

## December 2025

### Farm Succession Planning

Every farm succession plan is as different as the individuals involved in the plan. Agriculture is one of the most flexible businesses to be able to leave assets to the next generation while planning around income taxes. With many farms now incorporated, this could also include a butterfly to separate farm assets into two or more corporations for the next generation. Due to the high cost of land and machinery, the dollars involved in these plans are significant. Many plans also revolve around farming vs. non-farming children. There are several methods available to leave some legacy to non-farming children that will allow cash payouts over time. Wills should be updated on a regular basis. If you have some questions regarding succession planning please contact our office.



### GST Tips and Traps

While most farm-related revenues are zero-rated for GST purposes, there are several that require you to collect GST including:

- \* sale of horses
- \* custom work income
- \* equipment rentals
- \* sale of trucks
- \* land rent
- \* sale of tractors (under 60 HP)



Remember to claim GST paid on the following items (review your receipts to see what can be claimed):

- \* leases for equipment or grain bins
- \* marketing costs deducted from cattle sales
- \* elevation, trucking or other charges deducted from grain sales

### Paying Your Children

Many business and farm operations tap into the labor force available at home from a spouse or children through the payment of wages.

To determine what to pay, consider the following:

- \* The work done must be related to the business.
- \* The wage paid must be reasonable, with consideration to the age of the child, the work completed and what reasonably would be paid to someone else doing the same task.
- \* The wage must be paid, along with the payroll withholdings required by Canada Revenue Agency.
- \* The wage should not be paid in kind, for example in the form of supplies or clothing.





## CRA Updates



Canada Revenue  
Agency

Agence du revenu  
du Canada

The CRA has automatically converted all business accounts (including individuals or partnerships who have a GST number) to paperless mail. It is your responsibility to sign up for and monitor your account, if you need assistance with this please contact our office as we have admin staff trained to help. Once you've signed up for an online account you have the ability to request to revert back to paper mail; this request has to be completed every 2 years.

We recommend that you request additional tax, GST and payroll remittance vouchers once signed up to your account. The CRA will impose a penalty for any payment of \$10,000 or more that is not paid electronically (online or at the bank) and banks require a remittance voucher to process a payment.



## Partnership Change

The firm's succession plan saw Peggy sell her partnership interest to Scott, Jolene, and Justin in 2025. As part of her gradual retirement strategy Peggy has transferred her audit clients to the other partners and staff.

Peggy intends to concentrate on her farm, business and personal tax clients. This reduced workload will allow Peggy more time with her grandchildren and in her yard!

## AgriStability Updates

For the 2025 program year only, losses above the 70% threshold are covered at \$0.90 for every dollar of decline up to a maximum of \$6 million or 70% of the overall margin decline, whichever is less.

Starting with the 2025 Program Year, the deadline to submit supplementary forms without penalty is June 30 of 2026. The final deadline will be September 30, 2026.



***MERRY CHRISTMAS & A HAPPY NEW YEAR  
FROM THE PARTNERS AND STAFF AT GITZEL & COMPANY***