lessor, reasonable amount, 6(2.1)
  - operating costs, optional one-half, 6(1)(k)A(iv)
  - partner or employee of partner, 12(1)(y)
  - reasonable amount, 6(2)
  - shareholder, 15(5)
- available money, for
  - non-resident tax, 214(15)

**Standing therapy**

- device for, medical expense credit, Reg. 5700(z.3)

**Stapled security (re SIFT)**

- anti-avoidance rule, 12.6
- defined, 18.3(1)
- limitation on deduction, 18.3(3)
- temporary unstapling, 12.6

**Start-up date**

- defined, for clean electricity credit, 127.491(1)

**Start-up period**

- defined, for LSVCCs, 204.8(1)

**State**

- defined, Canada-U.S. Tax Treaty:Art. III:1(i)

**Stated capital, *see* Paid-up capital****Stated percentage**

- defined, 59(3.4)
  - for resource allowance, Reg. 1206(1)
  - variation of, 59(3.5)

**Statistics, *see* Communication of information: statistical purposes****Status Indian, *see* Indian****Statute-barred debt, deemed settled, 80.01(9)**

- subsequent payment of debt, 80.01(10)

**Statute-barred reassessments, 152(3.1), (4)****Statutory exemptions, 81(1)(a)****Stay of appeal during action to prosecute, 239(4)****Steam**

- deemed to be goods for M&P credit, 125.1(5)
- processing of, investment tax credit, 127(9)“qualified property”(c.1)
- production of, manufacturing and processing credit, 125.1(2)

**Steamfitter/pipefitter**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Stepchild, dependent, 118(6)(a)****Stock, capital, *see* Capital stock; Share****Stock buyback tax, 183.3, 183.4**

- rate of tax, 183.3(2)
- return required, 183.4

**Stock dividend, *see* Dividend: stock****Stock exchange**

- designated, *see* Designated stock exchange
- prescribed, grandfathered from before Dec. 14/07, Reg. 3200, 3201
- recognized, *see* Recognized stock exchange

**Stock index participation trust**

- qualified for deferred income plans, Reg. 4900(1)(n.1)

**Stock option**

- benefit from, 7(1)
  - addition to adjusted cost base of share, 53(1)(j)
  - Canadian-controlled private corporation (CCPC), 7(1.1)
  - election where shares have dropped in value since exercise, 180.01 [repealed]
  - emigration from Canada, no income inclusion, 7(1.6)
  - offsetting 1/2 deduction, 110(1)(d), (d.1)
  - withholding of tax at source, 153(1.01)
- cancellation of rights, deemed disposition, 7(1.7)
- cash-out, 7(1)(b.1), (d.1)
- death of employee, 7(1)(e), 164(6.1)
- deduction to employer, 110(1)(e)
- deferral, 7(8)–(16)
  - information return, Reg. 200(5)
- donation of shares to charity, 110(1)(d.01)
- election by employer to forgo deduction for cash payment, 110(1.1), (1.2)
  - no deduction to employer, 18(1)(m)
- emigration of employee, 7(1.6), 128.1(4)(d.1)
- employees, to, 7, 110(1)(d), (d.1)
- excluded from deemed disposition
  - on becoming non-resident, 128.1(10)“excluded right or interest”(c)
  - on becoming resident, 128.1(1)(b)(v)
- look-through rules, 7(2)
- non-qualified security, 110(1.31), (1.4), (1.41)
  - excluded from deduction to employee, 110(1)(d)
  - notification to employee, 110(1.9)
- prescribed shares, Reg. 6204
- reduction in exercise price, 110(1.7), (1.8)
- repricing of, 110(1.7), (1.8)
- return of employee shares by trustee, 8(12)
- rights ceasing to be exercisable, deemed disposition, 7(1.7)
- stock split or consolidation, effect of, 110(1.5)
- United States interaction, Canada-U.S. Tax Treaty:Fifth Protocol (2007), Annex B, para. 6
- whether counted as SR&ED expenditure, 143.3(2)
- whether deductible to issuer, 143.3(2)

**Stock purchase loan**

- employee, to, 15(2.4)(c)

**Stock rights**

- issued to shareholder, 15(1)(c)

**Stock savings plan, prescribed**

- shares of
- capital loss from disposition of, 40(2)(i)
- prescribed assistance, deduction from cost base, 53(2)(k)(i)(C)

**Stock split**

- effect on stock option, rules, 110(1.5)

**Stone quarry**

- defined, Reg. 1104(8)

**Stop International Tax Evasion Program**, *see* Informant payments (for leads on international tax evasion)

**Stop-loss rules**

- amalgamation, 87(2)(a), 87(2.1)
- change in control of corporation, 111(4)–(5.2)
- disposition by corporation of interest in trust, 107(1)(c)
- disposition by partner of interest in trust, 107(1)(d)
- disposition by partner of share on which dividends paid, 112(3.1)
- disposition of commercial obligation in exchange for another, 40(2)(e.2)
- disposition of debt owing by related person, 40(2)(e.1)
- disposition of partnership interest, 100(4)
- disposition of property
  - at less than FMV, 69(11)
  - to affiliated person, 40(3.3), (3.4)
  - to controller, 40(3.3), (3.4)
- disposition of share
  - held as inventory, 112(4)–(4.3)
  - in prescribed venture capital corporation or LSVCC, 40(2)(i)
  - of controlled corporation, 40(2)(h)
  - of corporation to itself, 40(3.6)
  - of foreign affiliate, 93(2)–(4)
  - on which dividend paid, 112(3)
  - received on reorganization, 112(7)
- dividend received by non-resident individual, 40(3.7)
  - credit where tax paid, 119
- exchanged shares, 112(7)
- foreign bank, on wind-up of affiliate, 142.7(13)
- losses following change of control of corporation, 111(4)–(5.2)
- mark-to-market property, 112(5.5), (5.6)
- non-resident individual, 40(3.7)
- post-emigration losses, 128.1(8)(f)
- pregnant losses, *see* Pregnant loss
- property transferred to trust, 107.4(3)(b)(ii)
- reverse takeover, 256(7)(c)–(c.2)
- shares held by financial institution, 112(5.2)
- wind-up of corporation, 88(1.1)

**Stopping business**, *see* Ceasing to carry on business; Winding-up

**Storage area, capital cost allowance**, Reg. Sch. II:Cl. 1(g)

- for mine, Reg. Sch. II:Cl. 10(l)

**Storage cost, underground**

- capital cost allowance, Reg. Sch. II:Cl. 10(f.1), Sch. II:Cl. 41

**Straddle transactions**, 18(17)–(23)

- conditions for rules to apply, 18(18)
- deduction denied until offsetting position closed out, 18(19)
- different year-ends of taxpayer and connected person, effect of, 18(23)

**Streamed income**

- determination of, 66.7(2.3)(b)(ii)

**Stretch credit**

- for first-time charitable donor, 118.1(3.1), (3.2)

**Strike pay**

- not taxed (no legislative reference), *Fries* case [1990] 2 C.T.C. 439 (SCC)

**Stripped bond**

- cost of coupon excluded from income when sold, 12(9.1)
- interest taxable to holder, 12(1)(c)

- annual accrual, 12(4), (9)
- non-resident withholding tax on, 212(1)(b)(i)(B)

**Stripping**, *see* Capital gains stripping; Interest coupon stripping; Surplus stripping

**Structured arrangement**

- defined, for hybrid mismatch arrangement rules, 18.4(1)

**Structured settlement**

- insurer's reserve for, Reg. 1400(3)E
- taxation of, 56(1)(d) (Notes), IT-365R2 para. 5

**Structures G.B. Ltée case overruled**, 67.1(2)(e.1)

**Stub-period end time**

- defined, for FAPI, 91(1.2)(a), Reg. 5907(8.1)

**Stub period FAPI**, 91(1.1)–(1.5)

- “stub period” defined, Reg. 5907(8.1)

**Student**

- commuting to U.S.
- tuition fees, credit, 118.5(1)(c)
- deemed resident, credit for tuition fees, 118.5(2)
- disabled
  - eligible for RESP withdrawals, 146.1(2)(g.1)(i)(B)
  - waiver of RESP age requirements, 146.1(2.2)
- loan, *see* Student loan
- moving expenses, 62(2)
- part-year resident, credit for tuition fees, 118.91
- taxpayer supporting, 118.9
- tuition fees
  - ancillary fees, 118.5(3)
  - in Canada, credit, 118.5(1)(a)
  - outside Canada, credit, 118.5(1)(b)
- U.S. resident, Canada-U.S. Tax Treaty:Art. XX
- unused credits, transfers of, 118.8, 118.9

**Student loan**

- forgiven, to doctor or nurse practising in remote region, no tax, Reg. 7300(c)
- interest paid on, tax credit, 118.62

**Stursberg case confirmed**, 40(3.13)

**Subcontractors**

- construction, information return, Reg. 238

**Subdivision of property**, *see* Partition of property

**Subject corporation**

- for associated corporations simultaneous-control rule, defined, 256(6.1)(b)
- for computation of contributed surplus, defined, 84(11)
- for foreign affiliate dumping rules
  - defined, 212.3(1)
  - investment in, defined, 212.3(10)
- for non-arm's length sale of shares by non-resident corporation, defined, 212.1(1)
- for non-arm's length sale of shares by resident corporation, defined, 84.1(1)
- for Part IV refundable tax on intercorporate dividends
  - defined, 186(3)
  - tax on dividend received from, 186(1)(b)
- for private foundation penalty on holding corporate shares, defined, 188.1(3.3)(c)

**Subject entity**

- defined, for SIFT trust and partnership distributions, 122.1(1)

**Subject subsidiary corporation**

- defined, for foreign affiliate dumping rules, 212.3(16)(a)

**Subleases**, *see* Leasing properties

**Subordinate**

- defined, for third-party penalty, 163.2(1)

**Subordinate affiliate**

- defined, for FAPI surplus rules, Reg. 5905(7.2)(c)

**Subscriber**

- defined, for RESPs, 146.1(1)



**Subscriber's gross cumulative excess**

- defined, for RESPs, 204.9(1)

**Subscriber's share of the excess amount**

- defined, for RESPs, 204.9(1)

**Subsidiary**, *see also* Parent (corporation)

- controlled corporation
- defined, 248(1)“subsidiary wholly-owned corporation”
- non-resident, *see also* Foreign affiliate
- loan to, 17(3), 247(7)
- cost of shares of, 52(7)
- defined, 88(1), Reg. 8605(4)
- for trust loss trading rules, 251.2(1)
- foreign, *see* Foreign affiliate; Controlled foreign affiliate
- 90% or more owned, winding-up of
- net capital losses, 88(1.2), (1.3)
- non-capital losses, 88(1.1)
- parent corporation continuation of, 88(1.5)
- qualified expenditure, 88(1.4)
- rules, 88(1)
- wholly-owned corporation, *see also* Control of corporation
- amalgamation, on, 87(1.2), (1.4)
- defined, 248(1)

**Subsidiary trust**

- deemed settlement on SIFT trust wind-up, 80.01(5.1)

**Subsidy**

- housing, provided by employer, 6(23)

**Substantial contribution of capital to partnership**

- meaning of, 40(3.16)

**Substantial increase in indebtedness**

- meaning of, re partnership interest, 40(3.16)

**Substantial interest**

- defined, for Part VI.1 tax, 191(2), (3)

**Substantially all**

- meaning of, 66.6 (Notes)

**Substantive CCPC**

- capital dividend account addition, 89(1)“capital dividend account”(h)
- defined, 248(1), 248(43)
- eligible portion of taxable capital gains for dividend refund, 129(4)“eligible portion”
- full rate taxable income of, 123.4(1)“full rate taxable income”(b)
- GRIP inclusion, 89(1)“general rate income pool”E(b)
- LRIP inclusion, 89(1)“low rate income pool”D(a)
- NERDTH of, 129(4)“non-eligible refundable dividend tax on hand”(a)
- refundable tax payable by, 123.3
- relevant tax factor of, 95(1)“relevant tax factor”(b)

**Substantive debt**

- defined, for stock buyback tax, 183.3(1)

**Substantive gift**

- selling property and donating proceeds, anti-avoidance rule, 248(39)

**Substitute payment arrangement**

- defined, for hybrid mismatch arrangement rules, 18.4(14)
- effect of, 18.4(15)

**Substitute payment mismatch**

- defined, 18.4(15)(a)

**Substitute's salary paid by employee**

- deduction, 8(1)(i)(ii)
- certificate of employer, 8(10)

**Substituted property**

- defined, 248(5)
- for matchable expenditure rules, 18.1(8)(b)
- for superficial loss definition, 54“superficial loss”(a)
- for wind-up of corporation, 88(1)(c.3)

**Substitution (Quebec)**

- deemed to be trust, 248(3)

**Subway, capital cost allowance**, Reg. Sch. II:Cl. 1(j)**Succession duties**

- applicable to certain property, deduction for, 60(m.1)
- interest on, deductible, 60(d)

**Successor beneficiary**

- defined, for non-resident trust rules, 94(1)

**Successor corporation**

- Canadian resource property acquired from predecessor, 66.7(9)
- cumulative Canadian development expense, deduction for, 66.7(4)
- cumulative Canadian oil and gas property expense, deduction for, 66.7(5)
- defined, 59(3.4)
- mining exploration depletion, Reg. 1203(3)
- resource and processing allowances, Reg. 1202(3)
- resource expenses, rules re, 66.7
- application of, 66.6
- exclusions from, 66.7(6)
- resource property acquired from predecessor, 66.1(10)
- resource property acquired from tax-exempt person, 66.6(1), (2)
- second
- resource and processing allowances, Reg. 1202(3)

**Successor hybrid deficit**

- defined, Reg. 5907(1)

**Successor hybrid surplus**

- defined, 113(1)(a.2)(i), Reg. 5907(1)

**Successor hybrid underlying tax**

- defined, Reg. 5907(1)

**Successor hybrid underlying tax applicable**

- defined, Reg. 5907(1)

**Successor member**

- defined, for pooled registered pension plan, 147.5(1)

**Successor pool (re debt forgiveness rules)**

- defined, 80(1)
- use of to limit reductions of resource expenditures, 80(8)(a)

**Successor position**

- defined, for straddle-transaction rules, 18(17)

**Sulphur**, *see also* Canadian field processing

- production of, Reg. 1206(1)“resource activity”(a)
- transporting, transmitting or processing, Reg. 1204(3)(a), 1206(1)“resource activity”(j)(i)(A)

**Sunday**, *see* Holiday**Super-allowance benefit amount**

- addition to investment tax credit, 127(10.1)(b)
- no direct ITC, 127(9)“investment tax credit”(a.1)
- defined, 127(9)

**Super credit**

- for first-time charitable donor, 118.1(3.1), (3.2)

**Superannuation benefits**, *see also* Pension

- defined, 248(1)
- estate receiving, 104(27)
- succession duties on, deduction for, 60(m.1)
- transferred to another plan, deductible, 60(j)
- unpaid, 78(4)

**Superficial loss**, *see also* Pregnant loss

- added to adjusted cost base of property, 53(1)(f)
- capital loss deemed nil, 40(2)(g)(i)
- capital property, 40(3.3)–(3.5), 54“superficial loss”
- defined, for capital gains purposes, 54
- financial institution, of, 18(13)–(15)
- no application to specified debt obligations or mark-to-market property, 142.6(7)
- inventory held as adventure in nature of trade, 18(14)–(16)

**Superior court**

- defined, *Interpretation Act* 35(1)

**Supplemental eligible amount**

- defined, for Home Buyers' Plan, 146.01(1)

**Supplemental employee retirement plan**, 248(1) "salary deferral arrangement" (Notes)

*Supplemental Pension Plans Act*, see *Quebec: Supplemental Pension Plans Act*

**Supplementary depletion base**

- capital cost of bituminous sands equipment added to
- • proceeds of later disposition, 59(3.3)(c)
- capital cost of enhanced recovery equipment added to
- • proceeds of later disposition, 59(3.3)(d)
- defined, Reg. 1212(3)

**Supplementary unemployment benefit plans**, 145

- amounts received under, income, 56(1)(g)
- benefits
- • withholding tax, 153(1)(e)
- defined, 145(1)
- election to file return, 217
- employer's contribution
- • limitation on deductibility, 18(1)(i)
- • not includable in employee's income, 6(1)(a)(i)
- payments to non-resident, 212(1)(k)

**Supplies**

- deemed to be inventory, 10(5)
- paid for and used by employee, 8(1)(i)(iii)
- • certificate of employer, 8(10)
- valuation of, 10(4)

**Support amount**, see also *Child support amount*

- defined, 56.1(4), 60.1(4)
- payments before agreement or court order, 56.1(3), 60.1(3)
- whether deductible, 60(b), 60.1
- whether taxable, 56(1)(b), 56.1

