

Meeting your tax compliance obligations with the Canada Revenue Agency (“CRA”) is becoming more complex than ever before. To assist with identifying your filing obligations, included below is a breakdown of common tax returns filed in Canada, who is required to file, the applicable filing deadlines, and penalties for late filing.

INCOME TAX RETURNS			
Type of Tax Return	Who is Required to File?	Filing Deadline ¹	Late-Filing Penalty
T1 Income Tax and Benefit Return	<ul style="list-style-type: none"> Individual resident in Canada Non-residents of Canada² 	<p>April 30th of the year following the calendar year.</p> <p>Taxpayers reporting self-employment income have until June 15th of the year following the calendar year. The June 15th deadline also applies if your spouse or common-law partner reports self-employment income. However, any tax amounts owing must still be paid by April 30th.</p> <p>For a taxpayer who passed away during the year, if the date of death was prior to November 1st, the due date is April 30th (or June 15th if self-employed) of the year following the calendar year for the taxpayer and their spouse or common-law partner. If the date of death was after October 31st, the due date is 6 months following the date of death for the deceased and their spouse or common-law partner.</p>	<p>Late-filing penalty is 5% of your balance owing, plus an additional 1% for each full month you file after the due date, to a maximum of 12 months.</p> <p>If CRA charged a late-filing penalty in any of the three previous tax returns, the late-filing penalty is increased to 10% of your balance owing, plus an additional 2% for each full month you file after the due date, to a maximum of 20 months.</p>
T2 Corporation Income Tax Return	<ul style="list-style-type: none"> Resident Corporations Non-resident Corporations³ 	<p>Six months after the end of the corporation's fiscal year. For example, if the fiscal year ends March 31st, the filing due date is September 30th.</p> <p>Any tax amounts owing are due 2 or in some cases 3 months after the corporation's year-end.</p>	<p>Late-filing penalty is 5% of the unpaid tax, that is due on the filing deadline, plus 1% of this unpaid tax for each complete month that the return is late, up to a maximum of 12 months.</p> <p>If CRA charged a late-filing penalty in any of the three previous tax returns, the late-filing penalty is increased to 10% of your balance owing, plus an additional 2% for each full month you file after the due date, to a maximum of 20 months.</p>
T3 Trust Income Tax and Information Return	<ul style="list-style-type: none"> Family Trusts Alter Ego Trusts Spousal Trusts Testamentary Trusts Graduated Rate Estates (“GRE”) 	<p>90 days following the trust's year end.</p> <p>Many trusts are required to have a December 31st year end, as such their due date will be March 31st of the following year (March 30th if a leap year).</p> <p>GREs are permitted to have “off-calendar” year ends, as such filing due dates will vary.</p>	<p>Late-filing penalty is 5% of the unpaid tax, plus 1% of this unpaid tax for each complete month that the return is late, up to a maximum of 12 months.</p> <p>If CRA charged a late-filing penalty in any of the three previous tax returns, the late-filing penalty is increased to 10% of your balance owing, plus an additional 2% for each full month you file after the due date, to a maximum of 20 months.</p> <p>The trust may be subject to an alternative penalty if it has no unpaid taxes on the date it is required to be filed. This alternative late-filing penalty is \$25 a day for each day the return is late, from a minimum of \$100 to a maximum of \$2,500.</p>

¹Where a filing due date falls on a Saturday, Sunday, or public holiday recognized by CRA, your return is considered filed on time if the CRA receives it or if it is postmarked on or before the next business day.

²To have a filing obligation in Canada, a non-resident individual must earn employment income in Canada, carry on a business in Canada or dispose of taxable Canadian property.

³To have a filing obligation in Canada, the non-resident corporation would have to have a business in Canada, report a capital gain, or have disposed of taxable Canadian property.

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