

February 2026

CRA Updates

The CRA has automatically converted all accounts with 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 may request to revert back to paper mail; this request must 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.

You can also make payments online through CRA's My Payment online service on Canada.ca using a bank debit card with the VISA or MasterCard symbol on it; credit cards or Interac debit cards are not able to be used. You can also set up a Pre Authorized Debit through My Account or My Business Account; these transactions can take up to 10 days to clear.



Repair vs Capital

The cost of capital renovations are added to the cost base of a property, decreasing a potential capital gain that may arise on the sale of the property. Capital renovations are things that permanently improve the property, such as:

- ◆ Increasing the physical production or service capacity (i.e. adding an apartment to an existing house);
- ◆ Reducing operating costs (significant energy efficient upgrades could qualify);
- ◆ Extending the useful life;
- ◆ Increasing the fair market value (or municipal assessment value);
- ◆ Replacing worn, missing, exhausted or obsolete assets; and
- ◆ Creating a new capital asset (i.e. building a garage on the property).

Repairs include regular, on-going maintenance or irregular maintenance to fix up a derelict property which has been neglected for many years, and cannot be added to the cost base. Repairs could include large expenses such as new siding, shingles, or even replacing a worn out furnace or hot water tank.

Capital Cost Allowance

Budget 2025 proposes to reinstate the accelerated investment incentive of capital assets. Certain qualifying assets purchased from arm's length entities and available for use from January 1, 2025 until December 31, 2029 will qualify for three times the normal amount of CCA to be claimed in the year of purchase. For 2030 to 2033 the depreciation will be reduced to twice the normal CCA claim in the year of purchase.

CAREER OPPORTUNITY

If you, or someone you know, is interested in a career in accounting please contact our office. We would be happy to answer any questions you might have regarding becoming an accountant!



Why did the goose have a large tax refund?

Because his bill was tax de-duck-table!



Trucking

If you operate a business in the trucking industry, payments of fees for services exceeding \$500 in a calendar year must be reported in Box 048 of a T4A slip. Failure to do so can result in the assessment of penalties for the 2025 tax year and beyond. Your business is considered to be operating in the trucking industry if your primary source of income (greater than 50% of income-earning activities) is from trucking. If you need assistance determining if you are required to file T4A slips or with filing the slips themselves, please contact our office.

CRA Audits

Some common triggers for CRA audits include:

- Risk assessment, including likelihood or frequency of errors, adjustments, or discrepancies
- Indicators of non-compliance, such as late filings, unpaid balances, and repeated failure to file/remit
- Comparison to similar files or other audits or investigations
- Significant changes within the entity, such as frequent turnover of leadership, mergers, acquisitions, divestures, relocations, restructurings, or other major operational changes
- Unusual claiming patterns or discrepancies between GST/HST returns and tax filings, or fluctuation in GST ITC claims
- Negative media attention or public scrutiny
- Certain sectors, particularly those part of the “cash economy” such as restaurants, construction, and retailers
- Frequent business losses, cash flow issues, or large loans with insufficient documentation



We provide a service called Audit Shield that will cover the cost of many common CRA audits and reviews. Enquire with our office if this is something you are interested in purchasing.

GITZEL & COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS

PARTNERSHIP CHANGE

The firm’s succession plan saw Peggy sell her partnership interest to Scott, Jolene, and Justin in 2025. Peggy will be working in the firm as an Associate and intends to concentrate on her farm, business and personal tax clients, with less auditing, over the next few years.

Collecting CPP

You can start collecting CPP when you turn 60, but it may be more beneficial to defer collection to increase your monthly CPP benefits. Benefits are decreased by 0.6% per month prior to age 65 (max reduction of 36% if start collecting at age 60) and increased by 0.7% per month after age 65 (max increase of 42% if start collecting at age 70).

Monthly retirement benefits are more than 2.2 times larger for someone who waits until they are 70, rather than starting to collect at age 60. The choice to defer collecting your CPP should be weighed against the need for additional income to supplement your retirement funds or the desire to have additional funds to enjoy during the earlier years of your retirement.

Taxes tie us together!