**Support payments (farm)**

- information slips required, Reg. 234–236

**Support payments (spousal or child)**

- "allowance" defined, 56(12)
- child support, agreement or order after April 1997
- • non-deductible, 60(b), 56.1(4) "commencement day"
- • non-taxable, 56(1)(b), 56.1(4) "commencement day"
- deductible when paid, 60(b), (c)
- enforcement of, see *Family Orders and Agreements Enforcement Assistance Act*
- income when received, 56(1)(b), (c)
- medical/educational payments, 56.1(2), 60.1(2)
- mortgage payments, 56.1(2), 60.1(2)
- no dependant credit for spouse or child when paid, 118(5)
- paid to non-resident, 212(1)(f), 217
- paid to third parties for benefit of spouse or children, 56.1, 60.1
- paid to U.S. resident, Canada-U.S. Tax Treaty: Art. XVIII:6
- reimbursement of, taxable, 56(1)(c.2)
- repayment of, deductible, 60(c.2)
- retroactive deductibility/taxability, 56.1(3), 60.1(3)
- taxable, 56(1)(b), (c)

**Supporting person**

- for child care expenses, defined, 63(3)
- liability for excess child tax credit refunded, 160.1(2)
- unused education credits transferred to, 118.9

**Suppression election**

- for foreign affiliate liquidation and dissolution, 88(3.3)–(3.4)

**Supreme Theatres case overruled**, 125(7) "active business carried on by a corporation"**Surcharge**, see *Surtax***Surface construction**

- capital cost, 13(7.5)(b), Reg. 1102(14.3)

**Surplus**

- budget, see *Budget surplus*
- contributed
- • computation of, on transfer of insurance business, 138(11.9)
- • converted into paid-up capital, no dividend deemed, 84(1)(c.1)–(c.3)
- defined (re pension plan), Reg. 8500(1), (1.1)
- distribution of, by foreign affiliate, Reg. 5901
- exempt, see *Exempt surplus* (of foreign affiliate)
- funds derived, see *Surplus funds derived from operations*
- hybrid, see *Hybrid surplus* (of foreign affiliate)
- pre-acquisition, see *Pre-acquisition surplus* (of foreign affiliate)
- stripping, see *Surplus stripping*
- taxable, see *Taxable surplus* (of foreign affiliate)

**Surplus entitlement percentage**

- defined, 95(1), Reg. 5905(13)
- reduction in, deemed year-end and FAPI, 91(1.1)–(1.5)

**Surplus funds derived from operations**

- defined, 138(12)

**Surplus stripping**

- conversion of dividend to exempt capital gain, 110.6(8)
- non-resident former resident who will return to Canada, 128.1(6)(b), 128.1(7)(e)
- publicly-traded corporation, by, 183.1
- sale of shares by individual, 84.1
- sale of shares by non-resident, 212.1, 212.2

**Surrender**

- of property to creditor, see also *Seizure: property*
- • defined, 79(2)
- • does not constitute payment, 79(6)
- • proceeds of disposition to debtor, 79(3)
- • subsequent payment by debtor, 79(4)
- of share, partnership interest or trust interest
- • deemed capital gain, 80.03(2)
- • defined, 80.03(3)

**Surrogacy expenses**

- medical expense credit, 118.2(2.21)

**Surrogate parent entity**

- defined, for country-by-country reporting, 233.8(1)

**Surrogatum principle**, 9(1) Notes ("Damages")**Surtax**, see also *Additional tax*

- banks and life insurers, 123.6
- corporation, 123.2 [repealed]
- • credit against Part I.3 tax, 181.1(4)–(7)
- • credit against Part VI tax, 190.1(3)–(6)
- health promotion, 182, 183
- individual, 180.1 [repealed]
- tobacco manufacturers, 182, 183

**Survey, quadrennial, reserve for**, 12(1)(h), 20(1)(o), Reg. 3600**Surveying costs**

- cost base of property, addition to, 53(1)(n)

**Surveyor**

- defined, for surveys under *Canada Shipping Act*, Reg. 3600(2)

**Survivance case overruled**, 256(9)**Surviving spouse**

- as RRIF annuitant, 146.3(1) "annuitant" (b)
- death benefit paid to, 248(1) "death benefit"
- tobacco manufacturers, 182, 183

**Survivor**

- defined
- • for FHSA, 146.6(1)
- • for TFSA, 146.2(1)
- • payment, see *Survivor payment*
- • qualifying (PRPP), see *Qualifying survivor*
- • subject to FHSA overcontributions tax, 207.022

**Survivor payment**

- defined, 207.01(1)“exempt contribution”(b)

**Survivor's amount**

- defined, for FHSA, 146.6(15)

**Suspended losses, see** Suspension of losses**Suspension of charity receipting privilege, 188.2**

- objection to suspension, 165(1), 189(8)
- Tax Court application for postponement of suspension, 188.2(4)

**Suspension of losses**

- capital losses, 40(3.3)–(3.5)
- depreciable property, 13(21.2)
- inventory held as adventure in nature of trade, 18(14)–(16)
- share or debt owned by financial institution, 18(13), (15)
- terminal losses, 13(21.2)

**Svenska Cellulosa/Essity spinoff, Reg. 5600(k)****Swap agreement**

- deemed to be eligible derivative subject to mark-to-market election, 10.1(4)
- excluded from inventory writedown, 10(15), 18(1)(x)
- straddle transaction restrictions, 18(17)“position”(a)(vi), 18(9)

**Swap transaction (for RRSP, RRIF, TFSA, RESP or RDSP)**

- benefit attributable to, constitutes advantage, 207.01(1)“advantage”(b)(iii)
- defined, 207.01(1)

**Sweden, see also** Foreign government

- stock exchange recognized, Reg. 3201(w)

**Swine**

- basic herd maintained since 1971, deduction, 29

**Switch fund, see** Mutual fund corporation: switch fund**Switzerland, see also** Foreign government

- stock exchange recognized, Reg. 3201(m)
- universities, gifts to, Reg. Sch. VIII, s. 6

**Sylvite**

- extraction of, 248(1)“mineral resource”(d)(ii)

**Synagogue, see also** Charity

- rabbi employed by, *see* Clergy

**Syndicate**

- interest in
- expenses of selling, 20(1)(e)

**Synthetic disposition arrangement**

- deemed disposition and reacquisition of property, 80.6
- defined, 248(1)
- effect on dividend stop-loss rules, 112(8), (9)
- effect on foreign tax credit, 126(4.5), (4.6)

**Synthetic disposition period**

- defined, 248(1)

**Synthetic equity arrangement**

- constitutes dividend rental arrangement, 248(1)“dividend rental arrangement”(c)
- defined, 248(1)
- no deduction for intercorporate dividend, 112(2.3)

**Synthetic equity arrangement chain**

- defined, 248(1)
- effect of, 112(2.32)(d)

**Synthetic equity arrangement party**

- defined, 112(2.32)(a)

**Synthetic long position**

- defined, 248(1)“synthetic equity arrangement”(b)(i)(A)

**Synthetic short position**

- defined, 248(1)“synthetic equity arrangement”(b)(i)

**Synthetic speech system etc.**

- enabling blind person to use computer
- disability supports deduction, 64(a)(A)(ii)(C)
- medical expense credit, Reg. 5700(o)

**Syria, see also** Foreign government

- Canadian Forces personnel and police serving in, no tax on income, 110(1)(f), Reg. 7500(e) [repealed]

**System plan**

- defined, for clean electricity credit, 127.491(1)

**Systemic failure**

- defined, for country-by-country reporting, 233.8(1)

**Systems software, see also** Software

- defined, Reg. 1104(2)

**T****T1 returns, 150(1)(b), (d)****T2 returns, 150(1)(a)****T3 returns, 150(1)(c)****T4 information return**

- filing deadline (Feb. 28), Reg. 205(1)
- requirement for, Reg. 200(1)

**T4 slips, Reg. 200(1), (3)**

- sending to employees by email, Reg. 209(3), (5)

**T4A slips, Reg. 200(2), 201****T5 slips, Reg. 201****T661 SR&ED claim, 37(11)****T778 child care expenses claim, 63(1)****T1044: NPO information return, 149(12)****T1134 foreign affiliate reporting, 233.4(4)****T1135 foreign property reporting, 233.3(3)****T2200 declaration of conditions of employment, 8(10)****T3010 charity information return, 149.1(14)****T5013 partnership information return, Reg. 229(1)****T5018 contract reporting, Reg. 238****TCC, see** Tax Court of Canada; Taxable Canadian corporation**TCP, see** Taxable Canadian property**TCP gains balance**

- defined
- for mutual fund corporation, 131(6)
- for mutual fund trust, 132(4)

**TCP gains distribution**

- mutual fund corporation
- deemed to be dividend to non-resident shareholder, 131(5.1), (5.2)
- defined, 131(6)
- mutual fund trust
- deemed to be dividend to non-resident shareholder, 132(5.1), (5.2)
- defined, 132(4)

**TD1-IN: status Indian's employment income, 81(1)(a) Notes****TDD device, see** Teletypewriter**TFSA, see** Tax-Free Savings Account**TFSA dollar limit**

- defined, 207.01(1)
- contributions over, 207.01(1)“excess TFSA amount”D(a)

**TIEA, see** Tax information exchange agreement**TIN (Taxpayer Identification Number)**

- for Common Reporting Standard
- defined, 270(1)
- penalty for failure to provide to financial institution, 281(3)
- requirement to obtain and provide to financial institution, 281(1)
- for digital platform operator reporting rules
- defined, 282(1)
- must be kept confidential, 293(2)
- reportable seller must provide to reporting platform operator, 293(1)
- penalty for failure to provide, 293(3)

**TLOPA, see** Time Limits and Other Periods Act (COVID-19)

**TOSI (Tax On Split Income)**, *see* Income-splitting tax

**TPAR**, *see* Total pension adjustment reversal

**TPS**, *see* Taxable preferred share

**TRRP**, *see* Top-up revenue reduction percentage

**TSX**, *see* Toronto Stock Exchange

**TTY device**, *see* Teletypewriter

**T-Bill**, *see* Treasury bill

**“Tainted” spouse trust**, *see also* Pre-1972 spousal trust

- relieving rule, 70(7)

**Takeover**, *see also* Control of corporation: change of

- reverse, 256(7)(c)–(c.2)

**Talk show**

- ineligible for Canadian film/video credit, Reg. 1106(1)“excluded production”(b)(ii)
- ineligible for film/video production services credit, Reg. 9300(2)(b)

**Talking textbooks**

- disability supports deduction, 64(a)A(ii)(I)
- medical expense credit, Reg. 5700(w)

**Tank, oil or water storage**

- capital cost allowance, Reg. Sch. II:Cl. 6, 8, 29, 40

**Tapestry**

- hand-woven, whether CCA allowed, Reg. 1102(1)(e)

**Tar sands, defined**, 248(1), *see also* Oil sands

**Tar sands ore**

- defined, Reg. 1104(2), 1206(1)
- processing of, Reg. 1104(5)(a)(iii), 1104(5)(c)(iii), 1104(6)(a)(iii), 1104(9)(f)(iii), 1204(1)(b)(ii)(C), 1204(1)(b)(iii)(C), 1204(1)(b)(iv)(C), 5201(c.3)
- • excluded from M&P credit, 125.1(3)“manufacturing or processing”(f)(iii)
- • investment tax credit, 127(9)“qualified property”(c)(vi)(C)

**Tawich case overruled**, 149.1(1)“qualified donee”(a)(iii), 149(1)(d.5)

**Tax**

- abatement, *see* Tax abatement
- addition to, for income not earned in a province, 120(1)
- additional
- • on non-Canadian corporations carrying on business in Canada, 219
- agreement, *see* Tax treaty
- application of payments under collection agreement, 228
- assets used as security by DPSP trust, on, 198
- attempt by partners to reduce or postpone, 103
- avoidance, *see* Anti-avoidance rules
- branch, 219
- “business-income tax” defined, 126(7)
- carved-out income, on, 209
- collection of, *see* Collection of tax
- computation of, 117(5.2), Reg. Part I, *see also* Computation of tax
- convention, *see* Tax treaty
- corporate distributions, on, 183.1
- • indirect payments, 183.1(5)
- • limitation, 183.1(6)
- • stock dividends repurchased for excessive amount, 183.1(3)
- • subsec. 110.6(8) not applicable, 183.1(7)
- corporations, 123–125.1
- court, *see* Tax Court of Canada
- credits, *see* Tax credits
- debt to Her Majesty, 222(2)
- deduction at source
- • amount of, deemed received by payee, 153(3)
- • required of payer, 153
- • tables, Reg. Sch. I
- deduction from, *see* Tax credits
- deduction of, Reg. Part I

- deductions in computing, *see* Deductions in computing tax
- deferred income plans, on, *see also* Deferred income plans
- deferred profit sharing plans, on, 198–204
- • tax on non-qualified investments and assets used as security, 198
- estimate to be made, 151
- evasion, *see* Tax evasion, penalty for
- excessive capital dividend or capital gains dividend elections, on, 184
- failure to remit amounts withheld, 227(9)
- • salary or wages, from, 227(9.5)
- failure to withhold, 227(8)
- • assessment for, 227(10)
- • salary or wages, from, 227(8.5)
- foreign, *see* Foreign taxes
- forfeiture under deferred profit sharing plan, 201
- imposed, *see* Liability for tax
- income from Canada of non-residents, on, 212–218
- income from property transferred at non-arm’s length, on, 160(1)–(3)
- interest on unpaid amount, 161(1)
- investment income of life insurers, on, 211–211.5
- large corporations, *see* Large corporations tax (Part I.3)
- liability for, *see* Liability for tax
- logging
- • deduction for, 127(1), Reg. Part VII
- • defined, 127(2)
- manufacturing and processing deduction, 125.1
- mining, deduction, 20(1)(v), Reg. 3900
- “non-business-income tax” defined, 126(7)
- non-deductible, 18(1)(t)
- non-qualified investments of deferred profit sharing plan, on, 198, 199
- non-residents, *see* Non-resident tax
- otherwise payable
- • defined, 120(4)“tax otherwise payable under this Part”, 126(7)“tax for the year otherwise payable under this Part”
- over-contributions to deferred income plans, on, 204.1–204.3
- overpayment, defined, 164(7)
- Part I.2, deduction for, 60(w)
- Part II, 182(1)
- Part II.1, 183.1
- Part II.2, 183.3–183.4
- Part IV
- • reduction in, re Part IV.1 tax payable, 186(1.1)
- Part IV.1, 187.2, 187.3
- • reduction in Part IV tax re, 186(1.1)
- Part VI.1, 191–191.4
- Part VI.2, 191.5–191.6
- Part XII.3
- • deductible from income of life insurer, 138(3)(g)
- payable, *see also* Liability for tax
- • amount deemed to be, 20(1)(II)
- • corporations, 123
- • • non-resident, on branch profits, 219
- • defined, 117(1), 248(2)
- • inter vivos trust, by, 122
- payment of, *see* Payment of tax
- property disposed of by public authorities, re, 207.3, 207.4
- property held by trusts governed by deferred income plans, re, 207.1, 207.2
- rates of, *see* Rates of tax
- recovery by deduction or set-off, 224.1
- refund of overpayment, *see also* Refund
- refundable, *see* Refundable Part IV tax
- registered charities, 188, 189
- registered investments, re, 204.4–204.7
- registered securities dealers, re securities lending arrangement payments to non-residents, 212(19)



**Tax** (*cont'd*)

- return, *see* Returns
- revoked plans, on, 198
- security for, 220(4)–(4.4)
- shelter, *see* Tax shelter
- small business deduction, 125
- surtax
  - individual (before 2001), 180.1
  - corporation (before 2008), 123.2
- taxable dividend received by private corporation, 186
- tobacco manufacturers, 182, 183
- tobacco manufacturing income, 182
- treaty, *see* Tax treaty
- unpaid, interest on, 227(9.3)
- withheld at source
  - deemed to discharge debt, 227(13)
  - failure to remit, 227(9)
  - held in trust, 227(4), (4.1)
  - not part of estate, 227(5)
- withholding of, *see* Withholding

**Tax abatement**

- corporations, 124
- individuals, Reg. 6401
- prescribed dates, Reg. 6401
- province providing schooling allowance, 120(2)
- manufacturing and processing, 125.1
- not available to Crown corporations, 124(3)
- small business, 125

**Tax accounts**

- transfer of instalments between, 221.2

**Tax advisor**

- penalty for misrepresentation by, 163.2

**Tax agreement**, *see* Tax treaty**Tax anniversary date**

- defined, Reg. 310

**Tax attribute**

- defined, for tax-debt avoidance penalty, 160.01(1)

**Tax attribute transaction**

- defined, 160.01(1)

**Tax avoidance**, *see* Anti-avoidance rules**Tax avoidance motive**, *see also* Anti-avoidance rules**Tax avoidance policy**

- defined (life insurance policy), Reg. 310
- deemed not to be exempt policy, Reg. 306(1)

**Tax basis**

- defined, 142.4(1), Reg. 9100, 9200(1)
- variation in, for certain insurers, 138(13)
- used as cost amount for specified debt obligation, 248(1)“cost amount”(d.2)

**Tax benefit**

- defined
  - for notifiable transactions, 237.3(1)
  - for reportable transactions, 237.3(1)
  - for tax-debt avoidance penalty, 160.01(1), 163.2(1)
  - general anti-avoidance rule (GAAR), 245(1)
  - transfer pricing documentation, 247(1)

