

being prorogued until March 24, 2025.

What filing options do taxpayers have?

While CRA is administering based on the proposals, the tax system is a self-assessment system. As such, taxpayers can choose whether to file based on the proposals (2/3 inclusion rate) or the existing enacted legislation (50% inclusion rate). However, each option comes with risks and considerations.

- Filing on proposals (2/3 inclusion rate; in accordance with CRA forms and administrative practice)
 - If the proposals are not ultimately enacted, taxpayers will likely have to amend their return at a later date to reflect the 50% inclusion rate. This approach will also generally result in taxpayers making payments that are subsequently refunded, losing access to that capital for a period of time.
 - If the proposals pass, no further action would be required.
- Filing on existing enacted legislation (50% inclusion rate; not in accordance with CRA forms and administrative practice)
 - If the proposals are not ultimately enacted, no further action would be required.
 - If the proposals pass, taxpayers will likely have to amend their return at a later date to reflect the 2/3 inclusion rate. This will result in taxpayers being liable for the tax bill, including being potentially subject to the non-deductible interest on the late tax payment. For corporations or trusts that are impacted by these changes and have a filing deadline on or before March 3, 2025, CRA indicated that relief from arrears interest and penalties will be provided. The interest relief will expire on March 3rd.

If you, a corporation, or a trust has realized capital gains since June 25, 2024, consideration should be provided as to your filing position.

GST/HST Tax Holiday: Rebate Applications

For the December 14, 2024, to February 15, 2025, period, certain items normally subject to GST/HST should not have GST/HST applied at the point of sale. Businesses selling these goods can still claim input tax credits for the GST/HST they paid on inputs acquired to supply the good, as they are zero-rated.

The types of items covered by this temporary measure include (but are not limited to):

- children's clothing, footwear, diapers, and car seats;
- select children's toys, jigsaw puzzles, and video games/devices;
- printed newspapers and books;
- Christmas and similar decorative trees; and
- various foods and drinks (including some alcoholic drinks), including but not limited to those provided at establishments like restaurants.

If GST/HST is mistakenly charged on the purchase of one of these goods, the purchaser can request a refund directly from the supplier.

If the supplier does not provide a refund or is no longer in business, the purchaser can apply to CRA for a GST/HST rebate (minimum claim is \$2) using Form GST189: Rebate under reason code 1C, "Amounts paid in error." The application must be filed within two years after the date the amount was paid in error. CRA has suggested that a purchaser consolidate all their claims (including associated receipts) and submit a single rebate application after the

GST/HST break period is over.

Ensure to keep receipts for purchases where GST/HST was charged improperly. Multiple claims can be included in a single rebate submission.

My Business Account: No More Paper Mail

In the Spring of 2025, CRA will change the default method of correspondence for most businesses to online only. This means that most businesses will receive their notices of assessment, letters, forms, statements, and other documents from CRA through My Business Account rather than by traditional mail. Notifications that new mail is available online will be sent to the email address(es) registered on My Business Account. Business correspondence will be presumed to be received on the date that it is posted in My Business Account.

This change will apply to all of the following:

- existing businesses registered for My Business Account;
- businesses who have a representative that access taxpayer information through Represent a Client; and
- all entities that register for a new business number or program account.

CRA recommended taxpayers sign in to My Business Account to ensure the email address on file is current. There can be up to three email addresses for each program account.

Owners of new businesses should ensure to register for My Business Account and provide a valid email address to ensure that they do not miss notifications or correspondence from CRA.

Impacted businesses can continue to receive paper mail by opting out