THE BALANCE SHEET

SMITH | SYKES | LEEPER | TUNSTALL LLP
CHARTERED PROFESSIONAL ACCOUNTANTS



HELLO NOVEMBER!

IN THIS ISSUE

Budget Updates

Key Dates & Reminders

Articles of Interest

Accounting Funny

Hard to believe we are almost at the end of 2026!

We hope you are doing well and have been enjoying this unseasonably warm weather!

The federal government's budget on November 5th had a lot of changes. In this newsletter, we've highlighted a few that we think will have the most impact on our clients.

As always, please do not hesitate to contact us with any questions. We are here for you.

George, Bryan, Dale, Trent, Brad, David, Paul, Brennan & Lucas

NOVEMBER BUDGET UPDATES



Last week's federal budget included several changes that may affect you. These are proposals and still need to be passed into law, and we are still reviewing the full details, but here are the updates we expect to have the most direct impact on our clients.

Personal Income Tax Filing Deadline

The biggest change for most clients: the deadline to file personal tax returns and pay any balance owing will move to May 15th for all individuals, including self-employed individuals, whose filing deadline was previously June 15th.

This change begins with 2027 tax returns that are due in Spring 2028. Nothing changes for the returns you'll file this spring.

Personal and Corporate Income Tax Rates

The budget made no changes to personal or corporate income tax rates. Current rates are available on our website.

The Productivity Mega Deduction

This sounds exciting, and for some of our clients it may be!

For now, it's important to note that it's still draft legislation and not yet law, but it was confirmed as a major part of the November 5th federal budget.

Once enacted, the Productivity Mega Deduction would let you deduct the full cost of most capital assets purchased and available for use on or after September 15, 2026, instead of claiming depreciation (CCA) over several years. It applies to corporations, partnerships and self-employed individuals, and has no set end date.

NOVEMBER BUDGET UPDATES



Productivity Mega Deduction continued ...

Some assets don't qualify, including:

- Buildings
- Vehicles assembled outside Canada
- Goodwill, licences and franchises
- Assets bought from a related party or transferred on a tax-deferred basis
- Assets you were already using before you bought them, such as leased equipment you buy out

A few things to keep in mind:

- For self-employed individuals, the deduction can only reduce your income for that year. It can't create a loss to carry forward. Corporations can create a loss and carry it back or forward.
- When you sell the asset, some or all of the proceeds may be taxable as recapture. The deduction often defers tax rather than eliminating it.
- Claiming the full deduction isn't always the best choice. Depending on your income and plans, spreading the claim over several years may save more tax.

If you're planning a major purchase, contact us so we can work through the options with you before year-end.

Tax Instalments

Starting with the 2028 tax year, the instalment threshold will rise from $3,000 to $7,500 for both individuals and corporations, meaning fewer clients will need to make instalment payments.

If you are self-employed and your business is your primary source of income, including professional or commission income, you'll also have a simpler option: instead of quarterly instalments, you can make one payment by December 31st covering two-thirds of your tax owing. The remaining balance will be due on May 15th of the following year.

NOVEMBER BUDGET UPDATES



Optional Flat-Rate Expense Claims

Starting with the 2027 tax year, you'll be able to claim a flat amount for certain expenses instead of adding up actual costs and keeping every receipt. You'll still need to show that you're eligible for the claim. These include:

- Moving expenses: $1,000 per eligible move
- Home accessibility expenses: $1,000, available once per lifetime
- Incontinence products: $500 per year
- Gluten-free food for individuals with celiac disease: $1,000 per year, starting with the 2026 tax year

If your actual expenses are higher, you can still claim them with receipts as before.

RRSP for Life

The government plans to merge the RRSP and RRIF rules into a single account, called an "RRSP for Life." You would no longer have to convert your RRSP to a RRIF by the end of the year you turn 71, and your RRSP could stay open for life. Minimum annual withdrawals would still begin at age 72, as they do now.

The government is also looking at making it simpler to pass an RRSP to a surviving spouse or partner, similar to how a TFSA works today. These changes are still in consultation, with comments due January 8, 2027, and no start date has been announced. We'll be sure to keep you updated.

Canada Groceries and Essentials Benefit (CGEB)

The Canada Groceries and Essentials Benefit (formerly the GST/HST credit) will get a one-time boost in early 2027. The supplement will equal half of the maximum annual benefit for the 2026–27 year: up to $223 per adult and $117 per child, plus up to $117 for eligible single individuals. For example, a single person could receive up to $339, and a couple with two children up to $679.

The amount depends on your family income. If you already receive the CGEB, you won't need to apply. Filing your tax return on time is how you stay eligible.

NOVEMBER BUDGET UPDATES



Foreign Investment Reporting

If you hold foreign investments, you currently need to file Form T1135 when their total cost is more than $100,000 at any time during the year. Starting with the 2027 tax year, that threshold doubles to $200,000.

The limit for using the simplified version of the form also rises, from under $250,000 to under $500,000.

These changes only affect the reporting form. You still need to report and pay tax on all foreign income, as you do now.

GST/HST on Massage Therapy

The budget proposes to exempt services from qualifying registered massage therapists from GST/HST. To qualify, the therapist must meet their province's licensing or equivalency requirements. If passed into law, the exemption would apply to services provided after November 5, 2026. Until it becomes law, GST/HST still technically applies. Contact us before making any changes to how you bill.

If you're a massage therapist: once the exemption takes effect, you'll no longer charge GST/HST on your services, but you'll also no longer be able to claim input tax credits for GST/HST paid on your business expenses. Contact us to discuss how this affects your GST/HST registration and filings.

HALLOWEEN GLOW-IN-THE-DARK GOLF NEWMARKET OFFICE

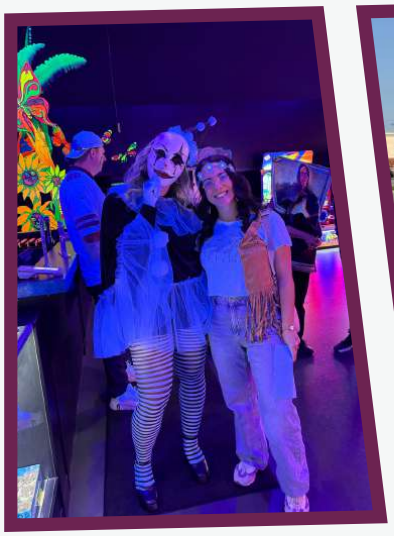
















KEY DATES

December 15, 2026:

- Fourth personal tax instalment due

ACCOUNTING FUNNY

A lost hot air balloonist asks a passerby for help and receives a hyper-specific, technically accurate geographical coordinate, prompting him to guess:
"You must be an accountant."

The accountant fires back by diagnosing the balloonist as management—someone who rose on hot air, made a promise they cannot keep, and expects others to fix it, leaving them both in the same spot!

ARTICLES OF INTEREST

- **Catch up on all the latest tax news, including:**
  - CRA Payment Tools
  - Medical Travel – Affordability
  - Taxable Benefit – Reimbursed Parking Costs
  - Donation Receipts Missing Prescribed Information
  - Trust Reporting Issues
- **Previous Month's Tax News**: more info here
- **Canada Groceries and Essentials Benefit:** Find out more
- **Canada Child Benefit (CCB):** Here's what you need to know.
- **Is your name on a parent's account or a child's home title?** What Canadians need to know about CRA bare trust filing