**Tax consequences, defined**, 245(1)**Tax convention**, *see* Tax treaty**Tax Court of Canada**, *see also* Appeal

- appeal from, to Federal Court of Appeal, *see* Federal Court of Appeal
- appeal to, 169
  - application to all taxpayers with common issue, 174
  - general procedure, 175
  - informal procedure, 170
  - only on grounds raised in objection, 169(2.1)

- prohibited where right waived by taxpayer, 169(2.2)
- settlement of appeal, 169(3)
- time not counted, 174(5)
- valuation of ecological property, 169(1.1)
- application for extension of time
  - for appeal, 167
  - for notice of objection, 166.2
- disposal of appeal, 171(1)
- on specific issue, 171(2)–(4)
- reference to
  - common questions, 174
  - tax shelter appeal, common question, 174
  - where no reasonable grounds for appeal, 179.1

**Tax credits**, *see also* Deductions in computing tax

- adoption expenses, 118.01
- aged 65 and over, 118(2)
- apportionment of, *see* Splitting, sharing or apportionment
- basic minimum, 127.531
- basic personal, 118(1)B(c)
- CPP contributions, 118.7
- Canada employment, 118(10)
- caregiver (infirm dependant)
  - additional amount, 118(1)B(a)(ii)C(A), 118(1)B(b)(iv)D(A), 118(1)B(b.1), 118(1)B(c.1)E(a)
  - base amount
    - after 2016, 118(1)B(d)
    - before 2017, 118(1)B(c.1)
- charitable donations, 118.1
- child (pre-2015), 118(1)B(b.1)
- children's arts (pre-2017), 118.031
- children's fitness, 118.03 [before 2015], 122.8 [2015–16]
- dependants, 118(1)B(b), (c), (d)
  - support payments, effects of, 118(5)
- digital news subscriptions, 118.02
- disability, 118.3
- disability home buyer, 118.05
- employment, 118(10)
- employment insurance premiums, 118.7
- equivalent-to-married status, 118(1)B(b)
- family caregiver, *see* caregiver (above)
- first-time home buyer, 118.05
- First Nations tax paid, 120(2.2)
- fitness, 118.03 [before 2015], 122.8 [2015–16]
- foreign taxes, 126
- fraudulently obtained, offence, 239(1.1)
- GST/HST, 122.5
- gifts, 118.1
- home accessibility (senior or disabled person), 118.041
- individual, 118
- in-home care of relative
  - after 2016, no specific credit, *see* caregiver (above)
  - before 2017, 118(1)B(c.1)
- investment, 127(5)–(36), 127.1, *see also* Investment tax credit
- labour-sponsored funds, 127.4
- lump-sum averaging, 120.31
- manufacturing and processing, 125.1
- married status, 118(1)B(a)
- medical expenses
  - non-refundable credit, 118.2
  - refundable credit, 122.51
- mental or physical impairment, expenses related to, 118.2(2)(b), (c)
- non-resident individual, 118.94
- online newspapers, 118.02
- ordering of, 118.92
- overseas employment (pre-2016), 122.3
- part-year resident, 118.91
- pension income, 118(3)

## Index

### Tax credits (*cont'd*)

- personal, 118(1)
- • limitations, 118(4)
- • not available to trust, 122(1.1)
- political contributions, 127(3)–(4.2)
- public transit pass, 118.02 [pre-2018]
- research and development, *see* Investment tax credit
- school supplies, 122.9
- scientific research, *see* Investment tax credit
- separate returns, in, 118.93
- single status, 118(1)B(c)
- small business, 125
- splitting of, *see* Splitting, sharing or apportionment
- spousal, 118(1)B(a)
- teacher school supplies, 122.9
- textbook, 118.6(2.1)
- training credit, 122.91(1)
- tuition credit, 118.5
- • carryforward of unused portion, 118.61
- • transfer of unused portion, 118.8, 118.9
- unused
- • carryforward, 118.61
- • transfer to spouse, 118.8
- • transfer to supporting person, 118.9
- volunteer firefighter, 118.06

### Tax debt

- action to commence, 10-year limitation period, 222(3)–(10)
- collection of, *see* Collection of tax
- defined, 222(1)
- recoverable by the Crown, 222(2)

### Tax debtor

- transfer of property, by, transferee liable, 160

### Tax deferral, *see also* Rollover

- agreement authorized by tax treaty, deemed valid, 115.1

### Tax deferred cooperative share

- defined, for agricultural cooperatives, 135.1(1)

### Tax-deferred patronage dividends, 135.1

### Tax equity

- defined, ITAR 26(12)

### Tax evasion, penalty for, 163, 238, 239

### Tax-exempt income

- defined, for foreign tax credit, 126(7)

### Tax-exempt person, *see* Exempt person

### Tax factor

- relevant, defined, 95(1)

### Tax for year otherwise payable under Part I

- defined, 126(7)

### Tax-Free Savings Account, 146.2, 207.01–207.07

- administration fees, non-deductible, 18(1)(u)
- annuity from, not taxable, 56(1)(d)(iii)
- attribution rules do not apply, 74.5(12)(c)
- carrying on business, tax on, 146.2(6)
- • liability of holder and trustee, 146.2(6.1)
- death of holder, 12(1)(z.5), 146.2(9), 207.01(3)
- defined, 248(1)“TFSA”
- depositary, 146.2(1)“qualifying arrangement”(b)(iii)
- designation of charity as beneficiary, 118.1(5.2)(b)
- disposition of property to, capital loss nil, 40(2)(g)(iv)(A)
- dollar limit, 207.01(1)“TFSA dollar limit”
- • contributions over, 207.01(1)“excess TFSA amount”D(a)
- • tax on, 207.02
- election for proportional holdings in trust property, 259(1)
- emigration of holder, no deemed disposition, 128.1(10)“excluded right or interest”(a)(iii.2)
- excluded from annual interest accrual rules, 12(11)“investment contract”(d.1)
- excluded from various trust rules, 108(1)“trust”(a)

- exempt from tax, 146.2(6), (7), 149(1)(u.2)
- exemption-end time, defined, 146.2(9)(a)
- income from, not taxable, 146.2(6), (7)
- information return, Reg. 223
- interest on money borrowed to contribute to, not deductible, 18(1)(j)
- investment counselling fees, non-deductible, 18(1)(u)
- money borrowed to contribute to, no deduction, 18(1)(j)
- no tax on, 146.2(6), 149(1)(u.2)
- plan fees paid by owner, not an advantage conferred on plan, 207.01(1)“advantage”(b)(i)
- prohibited investments, *see* Prohibited investment
- qualified investments, 207.01(1)“qualified investment”
- Quebec, in, deemed to be trust, 248(3)(c)
- regulations, 146.2(13)
- reversionary trust rules do not apply, 75(3)(a)
- services in respect of, non-deductible, 18(1)(u)
- T3 trust return not required, Reg. 204(3)(f)
- tax on excess contributions, 207.02
- transfer to another TFSA
- • not a disposition, 248(1)“disposition”(f)(vi)
- • not counted as overcontribution, 207.01(1)“qualifying transfer”
- • permitted, 146.2(2)(e)
- used as security for loan, 146.2(4)

### Tax-free surplus balance

- of a foreign affiliate
- • amended bump designation, 88(1.8), (1.9)
- • defined, Reg. 5905(5.5)

### Tax-free zone

- pre-1972 capital gains, ITAR 26(3)

### Tax imposed, *see* Liability for tax

### Tax-indifferent

- defined, for EIFEL rules, 18.2(1)

### Tax-indifferent investor

- defined, 248(1)
- whether carries risk in dividend rental arrangement, 112(2.32)

### Tax informant program, *see* Informant payments (for leads on international tax evasion)

### Tax information exchange agreement, *see also* Tax treaty

- creates “designated treaty country”, Reg. 5907(11)
- demand for information relating to, 231.2(1)
- disclosure of taxpayer information for purposes of, 241(4)(e)(xii)
- dividends from country, deemed to be out of exempt surplus, Reg. 5907(1)“exempt earnings”(d), 5907(11)
- list of countries, 95(1)“non-qualifying country” (Notes)
- not present, income deemed FAPI, 95(1)“non-qualifying business”, “non-qualifying country”

### Tax matters partner

- to file objections to determination of partnership income, 165(1.15)

### Tax on split income, *see* Income-splitting tax

### Tax otherwise payable

- defined, 120(4)

### Tax-paid amount

- defined, 146(1)
- excluded from RRIF income
- • generally, 146.3(5)(c)
- • on death, 146.3(6.2)A(b), (c)
- excluded from RRSP income
- • generally, 146(1)“benefit”(c.1)
- • on death, 146(8.9)A(b), (c)

### Tax paid balance

- defined, for agricultural cooperatives, 135.1(1)

### Tax-paid earnings

- defined, for thin capitalization rules, 18(5)

**Tax payable, *see also* Tax: payable**

- defined, 248(2)
- determination of, by Minister, 152(1.11), (1.12)
- determined without reference to minimum tax, 117(1)

**Tax preparer**

- defined, 150.1(2.2)
- required to file electronically, 150.1(2.3), (2.4)
- • penalty (filing fee) for non-compliance, 162(7.3)

**Tax protestors, 2(1) (Notes), 248(1)“person” (Notes)****Tax rebate discounting, 220(6) (Notes)****Tax return, *see* Returns****Tax shelter**

- appeal of assessment, binding on all taxpayers in same shelter, 174
- art, *see* Art flips
- business does not entitle individual to June 15 filing deadline, 150(1)(d)(ii)(A)
- Canadian film credit not available, 125.4(4)
- charitable donations, 237.1(1)“gifting arrangement”
- • collection of half of tax in dispute, 164(1.1)(d)(ii)(B), 225.1(7)
- computer equipment, *see* Computer tax shelter property
- computer software, *see* Computer tax shelter property
- cost of, 143.2
- deduction disallowed
  - • where identification number not provided, 237.1(6)
  - • where penalty unpaid, 237.1(6.1)
- defined, 237.1(1)
- film, *see* Motion picture film
- fiscal period, election for non-calendar year prohibited, 249.1(5)
- identification number
  - • application for, by promoter, 237.1(2)
  - • display of, required, 237.1(5)
  - • issuance of, by Minister, 237.1(3)
  - • penalty for false information in application, 237.1(7.4)
  - • penalty for selling shelter before number issues, 237.1(7.4)
  - • prerequisite for deduction, 237.1(6)
  - • prerequisite of sale etc., 237.1(4)
  - • provision of, to buyers, 237.1(5)
- information outside Canada, 143.2(13), (14)
- information return
  - • promoter must file, 237.1(7)–(7.5)
  - • • extended reassessment deadline if not filed, 152(4)(b.1)
  - • tax shelter number to be included, 237.1(5)(c)
- investment, 143.2
  - • defined, 143.2(1)“tax shelter investment”
  - • matchable expenditure, 18.1(13)
  - • reassessment, no limitation period, 143.2(15)
- matchable expenditure rules, 18.1
- minimum tax on deductions, 127.52(1)(c.3)
- Minister’s powers of investigation, 237.1(8)
- MURB, *see* Multiple unit residential buildings
- mutual fund limited partnership, 18.1
- prescribed benefit, Reg. 3100
- promoter
  - • application for identification number, 237.1(2)
  - • defined, 237.1(1)
  - • information return, 237.1(7)
  - • provision of identification number to buyers, 237.1(5)
  - • sales prohibited without identification number, 237.1(4)
- software, *see* Computer tax shelter property
- yacht, *see* Yacht

**Tax shelter investment, *see* Tax shelter: investment****Tax sparing, pre-1976 investment, Reg. 5907(10)****Tax transfer payments to provinces, 154, Reg. 3300****Tax treatment**

- defined, for mandatory disclosure rules, 237.3(1), 237.4(1), 237.5(1)

**Tax treaty, *see also* Tax information exchange agreement**

- amounts exempt under, deduction for, 110(1)(f)(i)
- anti-treaty shopping rule, Canada-U.S. Tax Treaty:Art. XXIX-A
- Canada-U.K., *see* Table of Contents
- Canada-U.S., *see* Table of Contents
- competent authority agreement deemed valid, 115.1
- country with, foreign affiliate in, Reg. 5907(11)–(11.2)
- credit for departing resident to country with which Canada has, 126(2.21)
- deduction from income, 110(1)(f)(i)
- deemed resident in Canada due to family member, 250(1)(g)
- defined, 248(1)
- designated treaty country (FAPI rules), Reg. 5907(11), (11.1)
- disclosure of information as permitted by, 241(4)(e)(xii)
- dividend limitation in
  - • applies for branch tax, 219.2
  - • applies for corporate emigration tax, 219.3
- exempting Canadian person from tax, 250(5)
- gains deemed to arise in Canada, *Income Tax Conventions Interpretation Act* s. 6.3
- income exempt under, 126(7)“tax-exempt income”
- income exempt under, not earned income for RRSP, 146(1)“earned income”(c)
- interpretation of, *Income Tax Conventions Interpretation* (reproduced before the treaties)
- list of, *see* Table of Contents
- listed countries, Reg. 5907(11)–(11.2)
- non-resident under, deemed non-resident of Canada, 250(5)
- partners exempted by, new partner joining partnership, 96(8)
- property exempted under, 108(1)“exempt property”
- requirement to file return to claim exemption, 150(1)(a)(ii)
- tax on disposition of property by non-resident deferred under, 115.1
  - • election, time of making, Reg. 7400(2)
  - • prescribed provisions, Reg. 7400(1)

**Taxable amount**

- amount, *see* Taxable capital amount

**Taxable benefits, *see* Benefit****Taxable Canadian business**

- defined, 95(1)
- application to FAPI rules, 95(2)(j.1), (k), (k.2)

**Taxable Canadian corporation**

- defined, 89(1)“taxable Canadian corporation”
- prescribed, for Canadian film/video credit, Reg. 1106(2)
- property disposed of to taxpayer
  - • cost base, addition to, 53(1)(f.1)

**Taxable Canadian life investment income**

- defined, 211.1(2)

**Taxable Canadian property, *see also* Property**

- defined, 248(1)
  - • excludes shares of demutualized life insurer or holding corporation, 141(5)
  - • exclusions for branch tax purposes, 219(1.1)
- disposition of, by non-resident, 116
  - • purchaser liable for tax, 116(5)
- taxable, 2(3)(c)
- distributed on foreign affiliate liquidation and dissolution, 88(3.5)
- distribution to non-resident beneficiaries
  - • tax on, 107(5)
  - • • security for tax, 220(4.6)–(4.63)
- excluded from deemed disposition
  - • on becoming resident, 128.1(1)(b)(i)
- foreign merger, rollover on, 87(8.4), (8.5)
- includes option, 248(1)“taxable Canadian property”(f)

**Taxable Canadian property** (*cont'd*)

- mutual fund, of, *see* TCP gains distribution
- prorating for gains before May 1995, 40(9)
- replacement of
  - capital property, 44(5)(c), (d)
  - depreciable property, 13(4.1)(c), (d)
- rollover of, 85(1)(i), 85.1(1)(a)
  - on foreign merger, 87(8.4), (8.5)
- ship or aircraft used in international traffic, 248(1)“taxable Canadian property”(b)(ii)
- transitional rule re property not covered before April 26/95, ITAR 26(30)

**Taxable capital**

- for financial institutions tax
  - defined, 190.12
  - employed in Canada, defined, 190.11
- for large corporations tax (pre-2006)
  - defined, 181.2(2), 181.3(2)
  - tax on (pre-2006), 181.1(1)
- employed in Canada, defined, 181.2(1), 181.3(1), 181.4, Reg. 8601

**Taxable capital amount**

- defined, 66(12.6011)
- limit of \$15 million for pre-2019 flow-through of CDE as CEE, 66(12.601)(a.1)

**Taxable capital employed in Canada**

- defined
  - for financial institutions tax, 190.11
  - for large corporations tax, 181.2(1), 181.3(1), 181.4
  - for renunciation of pre-2019 CDE as CEE on flow-through shares, 66(12.6011)

**Taxable capital gain**, *see* Capital gain**Taxable conversion benefit**, *see also* Conversion benefit

- defined, for insurance demutualization, 139.1(1)

**Taxable deficit (of foreign affiliate)**

- defined, Reg. 5907(1)

**Taxable dividend**

- deemed, *see* Dividend: deemed
- defined, 89(1), 112(6)(a), 129(1.2), 129(7), 133(8), 248(1)
  - for purposes of debt forgiveness, 80.03(1)(b)
  - for purposes of dividend refund, 129(7)
  - for purposes of stop-loss rules, 112(6)(a)
  - generally, 89(1), 248(1)
- partnership receiving, 186(6)

**Taxable earnings (of foreign affiliate)**

- defined, Reg. 5907(1)

**Taxable income**

- communal organization, election re, 143(2), (3)
- computation of, 110–114
  - deductions, *see* Deductions in computing taxable income
  - individual
    - order of application, 111.1(1)
    - resident for part of year, 114, 114.1
- deductions in computing, *see* Deductions in computing taxable income; Tax credits
- defined, 2(2)
- determination of, by Minister, 152(1.11), (1.12)
- earned in a province by a corporation, Reg. Part IV
- earned in Canada, *see* Taxable income earned in Canada
- earned in the year in a province, 124(4)
- life insurer, 138(7)
- non-resident, earned by in Canada, 115
- non-resident person, 115

**Taxable income earned in Canada**, 115

- defined, 115(1), 248(1)
- determination of, by Minister, 152(1.11), (1.12)
- foreign resource pool expenses, 115(4.1)

**Taxable interest expense**

- defined, 218.2(2)

**Taxable life insurance policy**

- defined, 211(1)

**Taxable loss (of foreign affiliate)**

- defined, Reg. 5907(1)

**Taxable net gain**

- from listed personal property, defined, 41(1), 248(1)

**Taxable non-portfolio earnings**

- defined, 197(1)
- reduced by Part IX.1 tax payable by SIFT partnership, 96(1.11)(b)

**Taxable obligation**

- defined, 240(1)

**Taxable preferred share**

- defined, 248(1)
- dividends excepted from tax, 187.1
- tax on corporation paying dividends on, 191–191.4
  - agreement to transfer tax liability to related corporation, 191.3
    - assessment by Minister, 191.3(3), (5)
    - payment by transferor corporation, 191.3(6)
    - where of no effect, 191.3(4)
- amalgamation, 87(2)(rr)
- associated corporations, 191.1(3)
  - failure to file agreement, 191.1(5)
  - total dividend allowance, 191.1(4)
- dividend allowance, 191.1(2)
- short years, in, 191.1(6)
- total, for associated corporations, 191.1(4)
- excluded dividend, defined, 191(1)
- financial intermediary corporation, defined, 191(1)
- information return, 191.4(1)
- private holding corporation, defined, 191(1)
- substantial interest, 191(2), (3)
- tax payable, 191.1(1)
  - election, 191.2
- tax on dividends received by corporation, 187.2
- information return, 187.5
- partnerships, 187.4

**Taxable RFI share**

- amalgamation, effect of, 87(4.2)
- defined, 248(1)
- tax on dividend, 187.3(1)

**Taxable SIFT distributions**

- defined, Reg. 414(1), (2)

**Taxable SIFT trust distributions**

- defined, 122(3)
- excluded in determining province of residence of trust, Reg. 2608
- tax on, 122(1)(b)B

**Taxable supplier**

- defined, 127(9)

**Taxable surplus**

- election to come before hybrid surplus, Reg. 5901(1.1)
- portion of dividend deemed paid out of, Reg. 5900(1)(a)

**Taxable surplus (of foreign affiliate)**

- adjustment where gain deemed due to negative adjusted cost base, 93(1)(b)(ii)
- deduction for dividend paid out of, 113(1)(b), (c), Reg. 5900(1)(b)
- defined, 113(1)(b)(ii), Reg. 5907(1)

**Taxation year**, *see also* Fiscal period

- becoming or ceasing to be CCPC, deemed year-end, 249(3.1)
- becoming or ceasing to be exempt, deemed year-end, 149(10)
- becoming or ceasing to be financial institution, deemed year-end, 142.6(1)



**Taxation year** (*cont'd*)

- ceasing to carry on business, 25(1)
- change of control, deemed year-end, 249(4)
- company formed by amalgamation, of, 87(2)(a)
- corporation, of
  - longer than 365 days, 249(3)
- deemed “fiscal period”, 14(4) [before 2017]
- defined, 11(2), 142.6(1), 149(10), 149.1(1), 249, Reg. 1104(2), 1802(5), 3700
- of mutual fund following rollover, 132.2(3)(b), 132.2(3)(i)(ii)
- employees profit sharing plan trust, 144(11)
- first, of mortgage investment corporation, 130.1(8)
- fiscal period of business, and, 11(2)
- foreign affiliate, of, 95(1) “taxation year”
- individual, of, 11(2), Reg. 1104(2)
- less than 12 months, *see* Short taxation year
- mutual fund trust, election for December 15, 132.11
- non-resident, of, 250.1(a)
- partnership, of, 96(1)(b)
- reference to, 249(2), (3)
- registered Canadian amateur athletic association, of, 149.1(1) “taxation year”
- registered charity, of, 149.1(1) “taxation year”
- short, *see* Short taxation year

**Taxed capital gains (of investment corporation, mutual fund corporation or mutual fund trust)**

- defined, 130(3)(b), 131(7), 132(5)

**Taxicabs**, Reg. Sch. II:Cl. 16**Taxing country**

- defined
- for FAPI, Reg. 5910(4)
- for foreign tax credit, 126(7)

**Taxpayer**

- absconding, 226
- bankrupt, 128
- becoming Canadian resident, ITAR 26(10)
- ceasing to be resident, *see* Non-resident: becoming
- death of, *see* Death of taxpayer
- defaulting, 226
- defined, 248(1)
- for interest deduction restrictions, 18.2(1)
- includes partnership for certain purposes, 18.1(1), 56.4(1), 96(2.01), 125.6(2.2), 143.2(1), 143.3(1), 143.4(1) “taxpayer”
- investigation, under
  - rights of, at inquiry, 231.4(6)
- leaving Canada, demand for amounts owing, 226
- not limited to person liable for tax, 248(1)

**Taxpayer Identification Number**, *see* TIN (Taxpayer Identification Number)**Taxpayer information**

- defined, 241(10)
- provision of
  - authorized, 241(4)
  - prohibition against, 241(1)

**Taxpayer relief**

- late elections, 220(3.2)–(3.7)
- reassessments after normal reassessment period, 152(4.2), 164(1.5)
- waiver of penalty and interest, 220(3.1)

**Teacher**

- contribution to teachers’ exchange fund, 8(1)(d)
- exemption for travel expenses, 81(3.1)(a)(ii)
- registered pension plan, contribution to, 147.2(5)
- sabbatical arrangement, Reg. 6801(a)
- exemption for recontributed amount received from plan, 81(1)(s)

**Teacher school-supplies credit**, 122.9(2)

- prescribed durable goods, Reg. 9600

**Teaching supplies**

- defined, for teacher school-supplies credit, 122.9(1)

**Technical guide**

- Natural Resources, *see* Department of Natural Resources

**Teck-Bullmoose case overruled**, 13(7.5)**Telecom NZ-Chorus Ltd. spinoff**, Reg. 5600(f)**Telecommunication spacecraft**

- capital cost allowance, Reg. Sch. II:Cl. 10(f.2), Sch. II:Cl. 30(a)
- separate classes, Reg. 1101(5a)

**Telecommunications**

- defined, *Interpretation Act* s. 35(1)

**Telelobe Canada, subject to tax**, 27(2), Reg. 7100**Telegraph system**

- defined, Reg. 1104(2)

**Telephone and telegraph equipment**

- capital cost allowance, Reg. Sch. II:Cl. 3, Sch. II:Cl. 17

**Telephone and telegraph systems**

- capital cost allowance, Reg. Sch. II:Cl. 17
- defined, Reg. 1104(2)

**Telephone cable**

- capital cost allowance, Reg. Sch. II:Cl. 42(b)

**Telephone ringing indicator**

- disability supports deduction, 64(a)A(ii)(B)
- medical expense credit, Reg. 5700(k)

**Teletypewriter**

- disability supports deduction, 64(a)A(ii)(B)
- medical expense credit, Reg. 5700(k)

**Television commercial message**

- capital cost allowance, Reg. Sch. II:Cl. 12(m)
- defined, Reg. 1104(2)

**Television decoder (to visually display vocal portion of signal)**

- medical expense, Reg. 5700(q)

**Television set-top box**

- capital cost allowance, Reg. Sch. II:Cl. 30(b)

**Tellurium**, *see* Critical mineral**Temporary access road**, *see* Specified temporary access road**Temporary relocation deduction**

- defined, for labour mobility deduction, 8(14)(f)

**Temporary wage subsidy (COVID-19)**, 153(1.02)–(1.04)**Temporary work location**

- defined, for labour mobility deduction, 8(14)(b)

**Ten-eight policy**, *see* 10/8 policy [at end of Index]**Ten-year gift (to charity)**, *see* Enduring property [repealed]**Tenant inducements**

- taxable as income, 12(1)(x)

**Term insurance**

- defined, Reg. 2700(1)

**Term preferred share**

- defined, 248(1)
- dividends on
  - deemed, 84(4.2), 258(2)
  - received by specified financial institution, 112(2.1)
  - deemed interest on, 258(3)(a)
- reduction of paid-up capital, deemed dividend, 84(4.2)
- share-for-share exchange, 87(4.1)

**Terminal loss**

- deduction for, 20(16)
- after ceasing to carry on business, 20(16.3)
- limitation re passenger vehicles, 20(16.1)(a)
- limitation re franchise or licence exchanged, 20(16.1)(b)

**Terminal loss** (*cont'd*)

- limitation where property acquired by affiliated person, 13(21.2)(e)(i)

**Terminating corporation**

- class A shares can be issued to, for LSVCC, 204.81(1)(c)(ii)(A)
- defined, for labour-sponsored venture capital corporations, 204.8(1)

**Termination of business**, *see* Ceasing to carry on business**Termination payment**, *see* Retiring allowance**Territorial sea**

- defined, *Interpretation Act* 35(1)

**Territory**

- defined, *Interpretation Act* 35(1)

**Terrorism**, *see* Charities Registration (Security Information) Act**Tertiary recovery equipment**, Reg. 1206(1)**Test wind turbine**

- allowed as CRCE, Reg. 1219(1)(g)
- defined, Reg. 1219(3)

**Testamentary trust**, *see* Trust (or estate): testamentary**Texas partnership**

- losses disallowed, 96(8)

**Textbook tax credit**, 118.6(2.1)**Textbooks, talking**, *see* Talking textbooks**Theatres relief (COVID)**, Reg. 8901.1(2)(b)(iv), (xiv), *see also* Qualifying tourism or hospitality entity**Theme parks relief (COVID)**, Reg. 8901.1(2)(b)(viii), *see also* Qualifying tourism or hospitality entity**Therapy**

- medical expense credit
- • general, 118.2(2)(1.9)
- • rehabilitative, for speech or hearing loss, 118.2(2)(1.3)
- non-taxable employment benefit, 6(1)(a)(iv)

**Thermal waste**

- defined, Reg. 1104(13)

**Thin capitalization rules**, 18(4)–(8)

- back-to-back loans, 18(6), (6.1)
- deemed dividend for non-resident withholding tax, 214(16), (17)
- income inclusion for corporate partner, 12(1)(1.1)
- interest not deductible, 18(4)–(6)
- trust designation of thin-cap interest paid to non-resident as being payment to beneficiary, 18(5.4)

**Things**, *see* Property; Rights or things**Third party**

- defined, for amateur athlete trusts, 143.1(1)
- demand, *see* Third party demand
- payment, *see* Scientific research and experimental development: third party payment
- penalty for misrepresentation by, 163.2

**Third party demand**

- information, for, 231.2(1)
- payment, for, *see* Garnishment for taxes unpaid

**Third project period**

- defined, for CCUS credit, 211.92(1)

**Third recovery taxation year**

- defined, for CCUS credit, 211.92(1)

**Threshold amounts**, *see* Dollar amounts in legislation and regulations**Tidal energy, electricity generation equipment**

- capital cost allowance, Reg. Sch. II:Cl. 43.1(d)(xiv), Sch. II:Cl. 43.2

**Tiers of partnerships**

- look-through rules, 15(2.14)(b), 18.4(18), 66.8(3)(b), 91(4.4), 93.1(3), 96(2.01), 102(2), 126(4.13), 149.1(11), 163(2.8), 233(3), 233.1(5), 233.3(2), 233.4(3), 247(6), Reg.

1100(12)(b)(ii), 1100(16)(b)(ii), 1100(25)(b)(iv)(B), 1100(26)(b)(ii)

- • at-risk rules, 96(2.01), 96(2.1)(f)
- • capital gains deduction, 110.6(14)(d.1)
- • foreign affiliate determination, 93.1(3), Reg. 5908(9)
- • Large Corporations Tax, 181.2(3)(g)A(b)(i), 181.2(5)
- • Part VI.1 tax, 191(6)
- • partnership rules generally, 96(2.01), 102(2)

**Tile drainage, deduction**, 30**Tilesetter**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Timber limits**

- capital cost allowance, Reg. 1100(1)(e), Reg. Sch. VI
- • separate classes, Reg. 1101(3)
- disposition of by non-resident, 216(5)
- equipment for use in, capital cost allowance, Reg. Sch. II:Cl. 10(n), Sch. II:Cl. 15

**Timber resource property**

- capital cost allowance, Reg. Sch. II:Cl. 33
- constitutes taxable Canadian property for certain purposes, 248(1)“taxable Canadian property”(n)(ii)
- defined, 13(21)
- disposition of
- • by non-resident, 216(5)
- • no capital gain, 39(1)(a)(v)
- • proceeds of disposition, 20(5.1)
- in corporation, share is taxable Canadian property, 248(1)“taxable Canadian property”(e)(i)(C), (ii)(C)
- in partnership, constitutes taxable Canadian property, 248(1)“taxable Canadian property”(g)(iii)
- non-arm’s length transfer, exclusion from rule, 13(7)(e)
- undepreciated capital cost, 13(21)“undepreciated capital cost”G

**Timber royalty**

- paid to non-resident, 212(1)(e)
- • alternative re, 216

**Time**

- deadlines and time limits for taxpayers, *see* Deadlines
- expiring to recover a debt, *see* Statute-barred debt, deemed settled
- extension of, *see* Extension of time
- non-resident, *see* Non-resident time
- reassessment, for, *see* Reassessment

**Time Limits and Other Periods Act (COVID-19)**, 152(3.1) Notes**Tips**, *see also* Informant payments (for leads on international tax evasion)

- source withholding, Reg. 100(1)“remuneration”(a.1)
- taxable as employment income, 5(1)

**Titanium**, *see* Critical mineral**Title insurance**

- defined, for insurers’ policy reserves, Reg. 1408(1)

**Titles in legislation**

- relevance of, *Interpretation Act* s. 14

**Tobacco manufacturers’ surtax**, 182, 183**Toilet**

- mechanical aid for getting on and off, medical expense, Reg. 5700(g)

**Tool and die maker**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Tools**

- apprentice mechanics, *see* Apprentice: mechanic
- eligible, *see* Eligible tool
- employed tradesperson, deduction, 8(1)(s)
- portable, for rental
- • capital cost allowance, Reg. Sch. II:Cl. 10(b), Sch. II:Cl. 29
- small, capital cost allowance, Reg. Sch. II:Cl. 12(h)

**Top-up disability payment**

- defined, 6(17)
- not taxable as employee benefit, 6(18)
- reimbursement to employer, 8(1)(n.1)

**Top-up percentage**

- defined, for COVID-19 Canada Emergency Wage Subsidy, 125.7(1)

**Top-up revenue reduction percentage**

- defined, for COVID-19 Canada Emergency Wage Subsidy, 125.7(1)

**Toronto Stock Exchange**

- prescribed securities exchange investment, Reg. 9002.2
- prescribed stock exchange, 262

**Total assets (of financial institution)**

- defined, 181(2), 190(1.1), Reg. 8600

**Total base period remuneration**

- defined, for Canada Recovery Hiring Program, 125.7(1)

**Total CCUS project review period**

- defined, for CCUS credit, 127.44(1)

**Total charitable gifts**

- credit for, 118.1(1)“total gifts”(a), 118.1(3)
- defined, 118.1(1)

**Total corporate holdings percentage**

- defined, for private foundations, 149.1(1)

**Total Crown gifts**

- credit for, 118.1(1)“total gifts”(b), 118.1(3)
- defined, 118.1(1)

**Total cultural gifts**

- credit for, 118.1(1)“total gifts”(c), 118.1(3)
- defined, 118.1(1)

**Total current period remuneration**

- defined, for Canada Recovery Hiring Program, 125.7(1)

**“Total depreciation” defined, 13(21)****Total ecological gifts**

- credit for, 118.1(1)“total gifts”(d), 118.1(3)
- defined, 118.1(1)

**Total pension adjustment reversal, *see also* Pension adjustment reversal**

- defined, 248(1), Reg. 8304.1

**Total per location expense**

- defined, for air quality improvement credit, 127.43(1)

**Total premiums**

- defined, Reg. 8600

**Total remuneration**

- defined, for a taxation year, Reg. 100(1)

**Total reserve liabilities (of financial institution)**

- defined, 181(2), 190(1.1), Reg. 8600

**Total return (from fixed payment obligation)**

- defined, Reg. 9100

**Total specified indebtedness**

- defined, for FAPI of banks, 95(2.43)

**Total ventilation expense**

- defined, for air quality improvement credit, 127.43(1)

**Totally and permanently disabled**

- defined, Reg. 8500(1)

**Tourism and Hospitality Recovery Program, 125.7(1)“base percentage”(l)(i)(B)(I), (m)(i)(B)(I)****Tourism relief (COVID), *see* Qualifying tourism or hospitality entity****Townsite costs**

- capital cost allowance, Reg. 1102(18) [repealed], Reg. Sch. II:Cl. 10(1)
- deemed capital cost, 13(7.5)(a), Reg. 1102(14.2)

**Tracked entity**

- defined, 95(8)

**Tracked interest rules, *see* Foreign investment entity: tracked interests****Tracked policy pool**

- defined, 95(2)(a.21)(ii)

**Tracked property**

- defined, 142.2(1)“tracking property”

**Tracked property and activities**

- defined, 95(8)(a)

**Tracking arrangements**

- FAPI rules, 95(8)–(12)

**Tracking class**

- defined, 95(10)(b)

**Tracking interest**

- defined, 95(8)

**Tracking property**

- defined, for mark-to-market rules, 112(6)(c), 142.1(1)
- dividend deduction denied to financial institution, 112(2.02)

**Tractor**

- capital cost allowance, Reg. Sch. II:Cl. 10(a), Sch. II:Cl. 16(g)

**Trade, adventure in, *see* Adventure in the nature of trade****Trade, board of, *see* Board of trade****Trade-in**

- allocation of consideration, 13(33)

**Trade mark, representation expenses, 13(12), 20(1)(cc), 20(9)****Trade show organizer relief (COVID), Reg. 8901.1(2)(b)(xx)(A), *see also* Qualifying tourism or hospitality entity****Trade union, *see* Union****Trader, *see* Dealer (or trader)****Trader or dealer in securities**

- defined
- for security transactions, Reg. 230(1)

**Tradesman, *see* Tradesperson****Tradesperson**

- eligible tool, meaning of, 8(6.1)
- licensing exam fees, tuition credit, 118.5(1)(d)
- tools expense, deduction, 8(1)(s)
- travel to construction job site, deduction, 8(1)(q.1)

**Trailers**

- capital cost allowance, Reg. Sch. II:Cl. 10(e)
- rail suspension device for, Reg. Sch. II:Cl. 35(b)

**Train, *see* Railway****Training amount limit**

- defined, 122.91(2)

**Training courses**

- to care for infirm person, medical expense, 118.2(2)(l.8)

**Training credit, *see* Canada Training Credit****Tramway or trolley bus system**

- capital cost allowance, Reg. Sch. II:Cl. 4
- defined, Reg. 1104(2)

**Transaction**

- defined
- for general anti-avoidance rule, 245(1)
- for hybrid mismatch arrangements, 18.4(1)
- for notifiable transactions, 237.4(1), 245(1)
- for reportable transactions, 237.3(1), 245(1)
- for reporting uncertain tax treatment, 237.5(1), 245(1)
- for section 160 avoidance planning, 160.01(1)
- for transfer-pricing rules, 247(1)
- information return re non-resident transactions, 233.1(1)
- reportable, *see* Reportable transaction
- series of, defined, 248(10)
- with non-resident
- extended reassessment period, 152(4)(b)(iii)
- reporting requirement, 233.1

**Transfer**

- RRIF, from, *see* Registered retirement income fund: transfer from

**Transfer of business**, *see* Sale: business

**Transfer of forgiven amount (debt forgiveness rules)**, 80.04

**Transfer of instalment payments**, 221.2

**Transfer of losses**, *see also* Suspension of losses

- deemed proceeds of disposition, 69(11)

**Transfer of property**, *see also* Rollover

- affiliated person, to, *see* Affiliated person
- attribution rules, *see* Attribution rules
- child, to
  - gain or loss deemed to be transferor's, 75.1
- controlled corporation, to
  - capital loss denied, 40(3.3), (3.4)
- corporation, to
  - by partnership, 85(2)
  - partnership wound up, 85(3)
  - by shareholder, 85(1)
  - eligible property, 85(1.1)
  - to reduce income, 74.4(2)
  - outstanding amount, 74.4(3)
  - where benefit not granted to designated person, 74.4(4)
- deferred profit sharing plan
  - from, 147(19)
- family farm or fishing corporation or partnership, 70(9.2), (9.21)
  - *inter vivos*, 73(4), (4.1)
  - spouse trust, from, to children, 70(9.3), (9.31)
- farm or fishing property, of, 73(3), (3.1)
  - to child, on death, 70(9), (9.01)
  - to parents, on death of child, 70(9.6)
- *inter vivos*, to spouse or trust, 73
  - prescribed provincial laws, Reg. Part LXV
- minor, to, 74.1(2), 74.5(1), (6)–(11)
  - repayment of, 74.1(3)
- partnership, to, 97
- registered disability savings plan, to another RDSP, 146.4(8), (9)
- registered education savings plans, between, 146.1(2)(g.2), (i.2), 146.1(6.1)
- registered pension plan, between benefit provisions, 147.3(14.1)
- registered pension plan, from, 147.3
- registered pension plan to annuity contract, 147.4
- registered retirement savings plan, *see* Registered retirement savings plan: transfer
- retirement compensation arrangement, to second RCA, 207.6(7)
- revoked charity, by, 188(2)
- spouse, to, 74.1(1), 74.5
  - death of taxpayer, on, 70(6)
  - deemed proceeds of disposition, 73
  - gain or loss, 74.2
  - repayment of, 74.1(3)
- tax debtor, by, transferee liable, 160
- trust, by
  - to another trust, 104(5.8), 248(1)“disposition”(e), (f), 248(25.1)
  - trust, to, 74.3, 74.5(9), (10), 75(3)
  - death of taxpayer, on, 70(6)
  - from another trust, 104(5.8), 248(1)“disposition”(e), (f), 248(25.1)
  - income imputed to transferor, 75(2)
  - unregistered pension plan, from, 60(j), 147.1(3)(a)

**Transfer payments**

- tax, to provinces, 154

**Transfer price**

- defined, 247(1)

**Transfer pricing (re non-residents), 247**

- advance pricing agreements, Canada-U.S. Tax Treaty:Art. XXVI
- anti-avoidance rules, 247, Canada-U.S. Tax Treaty:Art. IX
- *bona fides* test, 247(2)(b)(ii)
- CRA discretion to apply, 247(10)
- capital adjustment, *see* Transfer pricing capital adjustment
- capital setoff adjustment, *see* Transfer pricing capital setoff adjustment
- contemporaneous documentation, 247(4)
- deemed dividend to non-resident, 247(12)
- guarantee for subsidiary excluded, 247(7.1)
- income adjustment, *see* Transfer pricing income adjustment
- income setoff adjustment, *see* Transfer pricing income setoff adjustment
- loan to subsidiary excluded, 247(7)
- order of applying rules, 247(2.1)
- penalty, 247(3), (11)
- royalties, Canada-U.S. Tax Treaty:Art. XII:7
- secondary adjustments, 247(12)–(16)

**Transfer pricing capital adjustment**

- defined, 247(1)
- penalty, 247(3)(a)(i)(B)

**Transfer pricing capital setoff adjustment**

- defined, 247(1)
- reduces transfer pricing penalty, 247(3)(a)(iii)

**Transfer Pricing Guidelines (OECD)**

- consistency required with, 247(2.03)
- defined, 247(1)

**Transfer pricing income adjustment**

- defined, 247(1)
- penalty, 247(3)(a)(i)(B)

**Transfer pricing income setoff adjustment**

- defined, 247(1)
- reduces transfer pricing penalty, 247(3)(a)(iii)

**Transfer time**

- defined, 132.2(1)“qualifying exchange”

**Transferee**

- defined, re tax debt avoidance, 160(1), (5), 160.01(1)

**Transferee corporation**

- defined, 55(1)“distribution”, 55(3.2)(h)

**Transferor**

- defined, re tax debt avoidance, 160(1), (5), 160.01(1)

**Transferor trust**

- defined, 107.4(2)

**Transferred capacity**

- defined, for interest deduction restrictions, 18.2(1), (4), 248(1)

**Transferred policies**

- defined, Reg. 1403(8)(b)

**Transit passes**, *see* Public Transit Pass Credit

**Transition amount**

- accounting rule changes for financial institutions
  - defined, 142.51(1)
- specified debt obligation
  - application on disposition of specified debt obligation, 142.4(6)(c)C, 142.4(7)
  - defined, 142.4(1), Reg. 9201

**Transition period**

- defined, for SIFT stapled-security rules, 18.3(1)

**Transition property**

- defined, 142.51(1)

**Transition year**

- defined, for IFRS transitional rules for insurers, 138(12), 142.51(1)

**Transition year computation**

- defined, for insurers, Reg. 2400(10)



**Transitional assistance under Canada–U.S. auto pact, income,** 56(1)(a)(v)

**Transitional eligible proceeds**

- defined, for rollover to RDSP on death, 60.02(1)

**Transitional prohibited investment benefit**

- defined, 207.01(1)
- reduced tax on RESP or RDSP benefit, 207.05(5)
- reduced tax on RRSP or RRIF benefit, 207.05(4)

**Transitional prohibited property**

- adjusted cost base of, 207.01(7)
- defined, 207.01(1)
- exchange of property, 207.01(12), (13)
- marriage or common-law partnership breakdown, 207.01(10), (11)
- prohibited investment, 207.01(8), (9)

**Transitional reserve**

- for corporate partnership income, 34.2(1)“specified percentage”, 34.2(11)

**Transitional rules, see also Grandfathering**

- 1972 reform, ITAR 7–68
- R.S.C. 1985 (5th Supp.), ITAR 69–79
- stapled securities, 18.3(1)“transition period”, 18.3(3)(a)

**Transmission equipment**

- capital cost allowance, Reg. Sch. II:Cl. 47
- defined, 248(1), Reg. 1104(13)

**Transmission pipeline**

- capital cost allowance, Reg. Sch. II:Cl. 49
- pumping or compression equipment, Reg. Sch. II:Cl. 7(j)

**Transparent affiliate**

- defined, for FAPI, Reg. 5907(1.091)
- treatment of, Reg. 5907(1.092)

**Transplants, organ or bone marrow**

- medical expense, 118.2(2)(1.1)

**Transport employee**

- away-from-home expenses, deduction, 8(1)(g)

**Transport trailer technician**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Transportation, see also International shipping**

- delivered after the end of the year, reserve, 20(6)
- passengers or property, Canada-U.S. Tax Treaty:Art. VIII:3, 4

**Transportation expenses**

- allowance for, not income, 6(6)(b)
- as medical expenses, 118.2(2)(g)
- deemed payment of, 118.2(4)

**Transportation losses, see Fuel**

**Travel agency relief (COVID),** Reg. 8901.1(2)(b)(iii), *see also* Qualifying tourism or hospitality entity

**Travelling expenses**

- allowance for, when not income, 6(1)(b)
- employee’s, deduction for, 8(1)(h), (h.1)
- certificate of employer, 8(10)
- limitation, 8(4)
- food and entertainment on train, plane or bus, 67.1(4)(a)
- medical expense, as, 118.2(2)(h)
- northern Canada, residents of, 110.7(1)
- part-time employee’s, excluded from income, 81(3.1)
- salesperson’s, deduction for, 8(1)(f)
- certificate of employer, 8(10)
- limitation, 8(4)
- transport employee’s, 8(1)(g)

**Treasurer, see Officer: corporation, of**

**Treasury bill**

- yield at maturity treated as interest, 16(3)

**Treasury Board**

- defined, 248(1)

**Treaty, see Tax treaty**

**Treaty co-production (re Canadian film/video tax credit)**

- defined, Reg. 1106(3)

**Treaty-exempt property**

- defined, 116(6.1)
- purchaser’s notice on acquisition from non-resident, 116(5.01), (5.02)

**Treaty-protected business**

- defined, 248(1)
- losses, not usable against Canadian profits, 111(9)

**Treaty-protected property**

- acquisition from non-resident, purchaser’s notice requirement, 116(5.01), (5.02)
- cannot absorb forgiven amount, 80(1)“excluded property”
- defined, 248(1)
- losses, not usable against Canadian gains, 111(9)
- replacement property, 13(4.1)(d), 44(5)(d)

**Treaty shopping, Canada-U.S. Tax Treaty:Art. XXIX-A**

**Trestle**

- capital cost allowance, Reg. 1100(1)(zb), Reg. Sch. II:Cl. 3
- separate classes, Reg. 1101(5f)

**Triangular amalgamation, 87(9)**

**Triangular foreign merger, 87(8), (8.1)**

**Triggering event**

- defined, for FAPI stub-period rules, 91(1.3)

**Trip cost**

- defined, for northern residents’ deduction, 110.7(6)

**Trolley bus system, Reg. Sch. II:Cl. 4**

**Truck**

- capital cost allowance, Reg. Sch. II:Cl. 10(a), Sch. II:Cl. 16(g)

**Truck and transport mechanic**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Truck driver**

- away-from-home expenses, deduction, 8(1)(g)

**Truck mechanic, see Apprentice: mechanic**

**Truck operators**

- income from cross-border trucking, Canada-U.S. Tax Treaty:Art. VIII:4
- income of, earned in a province, Reg. 2604
- income of corporation in a province, Reg. 409

**Truss, as medical expense, 118.2(2)(i)**

**Trust (or estate), 104–108**

- 21-year deemed disposition rule, 104(4), (5), (5.3)–(5.8)
- payment of tax in instalments, 159(6.1)
- accumulating income of
  - deduction for amounts included in preferred beneficiary’s income, 104(12)
  - defined, 108(1)
  - election to include in preferred beneficiary’s income, 104(14), Reg. 2800
- additional units issued in payment, 107(2.11), (2.12)
- agent not included, 104(1)
- allocation of capital and income to different beneficiaries, 104(7.1), (7.2)
- alter ego, *see* Alter ego trust
- amateur athlete, for, *see* Amateur athlete trust
- amount deemed not paid to beneficiary, 104(13.1), (13.2)
- amount payable in taxation year, 104(24)
- annuity contract, interest in, 12.2
- Australia, resident in, deemed to be corporation for certain purposes, 93.3
- balance-due day of, 248(1)“balance-due day”(a)
- bare, *see* Bare trust
- “beneficially interested” in, meaning of, 248(25)
- beneficiary, *see* Beneficiary: trust of
- benefits from, income, 12(1)(m), 105

## Index

- Trust (or estate) (*cont'd*)
  - business investment loss, deduction from, 39(10)
  - capital cost allowance, determination or designation of, 104(16) [repealed]
  - capital gains of
    - allocated to beneficiary, 104(21)–(21.7)
    - net taxable, 104(21.3)
  - capital interest in
    - acquisition of
      - reduction of loss on property disposed of, 107(6)
    - additions to, 53(1)(d.1)
    - adjusted cost base
      - computation of, 53(1)(d.1)
      - deductions from, 53(2)(b.1), 53(2)(h)
    - cost amount of, 108(1)
    - cost of, 107(1.1)
    - defined, 108(1), 248(1)
    - disposition of, 107(1)
    - disposition of, on distribution by trust, 248(1)“disposition”(d), (h)
    - distribution in satisfaction of, 107(2)–(5), ITAR 36
    - effect of payment out of trust’s income or gains, 43(3)
    - fair market value of, 107.4(4)
    - partial disposition of, 43
    - rollover to another trust, 107.4(3)(j)
  - ceasing to act as agent of beneficiary, 248(1)“disposition”(b)(v)
  - commercial, *see* personal (*below*); Unit trust
  - created by will of taxpayer, meaning of, 248(9.1)
  - cumulative Canadian exploration expense
    - reduced by investment tax credit, 127(12.3)
  - customer/client compensation, for, exempt, 149(1)(w)
  - death benefits, flow-through to beneficiary, 104(28)
  - deduction in computing income, 104(6), 108(5)
  - deemed disposition of property, 104(4)
    - deemed proceeds and cost, 104(5)
  - deferred profit sharing plan, under, 147(7)
    - exempt, 149(1)(s)
  - defined
    - for non-resident trust rules, 104(1), 248(1)
    - for registered education plans, 146.1(1)
    - for specific trust rules, 108(1)
    - generally, 104(1), 248(1)
    - in Quebec, 248(3)
  - definitions, 108
  - designated beneficiary, defined, 210(1)
  - designated income, tax on, 210–210.3
    - deemed paid by beneficiary, 210.2(3)
    - designated income, defined, 210(1)
    - designations re partnerships, 210.2(4)
    - returns, 210.2(5)
    - tax payable, 210.2(1)
    - trustee’s liability, 210.2(6)
    - trusts excepted, 210(2)
    - where no designated beneficiaries, 210.3
  - designation of foreign income to beneficiaries, 104(22)–(22.4)
  - disposition of interest in, 106, 107
  - disposition of property to, capital loss nil, 40(2)(g)(iv)
  - distribution of property by, in satisfaction of capital interest, 107(2)–(5)
    - before death, anti-avoidance rule, 104(4)(a.2)
    - election not to distribute gains, 107(2.11), (2.12)
    - in settlement of debt, 107(4)
    - no capital loss on beneficiary’s capital interest, 43(3)
    - non-resident beneficiary, to, 107(5)
      - instalment obligation not increased, 107(5.1)
      - security to postpone payment of tax, 220(4.6)–(4.63)
  - distribution, tax on, *see* SIFT trust
  - dividend received by, allocation to beneficiary, 104(19), (20)
    - division of property among other trusts, 107.4(2)
    - election by, *see* Election(s): trust
    - eligible taxable capital gains, defined, 108(1)
    - employee, *see* Employee trust
    - employee life and health trust, 144.1, *see also* Employee life and health trust
    - employees’ charity
      - receipts, Reg. 3502
    - employees profit sharing plan, under, 144(2)
      - exempt, 149(1)(p)
    - environmental, *see* Qualifying environmental trust
    - exclusions for purposes of certain sections, 108(1)“trust”
    - financial institution, 142.2(1)“financial institution”(b)
    - foreign, *see* non-resident (*below*)
    - foreign immigration, *see* Immigration trust
    - foreign tax credit for beneficiaries, 104(22)–(22.4)
    - foreign tax credit re former resident, 126(2.22)
    - Hepatitis C, income of not taxable, 81(1)(g.3)
    - immigration, *see* Immigration trust
    - income interest in
      - cost of, 106(1.1)
        - deduction for, 106(1)
      - defined, 108(1)
      - disposition of, 106(2)
        - proceeds, 106(3)
      - personal trust, in, 108(1)“income interest”
    - “income” of, 108(3)
    - income of beneficiaries, 108(5)
    - income paid to non-resident, 212(1)(c), 212(11)
      - exemption, 212(9), (10)
    - income payable to beneficiary, deduction for, 104(6)
      - non-resident beneficiary, 104(7)
    - income trust, *see* Specified investment flow-through
    - India, resident in, deemed to be corporation for certain purposes, 93.3
    - Indian Residential Schools settlement, *see* Indian Residential Schools Settlement trust
    - information return, Reg. 204
      - early disclosure for public trust, Reg. 204.1
    - *inter vivos*
      - deemed creation, re non-profit association, 149(5)
      - defined, 108(1)
      - personal tax credits not available, 122(1.1)
      - tax payable by, 122
    - interest in, *see also* “beneficially interested” in (*above*)
      - adjusted cost base
        - additions to, 53(1)(d.1), (d.2), (l)
        - deductions from, 53(2)(b.1), (h), (i), (j), (q)
        - recomputation of, 53(4)–(6)
      - interest income of, 12(3)
      - investment tax credit, designation of, 127(7)
      - joint partner, *see* Joint spousal or common-law partner trust
      - joint spousal, *see* Joint spousal or common-law partner trust
      - life insurance policy, interest in, 12.2
      - loss property held by
        - reduction of loss on disposition by person acquiring capital interest, 107(6)
    - maintenance expenses, 105(2)
    - master, exempt from tax, 149(1)(o.4)
    - mine reclamation, *see* Qualifying environmental trust
    - minor, for, 104(18)
      - transfer of property to, 74.3, 74.5(9), (10)
    - multiple
      - basic exemption re minimum tax, 127.53(2), (3)
      - grouped together as one trust, 104(2)
    - mutual fund, *see* Mutual fund trust
    - non-discretionary, defined, 17(15)
    - non-resident, 94(1)“connected contributor”(a)
      - Canadian beneficiary liable for trust’s tax, 94(3)(d)(i)

## Index

### Trust (or estate) (*cont'd*)

- Canadian contributor liable for trust's tax, 94(3)(d)(i)
- capital interest in cost base, deductions from, 53(2)(i)
- commercial trust exemption, 94(1)“exempt foreign trust”(h)
- deemed resident in Canada, 94(3)(a); *Income Tax Conventions Interpretation Act* s. 4.3
  - rental income from Canadian property, 216(4.1)
- distribution from, disclosure, 233.5
- information return, 233.2, 233.5
- no deduction for income paid to non-resident or exempt beneficiary, 104(7)
- reporting requirements, 233.2, 233.5
- transfer of property to
  - constitutes disposition, 248(1)“disposition”(e)(iii), 248(25.1)
  - disclosure, 233.2
- trust becoming, withholding tax triggered, 214(3)(f)(i)(C)
- non-resident beneficiaries, 104(7)
- non-residents, for
  - payments to, 212(1)(c)
- non-taxable dividends received by, designation re, 104(20)
- option to acquire units in, 49(1)(c)
- payment of duties and taxes, non-disqualification, 108(4)
- pension benefits, flow-through of, 104(27)
- pension fund or plan
  - exemption, 149(1)(o)
- personal, *see* Personal trust
- personal-use property of, 46(4)
- pooled fund, *see* Pooled fund trust
- post-1971 partner, *see* Post-1971 spousal or common-law partner trust
- preferred beneficiary
  - defined, 108(1)
  - income of, 104(14), (15)
- prescribed, Reg. 4800.1
  - capital interest in, defined, 108(1)“capital interest”(a)
  - distribution of property to beneficiary, 107(2), (4.1)
- principal residence
  - disposed of to taxpayer, 40(7)
  - distribution by spouse trust, 107(2.01)
- property transferred to
  - income imputed to transferor, 75(2)
  - income not imputed to transferor, 75(3)
- proportional holdings in property of, 259
- “qualified” defined, 259(3)
- qualified investments, *see* Qualified investment
- qualifying disposition, rollover, 107.4
- qualifying environmental, *see* Qualifying environmental trust
- reference to trustee, executor etc., 104(1)
- registered education savings plan, under, 146.1(1)“trust”, 146.1(5)
  - exempt, 149(1)(u)
- registered investment, 204.4–204.7
- registered retirement income fund, exempt, 149(1)(x)
- registered retirement savings plan, under, 146(4)
  - exempt, 149(1)(r)
- registered supplementary unemployment benefit plan, exempt, 149(1)(q)
- reinsurance, *see* Reinsurance trust
- related segregated fund, Reg. 6100
- reporting of beneficiaries, trustees, settlors and protectors starting 2022, Reg. 204.2(1)(a)
- residence of, deemed, 250(6.1)
- resource property
  - rules, 104(5.2)
- retirement compensation arrangement, *see* Retirement compensation arrangement
- return to be filed, 150(1)(c)
- right of use or habitation (Quebec) deemed to be, 248(3)
  - rollover of property on transfer to other trust, 107.4
  - rollover to another trust, 248(1)“disposition”(e), (f)
  - scientific research tax credit, 127.3(3)
  - segregated fund, Reg. 6100
  - self, for, *see* Alter ego trust
  - self-benefit, *see* Alter ego trust
  - settlor, defined, 108(1)
  - small business investment, Reg. 5103
  - spouse, for, 70(6)(a), 73(1.01)(c), 104(4)(a), *see also* Joint spousal or common-law partner trust; Post-1971 spousal or common-law partner trust
    - deduction from taxable income of, 110.6(12)
    - deemed disposition, 104(4)
    - distribution by, in satisfaction of capital interest, 107(4)
    - double taxation relief, Canada-U.S. Tax Treaty:Art. XXVI:3(g)
    - family farm corporation transferred from, to children, 70(9.3), (9.31)
    - family fishing corporation transferred from, to children, 70(9.3), (9.31)
    - farm or fishing property transferred from, to children, 70(9.1), (9.11)
    - farm property transferred from, to children, 70(9.1)
    - how created, 70(6), 70(7), 73(1.01)
    - indefeasible vesting of property in, 70(6)
    - not disqualified by certain payments, 108(4)
    - principal residence
      - disposed of to, 40(4)
      - distribution by, 107(2.01)
      - exemption, 54“principal residence”(c.1)(iii.1)(A)
      - property of, 40(5)
    - property transferred to, *inter vivos*, 73(1)
    - capital cost, and deemed allowance, 73(2)
    - reserves allowed to, for year of taxpayer's death, 72(2)
    - special rules applicable, 70(7), (8)
    - together with self, *see* Alter ego trust
    - transfer of property to, 74.3, 74.5(9), (10)
    - transfer or distribution to, on death of taxpayer, 70(6)
    - value of property acquired, 70(6), 73
  - status of, Reg. Part XLVIII
  - substitution (Quebec) deemed to be, 248(3)
  - supplementary unemployment benefit plan, under, 145(2)
  - tax paid under Part XII.2
  - credit for, included in beneficiary's income, 104(31)
  - deduction for, 104(30)
  - tax re property held by, 207.1
  - taxable dividends received by
    - designation re, 104(19)
  - payable to non-resident beneficiary, 82(1)(e)
  - taxed as individual, 104(2)
  - testamentary, *see* Graduated rate estate for most rules starting 2016
    - defined, 108(1)
    - transfers to, for minor or spouse, 74.5(9), (10)
  - trustee of, *see* Trustee
  - unit, *see* Unit trust
  - usufruct (Quebec) deemed to be, 248(3)
  - vacation pay, exempt, 149(1)(y)
  - voting, Reg. 4800.1(c)
  - windup of, deemed resident, 250(6.1)

### Trust account number

- defined, 248(1)
- disclosure of, offence, 239(2.3)
- failure to provide, penalty, 162(6)
- information return requiring, reasonable effort required to obtain, 237(2)(a)
- must be provided in return and to person required to report it, 237(1.1)

**Trust and loan corporations**

- taxable income earned in a province, Reg. 405

**Trust company**, *see also* Financial institution

- defined, for FAPI purposes, 95(1)

**Trust loss trading**, 251.2**Trustee**, *see also* Legal representative; Trust (or estate)

- change of, whether change in control of corp owned by trust, 256(7)(i)
- deemed to be legal representative, 248(1)“legal representative”
- in bankruptcy, *see* Bankruptcy: trustee in
- information return, Reg. 204
- liable for Part X tax, 198(3)
- liable for Part XII.2 tax, 210.2(6)
- obligations of, 159
- public, disposition of Canadian securities, 39(5)(c)
- reported to CRA starting 2022, Reg. 204.2(1)(a)
- return required of, 150(3)
- • penalty for failure to file, 162(3)
- school board, expense allowance exempt, 81(3) [before 2019]
- school supplies, 122.9
- shares held by, for employee, 7(2)
- shares purchased by, for employees of corporation, 7(6)
- teacher school supplies, 122.9
- withholding tax, liability for, 227(5), (5.1)(a)

**Tuition fees**

- adult basic education, *see* Adult basic education
- credit for, 118.5, 122.91
- • ancillary fees, 118.5(3)
- • commuter's, 118.5(1)(c)
- • deemed residents, 118.5(2)
- • in Canada, 118.5(1)(a)
- • outside Canada, 118.5(1)(b)
- • unused
- • • transfer to spouse, 118.8
- • • transfer to supporting person, 118.9
- T2202 information return must be issued to student, Reg. 203

**Tuition, textbook and education tax credits transferred**

- defined, 118.81

**Tunnel, capital cost allowance**, Reg. Sch. II:Cl. 1(j)**Turbine**, *see* Combustion turbine**Tutoring service**

- disability supports deduction, 64(a)A(ii)(H)
- medical expense credit, 118.2(2)(l.91)

**Twentieth qualifying period (etc.)**

- defined, for CEWS, 125.7(1)“qualifying period”

**Twenty-one years**

- deemed realization of trust gains, 104(4), (5), (5.3)–(5.8)

**Twinning arrangement**

- defined, for Canadian film/video credit, Reg. 1106(1)

**Two-year rolling start rule**

- when property available for use, 13(27)(b), 13(28)(c), 13(29)

**Tyco-Pentair spinoff**, Reg. 5600(g)**U****UCC**, *see* Undepreciated capital cost**UHTA**, *see* Underused Housing Tax Act**UI**, *see* Unemployment insurance**UN**, *see* United Nations and its agencies**US**, *see* United States**US Steel**

- pension underfunding trust, Reg. 6802(i), 8502(b)(v.1)

**USD (US Dollars)**

- defined, for Common Reporting Standard, 270(1)

**Ultimate funder**

- defined, for back-to-back shareholder loan rules, 15(2.192), 212(3.8)

- election by, 212(3.22)

**Ultimate licensor**

- defined, for non-resident withholding tax back-to-back rules, 212(3.94)

**Ultimate parent**

- defined, for alternative interest-deduction restrictions, 18.21(1), (4)
- entity, *see* Ultimate parent entity

**Ultimate parent entity**

- defined, for country-by-country reporting, 233.8(1)

**Unaffiliated publicly traded liability**

- defined, for SIFT trust definition, 122.1(1)

**Unamortized bond premium**

- reserve for, *see* Reserve: unamortized bond premium

**Unanticipated Surpluses Act**, *see* Budget surplus**Uncertain tax treatment**, 237.5

- information return required, 237.5(2)
- • filing deadline, 237.5(3)
- • penalty for failure to file, 237.3(5)
- • reassessment deadline 3 years after filed, 152(4)(b.7)

**Uncle**, *see also* Niece/nephew

- defined, 252(2)(e)
- dependent, 118(6)(b)
- great-uncle defined, 252(2)(f)

**Undepreciated capital cost**, *see also* Capital cost; Depreciable property

- defined, 13(21)
- exceeding fair market value at time of transfer, 13(21.2), 20(16)
- reduction on debt forgiveness, 80(5)(b)
- transferred property, 13(5)

**Underground piping**

- well for installation of, Reg. 1219(1)(f), Sch. II:Cl. 43.1(d), Sch. II:Cl. 43.2(b)

**Underlying FABI surplus tax**

- defined, 93.4(1)

**Underlying foreign tax applicable (of foreign affiliate)**

- defined, Reg. 5907(1)

**Underlying foreign tax (of foreign affiliate)**

- defined, Reg. 5907(1)

**Underlying payment (securities lending arrangement)**

- defined, for securities lending arrangement, 260(1)
- on qualified security, 260(5), (5.1)
- • no deduction, 18(1)(w)

**Underlying return**

- defined, for hybrid mismatch arrangement rules, 18.4(14)(d)(i)

**Underpayment amount**

- defined, for corporate interest offset, 161.1(1)

**Undertaking future obligations**

- deduction for, 20(24)

**Underused Housing Tax Act**, 18(1)(t) [Notes]

- compliance required before s. 116 certificate issued, 116(8)
- interest paid under, non-deductible, 18(1)(t)
- reappropriation of income tax payment to amount payable under, 221.2(2)
- returns must be filed for income tax refund to be paid, 164(2.01)

**Undivided interest**

- in property transferred by tax debtor, fair market value, 160(3.1)

**Undue benefit (conferred by charity on any person)**

- defined, 188.1(5)
- penalty, 188.1(4)

**Undue delay**, *see* Delay



**Undue hardship**

- reduction in security to be posted on emigration, 220(4.7), (4.71)
- reduction in source withholdings, 153(1.1)
- payments to actors, 212(5.3)
- refund instalments, 164(1.51)–(1.53)

**Unearned commissions**

- reserve for, 32

**Unemployment insurance**, *see* Employment insurance**Unenforceable debt**, *see* Statute-barred debt, deemed settled**Ungulates, grazing**, 80.3(1)“breeding animals”**Uniforms, capital cost allowance**, Reg. Sch. II:Cl. 12(i)**Unincorporated association or organization**, *see* Non-profit organization**Union**

- election by, re foreign pension plan, Reg. 6804(3)
- exemption, 149(1)(k)
- information return required, 149.01 [repealed]
- locals and branches deemed to be one employer for pension purposes, 252.1
- membership dues
  - deduction for, 8(1)(i)(iv), (v)
  - where not deductible, 8(5)
- strike pay taxed or exempt? no legislative reference
- venture capital, *see* Labour-sponsored venture capital corporation (LSVCC)

**Unit**

- mutual fund trust, *see* Mutual fund trust: unit of
- trust, *see* Unit trust

**Unit buybacks**, *see* Stock buyback tax**Unit trust**, *see also* Mutual fund trust

- adjusted cost base of unit, 53(1)(d.2), 53(2)(h), (j)
- annuity contract, interest in, 12.2
- “block of units” defined, Reg. 4803(1)
- defined, 108(2), 248(1)
- excluded from various trust rules, 108(1)“trust”(f)
- expenses of issuing or selling, 20(1)(e)
- issuance of unit, whether deductible to trust, 143.3(4)
- life insurance policy, interest in, 12.2
- non-resident
  - adjusted cost base of unit, 53(2)(j)

**United Kingdom**, *see also* Foreign government

- currency of, use as functional currency, 261(1)“qualifying currency”(c)
- defined, *Interpretation Act* 35(1)
- stock exchange recognized, Reg. 3201(n)
- Tax Convention, *see* Table of Contents
- universities, gifts to, Reg. Sch. VIII, s. 2
- war pension exempt, 81(1)(e)

**United Mexican States**, *see* Mexico**United Nations and its agencies**

- agency of, excluded from non-resident trust rules, 94(1)“exempt foreign trust”(c)(i)
- donation to, 149.1(1)“qualified donee”(d)
  - by corporation, deduction, 110.1(1)(a)
  - by individual, tax credit, 118.1(1)“total charitable gifts”
- employment income from
  - deduction, 110(1)(f)(iii)

**United States**, *see also* Foreign government; Non-resident

- absorptive merger, 87(8.2)
- artiste or athlete, Canada-U.S. Tax Treaty:Art. XVI
- citizens, reporting obligations to IRS, 233.3(3) (Notes)
- collection of Canadian tax by IRS, Canada-U.S. Tax Treaty:Art. XXVI A
- commuter to, *see* Commuter to United States
- corporate spin-off, *see* Foreign spin-off

- currency of, use as functional currency, 261(1)“qualifying currency”(a)
- defined, 19(5), *Interpretation Act* s. 35(1)
  - for treaty purposes, Canada-U.S. Tax Treaty:Art. III:1(b)
- dividends, Canada-U.S. Tax Treaty:Art. X
- donations to charities in, Canada-U.S. Tax Treaty:Art. XXI:7; 118.1(9)
- estate taxes, Canada-U.S. Tax Treaty:Art. XXIX-B
- federal taxpayer identifying number, penalty for failure to provide, 162(6)
- franchise payment to resident of, Canada-U.S. Tax Treaty:Art. XII:3(c)
- gambling losses in, Canada-U.S. Tax Treaty:Art. XXII:3
- global intangible low-taxed income (GILTI)
  - application to US citizens in Canada, 128.1(1) (Notes)
  - effect on hybrid mismatch rules, 18.4(1)“specified minimum tax regime”(a)
- government, employees of, Canada-U.S. Tax Treaty:Art. XIX, XXVIII
- green card holder, Canada-U.S. Tax Treaty:Art. IV:1
- Individual Retirement Account, *see* Foreign retirement arrangement
- interest, Canada-U.S. Tax Treaty:Art. X
- Internal Revenue Service, *see* Internal Revenue Service (U.S.)
- limitation on treaty benefits, Canada-U.S. Tax Treaty:Art. XXIX-A
- limited liability company, *see* Limited liability company
- moving to, Canada-U.S. Tax Treaty:Art. XIII:6
- Nature Conservancy, prescribed donee, Reg. 3504
- newspaper or periodical printed in, 19(1)(b)
- pensions, Canada-U.S. Tax Treaty:Art. XVIII
  - pension credit under tax treaty, Reg. 8308.1(2.1)
- RRSP deferral, Canada-U.S. Tax Treaty:Art. XVIII:7
- *Railroad Retirement Act* Tier 1 benefits, Canada-U.S. Tax Treaty:Art. XVIII:5
- Real Estate Investment Trust, {Canada-U.S. Tax Treaty:Art. X:7(c)}
- Real Estate Mortgage Investment Conduit, Canada-U.S. Tax Treaty:Art. XI:9
- real property interest, Canada-U.S. Tax Treaty:Art. XVIII:3
- Regulated Investment Company, *see* Regulated Investment Company (U.S.)
- royalties paid to resident of, Canada-U.S. Tax Treaty:Art. XII
- S corporation, Canada-U.S. Tax Treaty:Art. XXIX:5
- social security benefits, Canada-U.S. Tax Treaty:Art. XVIII:5
  - grandfathering where received since before 1996, 110(1)(h)
- social security taxes, Canada-U.S. Tax Treaty:Art. XXIV:2(a)(ii)
  - credit against Canadian tax, 122.7
- state income tax, 126(5), (7)
- stock exchanges recognized, Reg. 3201(o)
- stock options, Canada-U.S. Tax Treaty:Fifth Protocol (2007), Annex B, para. 6
- Tax Convention, *see* Table of Contents
- university, gift to, Reg. 3503, Sch. VIII, Canada-U.S. Tax Treaty:Art. XXI:7

**United States tax**

- defined, Canada-U.S. Tax Treaty:Art. III:1(d)

**Unitized oil or gas field in Canada**

- Canadian oil and gas property expense, 66(12.5)
- exploration and development expenses, 66(12.2), (12.3)

**Universal Child Care Benefit (pre-July 2016)**, *see also* Canada Child Benefit

- disclosure of information by CRA to administer, 241(4)(d)(vii.4)
- does not affect Canada Child Benefit, 122.6“adjusted income”
- does not affect GST Credit, 122.5(1)“adjusted income”
- does not create OAS clawback, 180.2(1)“adjusted income”
- information return required, Reg. 200(6)
- no attribution if transferred to child, 74.1(2)

## Index

### Universal Child Care Benefit (pre-July 2016) (*cont'd*)

- paid for earlier years, averaging of income, 56(8)
- repayment of, deductible, 60(y)
- single parent, designation to include UCCB in child's income, 56(6.1)
- • effect of designation, 56(6)(c)
- taxable, 56(6)
- text of Act, 56(6) (Notes)

### University

- fees, *see* Tuition fees
- information return for tuition or scholarship, Reg. 203
- outside Canada, prescribed, Reg. 3503, Reg. Sch. VIII
- • donation to, 149.1(1)“qualified donee”(a)(iv)
- • • by corporation, deduction, 110.1(1)(a)
- • • by individual, tax credit, 118.1(1)“total charitable gifts”
- trust for, exempt from non-resident trust rules, 94(1)“exempt foreign trust”(c)(ii)
- U.S., *see* United States: university

### Unlimited liability company, *see* Nova Scotia: unlimited liability company

### Unpaid amount

- general rules, 78
- investment tax credit limitation, 127(26), 127.44(12), 127.48(13), 127.49(9)
- tax shelter investment, 143.2(1)“limited-recourse amount”, 143.2(6)

### Unpaid claims reserve, *see* Insurance corporation: reserve for unpaid claims

### Unrealized proceeds of disposition, 40(1)(a)(iii)

### Unreasonable amount

- expense, no deduction for, 67
- • paid by non-resident, 247
- • paid to non-resident, 247

### Unrecognized loss

- debt forgiveness rules
- • defined, 80(1)
- • use of to limit income inclusion, 80(13)D(a)(i)
- straddle transaction rules
- • defined, 18(17)

### Unrecognized profit (straddle transaction rules)

- defined, 18(17)

### Unrelated group, defined, 251(4)

### Unstapling of securities, anti-avoidance, 12.6

### Unused Canadian property mutual fund loss

- defined, 218.3(1)

### Unused foreign tax credit, *see* Foreign tax credit: unused

### Unused non-deductible PRPP room

- defined, 147.5(1)
- increases unused RRSP deduction room, 146(1)“unused RRSP deduction room”(b)D(iv)

### Unused portion of a beneficiary's exempt capital gains balance

- defined, 144(1)

### Unused RRSP deduction room

- defined, 146(1), 248(1)
- effect on excess RRSP contributions, 204.2(1.1)(b)A
- effect on RRSP deduction limit, 146(1)“RRSP deduction limit”A

### Unused surtax credit

- defined, 181.1(6), 190.1(5)
- reduces Part VI tax, 190.1(6)

### Unused TFSA contribution room

- defined, 207.01(1)
- • contributions over, 207.01(1)“excess TFSA amount”

### Unused tuition, textbook and education tax credits

- defined, 118.61(1)

### Upgrading development phase (of oil sands project)

- defined, Reg. 1104(2)

### Upper-tier affiliate

- defined, 95(1)“participating percentage”(b)(i)(B), Reg. 5905(13)(a)(ii)

### Upstream deposit (of eligible Canadian bank)

- credit to offset Part XIII withholding tax on, 125.21
- defined, for FAPI of banks, 90(15), 95(2.43)
- excluded from upstream loan income inclusion, 90(8)(d)
- treatment of, for upstream loan rules, 90(8.1)

### Upstream loans

- foreign currency adjustment set-off on repayment until 2016, 39(2.1), 95(2)(g.04)
- • transitional setoff election, 39(2.3)
- from foreign affiliate, included in income, 90(6)–(15)
- • continuity on reorganizations, 90(6.1), (6.11)

### Uranium, *see* Critical mineral

### Use, right of (Quebec)

- deemed to be trust, 248(3)

### Use of property, *see* Production or use

### Usufruct (Quebec)

- deemed to be trust, 248(3)
- defined
- • *Quebec Civil Code*, art. 1120–1171

### Utensils, *see* Kitchen utensils

### Utilities

- service connection, deduction, 20(1)(ee)

### Utility business, *see* Regulated energy utility business (for EIFEL)

## V

### V-day, *see* Valuation day

### VDP, *see* Voluntary disclosure program

### VPLA, *see* Variable payment life annuity

### VPLA benefits

- allowed for pooled registered pension plan, 147.5(5)(a)
- allowed for registered pension plan, Reg. 8506(1)(e.2)

### VPLA fund

- benefits form part of MPP of pension plan, 147.1(1)“money purchase provision”(b)(ii)
- defined, Reg. 8506(13)
- variable payment life annuity from, Reg. 8506(1)(e.2)

### Vacant home tax, *see* Underused Housing Tax Act

### Vacant land

- limitation on deductions, 18(2)–(3.7)

### Vacation pay trust

- exemption, 149(1)(y)

### Validity of *Income Tax Act*, 2(1) (Notes)

### Valuation activity

- defined, for third-party penalty, 163.2(1)

### Valuation costs

- added to cost base of property, 53(1)(n)

### Valuation day

- defined, ITAR 24
- fair market value on, election by individual to use, Reg. 4700
- property held since before
- • capital property, ITAR 26(3)
- • depreciable property, ITAR 20(1)
- publicly-traded shares and securities on, Reg. Sch. VII

### Valuation of inventory, *see* Inventory: valuation of

### Value, *see also* Fair market value

- defined, for insurers regulations, Reg. 2400(1)

### Value-added tax, *see* Goods and services tax (GST)

### Van

- deemed not to be automobile, 248(1)“automobile”(e)

- Van (*cont'd*)
- wheelchair access, medical expense credit, 118.2(2)(1.7)
- Vancouver**
- international banking centre until 2013, 33.1(3)
  - 2010 Olympics, *see* Olympic Winter Games 2010
- Vancouver Stock Exchange**, *see also* TSX
- prescribed stock exchange, 262
- Vanadium**, *see* Critical mineral
- Variable benefits**
- pooled registered pension plan, 147.5(5)(a)
  - registered pension plan, Reg. 8506(1)(e.1)
  - non-payment of minimum amount, Reg. 8506(4)–(6)
- Variable payment life annuity**
- allowed as pooled registered pension plan benefit, 147.5(5)(a)
  - allowed as registered pension plan benefit, Reg. 8506(1)(e.2)
  - defined, Reg. 8506(1)(e.2)
  - VPLA fund, Reg. 8506(13)
- Variation of trust, effect of**, 108(6)
- Vatican City**, *see also* Foreign government
- universities, gifts to, Reg. Sch. VIII, s. 7
- Vats, capital cost allowance**, Reg. Sch. II:Cl. 8
- Weeks Poultry case overruled**, 67.6
- Vehicle**, *see also* Automobile; Motor vehicle; Passenger vehicle
- cost over \$100,000, *see* Luxury Items Tax
  - device to permit person with mobility impairment to drive
  - medical expense, Reg. 5700(n)
  - mechanic, *see* Apprentice: mechanic
- Vehicle charging station**
- capital cost allowance, Reg. Sch. II:Cl. 43.1(d)(xvii)
- Vehicle modifications benefit**
- paid to Canadian Forces member or veteran, exempt, 81(1)(d.1)(vii)(C)
- Ventilation expense**, *see* Air quality improvement credit
- Venture capital corporation, prescribed**, *see also* Labour-sponsored venture capital corporation (LSVCC)
- assistance, Reg. Part LXVII
  - defined, Reg. 6700
  - disposition of shares of
  - capital loss, 40(2)(i)
  - exempt from Part IV tax, 186.2
  - in definition of Canadian-controlled private corporation, 125(7)
  - labour-sponsored, defined, Reg. 6701
  - may control private corporation, 89(1)“private corporation”
  - prescribed assistance, Reg. 6702
  - shares of
  - prescribed assistance, deduction from cost base, 53(2)(k)(i)(C)
- Verification**, *see* Audit
- Vertical amalgamation**
- carryback of losses, 87(2.11)
  - deemed cost of capital properties, 87(11)(b)
  - deemed proceeds from subsidiary's shares, 87(11)(a)
- Vertical (short-form) amalgamation**, *see also* Amalgamation
- carryback of losses, 87(2.11)
- Vessel**
- capital cost allowance, Reg. 1100(1)(v), Reg. Sch. II:Cl. 7
  - separate classes, Reg. 1101(2)–(2b)
  - exclusion where structured financing facility, Reg. 1101(2c), Sch. II:Cl. 41(b)
  - certified
  - capital cost allowance, Reg. 1100(1)(v)
  - conversion cost deemed separate class, 13(14), (17)
  - defined, 13(21)
  - deposit under *Canadian Vessel Construction Assistance Act*
  - disposition of, 13(19), (20)
  - disposition of, election, 13(16)
  - fishing, additional capital cost allowance, Reg. 1100(1)(i)
  - quadrennial survey, reserve for, 20(1)(o), Reg. 3600
  - reassessment in certain cases, 13(18)
  - transfer of, under, *Canadian Vessel Construction Assistance Act*
  - recapture of depreciation, 13(13)
- “Vested indefeasibly”**
- meaning of, 248(9.2)
- Vesting year**
- defined, for stock option limit rules, 110(0.1)
- Veterans' benefits, exempt**, 81(1)(d.2)
- Veterans Health Care Regulations**
- payments exempt, 81(1)(d.1)(v)
- Veterans' pensions**, *see also* Canadian Forces and veterans
- exempt, 81(1)(d), (d.1), (e)
- Veterans Well-Being Act**
- certain payments exempt, 81(1)(d.1), (d.2)
  - certain payments taxable, 6(1)(f.1)
  - disclosure of taxpayer information for administration of, 241(4)(d)(viii)
  - income replacement benefit, whether taxable, 56(1)(a)(viii)
  - source withholding, 153(1)(d.1), Reg. 100(1)“remuneration”(r)
  - retirement income security benefits under
  - eligible for pension income credit, 118(3)B(b)(ii)
  - eligible for pension income splitting, 60.03(1)“eligible pension income”(c)
- Veterinarian**, *see* Professional practice
- VIA Rail**, *see also* Railway
- subject to tax, 27(2), Reg. 7100
- Vibratory signalling device for the hearing-impaired**
- medical expense credit, Reg. 5700(q.1)
- Victims of crime**
- compensation payments exempt, 81(1)(q), Reg. 6501
- Video game arcade relief (COVID)**, Reg. 8901.1(2)(b)(ix)(A)(IV), (b)(xv), *see also* Qualifying tourism or hospitality entity
- Video games**
- capital cost allowance, Reg. Sch. II:Cl. 16(f)
- Video laser-disk**, *see* Digital video disk (DVD)
- Video tapes**
- film or video production services credit, 125.5
- Visa Inc.**
- prescribed payment card corporation share, Reg. 9002.1(a)(iii)
- Viscosity**
- hydrocarbons, determination of, Reg. 1107
- Visitor to Canada**
- 183 days, deemed resident, 250(1)(a)
- Visual signalling device for the hearing-impaired**
- medical expense credit, Reg. 5700(q.1)
- Vitamin B12, as medical expense**, 118.2(2)(k)
- Voice recognition software**
- disability supports deduction, 64(a)A(ii)(G)
  - medical expense credit, 118.2(2)(1.42)
- Voluntary disclosure program**, 220(3.1) (Notes)
- Volunteer**
- emergency worker
  - exemption from employment income, 81(4)
  - firefighter, *see* Firefighter: volunteer
  - search and rescue, *see* Search-and-rescue volunteer
- Volunteer business exemption**
- charities, 149.1(1)“related business”
- Volunteer firefighter**, *see* Firefighter
- Voting trust**, Reg. 4800.1(c)

## W

**WADA**, *see* World Anti-Doping Agency

**WCB payment**, *see* Workers' compensation payment

**WEBs**

- qualified investments for deferred income plans, Reg. 4900(1) (Notes)

**WITB**, *see* Working Income Tax Benefit

**WSIB payment**, *see* Workers' compensation payment

**Wage Earner Protection Act**

- benefit under
  - treated as employment income
    - for Canada Employment Credit, 118(10)B(b)
    - for Canada Workers Benefit, 122.7(1)“working income”(b)
    - for moving expenses, 62(1)(c)(i)
    - for RRSP earned income, 146(1)“earned income”(b)
    - for refundable medical expense supplement, 122.51(1)“eligible individual”(c)(iii)
  - taxable, 56(1)(r)(v)
  - to non-resident as income earned in Canada, 115(1)(a)(iii.21)

**Wage measure**

- defined, 147.1(1)
- used in calculating “average wage”, 147.1(1)

**Wage subsidy**, *see* Canada Emergency Wage Subsidy (CEWS)

**Wagering losses**, Canada-U.S. Tax Treaty:Art. XXII:3

**Wages**, *see* Salary

**Wagon, capital cost allowance**, Reg. Sch. II:Cl. 10(d)

**Waiver**

- penalty or interest, of, by Minister, 220(3.1)
- pension plan conditions, by Minister, 147.1(18)(a), (k)
- RESP age requirements, where beneficiary disabled, 146.1(2.2)
- reassessment period, of, by taxpayer, 152(4)(a)(ii), 152(4)(c), 152(4.1), (5)
- requirement to file form or document, of, by Minister, 220(2.1)
- retention of document or thing seized, by Minister, 231.3(6)
- right to appeal. binding, 169(2.2)
- right to object, binding, 165(1.2), 169(2.2)
- solicitor-client privilege, of, by client, 232(14)
- tax on excess EPSP amount, 207.8(3)
- tax on FHSA, RDSP, RESP, RRIF, RRSP or TFSA acquiring prohibited or non-qualified investment or extending advantage, 207.06(2)
- tax on overcontribution to deferred income plan, by Minister, 204.1(4)
- tax on overcontribution to FHSA, 207.06(3)
- tax on overcontribution to RESP, 204.91(2)
- tax on overcontribution to TFSA, 207.06(1)

**Walking aids**

- medical expense, Reg. 5700(i)

**Wallster case overruled**, 66(12.73)

**War savings certificate, income exempt**, 81(1)(b)

**War service**

- pension payments for, exempt, 81(1)(d), (e)

**War Veterans Allowance Act**

- pension under, exempt, 81(1)(d)

**Warehousing of flow-through expenses**, 66(19)

**Warnock case overruled**, 118.2(2.21)

**Warrant**, *see* Option; Search warrant

**Warranty**

- amount receivable for, on sale of property, 42
- disposition of property subject to, 42
- outlays, pursuant to
  - on amalgamation, 87(2)(n)
- reserve for, not allowed, 20(7)

**Waste biomass electricity generation equipment**

- defined, for clean technology credit, 127.45(1)

**Waste biomass heat generation equipment**

- defined, for clean technology credit, 127.45(1)

**Water**

- distribution of, by municipal corporation, exemption, 149(1.2)

**Water distributing equipment**

- capital cost allowance, Reg. Sch. II:Cl. 1(o), Sch. II:Cl. 2(e)

**Water purifier**

- medical expense credit for, Reg. 5700(c.1)

**Water system for mine**

- capital cost allowance, Reg. Sch. II:Cl. 10(l)

**Wave or tidal energy, electricity generation equipment**

- capital cost allowance, Reg. Sch. II:Cl. 43.1(d)(xiv), Sch. II:Cl. 43.2

**Weak currency debt**

- defined, 20.3(1)
- limit on interest deduction, 20.3(2)

**Wearing apparel for rental**

- capital cost allowance, Reg. Sch. II:Cl. 12(k)

**Webb case (1974) overruled**, 64.1

**Wedding planning or hosting relief (COVID)**, Reg. 8901.1(2)(b)(xx)(B), *see also* Qualifying tourism or hospitality entity

**Weighted Canadian liabilities**

- defined, insurers, Reg. 2400(1)

**Weighted total liabilities**

- defined, insurers, Reg. 2400(1)

**Wel Holdings case overruled**, 244(13.1) [repealed]

**Welder**

- apprenticeship job creation credit, 127(9)“investment tax credit”

**Welfare**, *see* Social assistance payment

**Well**

- for installation of underground piping, Reg. 1219(1)(f), Sch. II:Cl. 43.1(d), Sch. II:Cl. 43.2(b)

**Western Grain Stabilization Act**

- fees paid, deductible, 20(1)(ff)
- payment received under, income, 12(1)(p)

**Wharf, capital cost allowance**, Reg. Sch. II:Cl. 3, Sch. II:Cl. 6

- for mine, Reg. Sch. II:Cl. 10(l)

**Wheelchair**

- medical expense, 118.2(2)(i)
- power-operated lift for, Reg. 5700(m)
- ramp for
  - deduction, 20(1)(qq)
  - medical expense credit, 118.2(2)(1.2)
- van for use with, medical expense credit, 118.2(2)(1.7)

**Whistleblower payments**, *see* Stop International Tax Evasion Program

**Whole dividend (of foreign affiliate)**

- defined, Reg. 5907(1)

**Wholly-owned corporation**, *see also* Subsidiary: wholly-owned corporation

- defined, for corporate rollover rules, 85(1.3)

**Wife**, *see* Spouse

**Wig, medical expense**, Reg. 5700(a)

**Wild (1245989 Alberta) case overruled**, 245(1)“tax benefit”(c)

**Will**

- gifts by deemed made in year of death, 118.1(5) [before 2016], 118.1(5.1) [after 2016]
- publicly traded securities, reduced capital gain, 38(a.1)(ii)
- transfer, release or surrender under, 248(8)
- trust created by, 248(9.1)



**Wind energy conversion system**

- Canadian renewable and conservation expense, Reg. 1219(4)

**Wind farm project**

- test wind turbine at, *see* Test wind turbine

**Wind turbine, *see* Test wind turbine****Winding-up, *see also* Amalgamation (for specific consequences); Ceasing to carry on business**

- acquisition of control because of death, 88(1)(d.3)
- appropriation of property on, 69(5), 84(2)
- assets acquired from foreign affiliate on, 80.1(6)
- bump, 88(1)(c), (d)
  - bump denial rule, 88(1)(c)(vi)
- Canadian corporation, rules, 88(1), (2)
- corporation beneficiary under life insurance policy, 89(2)
- debt, settlement of, 80.01(4), (5)
- debt forgiveness reserve disallowed, 61.4(c)
- distribution on, 84(2), (6)
- farming inventory, 88(1.6)
- financial institution
  - continuing corporation for mark-to-market rules, 88(1)(h)
  - deemed disposition of mark-to-market property, 88(1)(i)
  - into parent financial institution, 88(1)(a.3)
- following debt forgiveness, deemed capital gain, 80.03(3)(a)(i)
- foreign affiliate, 88(3), 95(2)(e)
- functional currency rules, 261(16)
- leasing properties, 16.1(4)
- net capital losses of subsidiary, 88(1.2)
- 90% or more owned subsidiary, of, 88(1)
  - limited partnership losses, 88(1.1)
  - net capital losses, 88(1.2)
  - non-capital losses, 88(1.1)
- parent corporation continuation of, 88(1.5)
- non-capital losses, treatment by parent, 111(5.4)
- parent incorporated after subsidiary's year-end
  - computation of income and tax payable, 88(1.3)
- partnership, *see* Partnership: ceasing to exist
- period (of revoked charity), *see* Winding-up period
- pre-1972 capital surplus on hand, 88(2.1)–(2.3)
- refundable dividend tax on hand, 87(2)(aa), 88(1)(e.2)
- resource expenses, 66.7(6)
- specified debt obligation, treatment of, 88(1)(a.3), Reg. 9204(2)
- subsidiary, of
  - non-capital losses, treatment by parent, 111(5.4)
  - where an insurance corporation, 88(1)(g)
- trust, of
  - deemed resident throughout year, 250(6.1)

**Winding-up period**

- revoked charity, defined, 188(1.2)

**Windmill, capital cost allowance, Reg. Sch. II:Cl. 3****Windup, *see* Winding-up****Winnipeg Stock Exchange, *see also* TSX**

- prescribed stock exchange, 262

**Wipf case overruled, 143****Withholding, 153(1), 212, 227, *see also* Remittance of taxes withheld**

- actors, non-resident, 212(5.1)–(5.3)
- agreement not to withhold, void, 227(12)
- amount of, deemed received by payee, 153(3)
- amounts deemed held in trust, 227(4), (4.1)
- amounts in trust not part of estate, 227(5)
- amounts not remitted, liability to pay, 227(9.4)
- annuity payment or commutation, 153(1)(f)
- assessment for, 227(10), (10.1)
  - definitions, 227(10.8)
- binding on federal and provincial governments, 227(11)
- commissions, 153(1)(g)

- death benefit, 153(1)(d)
- deferred profit sharing plan payment, 153(1)(h)
- directors liable for, 227.1
- dividends received by broker/dealer, 153(4), (5)
- election for, 153(1)(n), 153(1.1)
  - to increase, 153(1.2), Reg. 109
- employee outside Canada, exemption, Reg. 104(2)
- employees, 153(1)(a)
- employment earnings supplement, 153(1)(s)
- employment insurance benefit, 153(1)(d.1), Reg. 100(1)“remuneration”(g)
- exemptions
  - credits on TD1 exceeding tax, Reg. 104(1)
  - employee outside Canada, Reg. 104(2)
  - Home Buyers' Plan, Reg. 104(3)–(4)
  - Lifelong Learning Plan, Reg. 104.1
- failure to remit amounts withheld, penalty, 227(9)
  - interest payable, 227(9.2)
  - salary or wages, from, 227(9.5)
- failure to withhold, 215(6), 227(8)–(10)
  - interest on amounts, 227(8.3)
  - retirement compensation arrangement, 227(8.2)
- fees and commissions, 153(1)(g)
- government assistance program, prescribed benefit, 153(1)(m)
- Home Buyers' Plan, exemption, Reg. 104(3)–(4)
- income-averaging annuity contract payment, 153(1)(k)
- income from employee life and health trust, 153(1)(s), Reg. 100(1)“remuneration”(h.1)
  - non-resident, 212(1)(w)
- information return, Reg. 210
- interest on amounts not deducted or withheld, 227(8.3)
- interference with remittances, 227(5.2)–(5.4) (1995 draft, abandoned)
- labour-sponsored funds share disposition, 211.8(2)
- labour-sponsored funds tax credit, 211.7(2)
- large employers, must remit through financial institution, 153(1), Reg. 110
  - exception, 153(1.4)
- liability to pay amount not deducted or withheld, 227(8.4)
- Lifelong Learning Plan, exemption, Reg. 104.1
- no action against withholder, 227(1)
- non-periodic payments, Reg. 103
- non-residents, *see also* Non-resident tax
  - actors, 212(5.1)–(5.3)
  - employees, 153(1)(a)(ii), 153(6), (7)
  - fees for services, Reg. 105
  - insurers, Reg. 800–805.1
  - interest, dividend and other passive income, 212
    - payments through an agent, 215
  - mutual fund distributions, 218.3
  - not required, where, Reg. 104, 104.1
  - Old Age Security benefits, 180.2(3), (4)
  - partnership, 212(13.1), 227(15)
  - patronage dividends, from, 135(3)
  - payroll, 153(1)(a), Reg. 100–111
    - reductions for certain amounts withheld by employer, Reg. 100(3)
  - penalty, 227(8)
  - pension benefit, 153(1)(b)
  - reduction of, Reg. 809
  - refund of, 227(6), (7)
  - registered disability savings plan, 153(1)(i)
  - registered education savings plan, 153(1)(t), Reg. 103(6)(g), 103(8)
  - registered retirement income fund payment, 153(1)(l), Reg. 103(4), 103(6)(d.1)
  - registered retirement savings plan payment, 153(1)(j)
  - regulations, Reg. Part I
  - remittance deadlines, source deductions, Reg. 108

**Withholding (*cont'd*)**

- remittances to Receiver General, 153(1), Reg. 108
- retirement compensation arrangement contribution, 153(1)(p)
- retirement compensation arrangement distribution, 153(1)(q)
- retirement compensation arrangement purchase price, 153(1)(r)
- retiring allowance, 153(1)(c)
- return required of employee, 227(2)
- salary, 153(1)(a)
- severance pay, 153(1)(c)
- stock option benefits, 153(1.01)
- superannuation benefit, 153(1)(b)
- supplementary unemployment plan benefit, 153(1)(e)
- termination pay, 153(1)(c)
- trustee etc., liability for, 227(5), (5.1)
- unclaimed dividends etc., 153(4), (5)
- undue hardship, 153(1.1)
- unemployment insurance benefit, 153(1)(d.1), Reg. 100(1)“remuneration”(g)
- wages, 153(1)(a)

**Within a time, computation of, *Interpretation Act* 27(5)****Witness**

- rights of at inquiry, 231.4(5)

**Wood waste**

- defined, Reg. 1104(13)
- included in eligible waste fuel, Reg. 1104(13)“eligible waste fuel”

**Woodlot**

- intergenerational rollover, 70(9)(a), 70(9.3)(c), 73(3)(c)
- prescribed forest management plan, Reg. 7400

**Woods assets, capital cost allowance, Reg. 1100(1)(f), Reg. Sch. IV****Work camp, *see* Construction work camp****Work in progress of professional business**

- deemed to be inventory, 10(5)(a)
- election to exclude from income until 2017, 34
- • transitional rule 2017–2020, 10(14.1)
- valuation of, 10(4)(a)

**Work space in home**

- limitation on deductibility
- • from business income, 18(12)
- • from employment income, 8(13)

**Worker Adjustment Programs, *see* Older Worker Adjustment, Program for; Plant Workers Adjustment Program****Worker cooperative**

- defined, 248(1)
- transfer of shares to (qualifying cooperative conversion)
- • capital gains deduction, 110.62
- • gain spread over 10 years, 40(1.4)

**Workers' compensation payment**

- deduction in computing taxable income, 110(1)(f)(ii)
- disclosure of taxpayer information by CRA, 241(4)(n)
- inclusion in income, 56(1)(v)
- information return, Reg. 232

**Working Canadians Rebate, 122.73 [expected]****Working Income Tax Benefit, *see* Canada Workers Benefit (former Working Income Tax Benefit)****Working Ventures Fund, *see* Labour-sponsored funds tax credit****Workplace Safety and Insurance Board, *see* Workers' compensation payment****World Anti-Doping Agency**

- employment income from, deduction for, 110(1)(f)(iii), Reg. 8900(2)

**Writing**

- defined, *Interpretation Act* 35(1)

**Wrongful dismissal award, *see* Retiring allowance****X, Y, Z****X-rays**

- cost of, as medical expense, 118.2(2)(o)

**YAMPE, *see* Year's Additional Maximum Pensionable Earnings****YMPE, *see* Year's Maximum Pensionable Earnings****Yacht**

- expense of, not deductible, 18(1)(l)(i)
- limitation on CCA claim where rented out, Reg. 1100(15)–(20)

**Year, *see* Calendar year; Taxation year****Year-end**

- deemed
- • charity, on notice of revocation, 188(1)
- • foreign affiliate, 91(1.2)
- • where control of corporation changes, 249(4)
- • where corporation becomes or ceases to be CCPC, 249(3.1)
- • where corporation becomes or ceases to be exempt, 149(10)
- • where corporation becomes or ceases to be financial institution, 142.6(1)
- transactions straddling, to defer income, *see* Straddle transactions

**Year's Additional Maximum Pensionable Earnings**

- defined, Reg. 8500(1)

**Year's Maximum Pensionable Earnings**

- base for SR&ED proxy amount re salaries, Reg. 2900(7)
- current, “CPP Contributions” table, *see* introductory pages
- defined, Reg. 8500(1)

**Young child supplement, 122.61(1.2)****Yukon Territory, *see also* Northern Canada**

- additional \$0.04 reasonable kilometrage allowance, Reg. 7306(c)
- tax rates, *see* introductory pages

**ZEPV, *see* Zero-emission passenger vehicle****ZETM, *see* Zero-emission technology manufacturing****ZETM cost of capital**

- defined, Reg. 5202, 5204

**ZETM cost of labour**

- defined, Reg. 5202, 5204

**ZEVE, *see* Zero-emission vehicle****Zanatta case overruled, 118.2(2.21)****Zapper software (or hardware)**

- use, possession, manufacture or sale of
- • administrative penalty, 163.3
- • criminal offence, 239.1

**Zero, minimum amount for formula calculations, 257****Zero-emission passenger vehicle**

- capital cost limited to \$55,000, 13(7)(i), Reg. 7307(1.1)
- defined, 248(1)

**Zero-emission technology manufacturing**

- rate reduction (credit), 125.2, Reg. 5202, 5204

**Zero-emission technology manufacturing profits**

- credit for, 125.2(2)
- defined, 125.2(1)

**Zero-emission vehicle, *see also* Zero-emission passenger vehicle**

- capital cost allowance
- • classes, Reg. Sch. II:Cl. 54, 55, 56
- • increased in year of acquisition, Reg. 1100(1)(a)(xl), (xli), 1100(2)A(e)(i), (f)(i)
- • whether cost limited to \$55,000, 13(7)(i), Reg. 7307(1.1)
- defined, 248(1), Reg. 1102(26)
- off-road vehicle, Reg. Sch. II:Cl. 56

**Zinc, *see* Critical mineral****Zone**

- economic, *see* Exclusive economic zone
- prescribed, *see* Northern Canada
- tax-free, ITAR 26(3)

## Index

**Zoos relief (COVID)**, Reg. 8901.1(2)(b)(v), *see also* Qualifying tourism or hospitality entity

### Numbered

#### 10/8 policy

- defined, 248(1)
- no deduction for interest on money borrowed to acquire, 20(2.01)
- no deduction for premiums paid, 20(1)(e.2)(ii)
- no increase in CDA for death benefit, 89(1)“capital dividend account”(d)(iv)

#### 1942 Conventions

- defined, Canada-U.S. Tax Treaty:Art. III:1(j)

**1948 Income Tax Act, The, defined**, ITAR 12

**1971 receivables**, ITAR 23(5)“1971 receivables”

#### 2023 business number

- for carbon tax refund to small business, defined, 127.421(1)

**65302 British Columbia Ltd. case overruled**, 67.6

**1245989 Alberta (Wild) case overruled**, 245(1)“tax benefit”(c)

**3792391 Canada case overruled**, 215(1.2), (1.3)