

NOTE ON CHANGES IN INCOME TAX LEGISLATION FOR 2025 CFE

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As a CPA candidate, you are responsible for the regulation that are “in effect as of December 31 of the previous year”. Therefore, the cut-off date of the version of the *Income Tax Act* for the Common Final Examination (CFE) is December 31 of the prior year.

TECHNICAL UPDATE FROM CPA CANADA FOR 2025 (for taxation)

(source: CPA Canada, Technical update for 2025 CPA PEP examinations and the CFE, online April 10, 2025, <https://www.cpacanada.ca/en/become-a-cpa/cpa-certification-program-evaluation/technical-update-for-examinations>)

“If you are writing any Chartered Professional Accountants of Canada Professional Education Program (CPA PEP) module examination and/or the Common Final Examination (CFE) in 2025, you should be aware of the cut-off date and testable material used for examinations to be delivered in 2025. [...] In addition, one of the formulas for ‘Present Value of Tax Shield for Amortizable Assets’ presented in the previous year will be removed, as it only applies to assets in uncommon CCA classes.”

“For 2025, this should be interpreted to mean that the following standards and legislation are testable:

[...]

tax legislation **substantively enacted** (which includes legislation passing third reading in the House of Commons during a minority government)) up to December 31, 2024” [...]

“In addition, you are responsible for an awareness of changes that occur subsequent to the cut-off date, or that have been issued but are not in effect, at a Level C expectation at Core, and moving to Level B in the Assurance and Taxation Electives, based on the following competencies: [...]

6.1.3 explains implications of current trends, emerging issues and technologies in taxation.”

Reminder: “You may always apply a more current standard than what is required (recognizing that the reference material provided is only updated once a year) on the CPA PEP and CFE case portion of the examinations. [...] Therefore, objective-format questions follow the cut-off dates outlined above.”

Further details on taxation changes

“The Minister of Finance released the 2024 Federal Budget on April 16, 2024, and the Government House Leader released the Fall Economic Statement on December 16, 2024, both of which included a number of tax measures. Only some of the Federal budget measures were enacted during 2024 and none of the Fall Economic Statement measures were enacted, though Notice of Ways and Means have been put forward for several of the budget measures.

Specific measures relevant to CPA candidates that have been proposed but not substantively enacted as of December 31, 2024, include the capital gains inclusion rate (and a number of consequential changes, such as changes to the lifetime capital gains exemption and the introduction of the Canadian Entrepreneurs’ Incentive), a new immediate expensing rule for productivity-enhancing assets, changes to the SR&ED program, an extension of the accelerated investment incentive, and a temporary extension for charitable donations for 2024.

However, following the principle that candidates may apply a more current standard that what is required, on the CFE and on the PEP exam cases, candidates may use the new rules in their case responses. Objective-format questions follow the cut-off dates outlined above.”

INTRODUCTION

This note aims to present changes in income tax legislation during 2025, 2024, 2023, and 2022 for the 2025 CFE. A previous note presents changes in income tax legislation for the 2024 CFE. The note includes the list of *Income Tax Act* amending acts, the list of taxation draft legislation, and the details on the recent changes in legislation included and excluded in 2025 CFE.

(CAUTION: draft legislation may be broken down in pieces when included in a specific bill which become a chapter receiving royal assent modifying the ITA; not necessarily 100% of all draft legislation are keep together; it is preferable to use the enacted Acts included in a specific CFE to know what is or not included)

LIST OF INCOME TAX ACT - AMENDING ACTS
(R.S.C. 1985 (5th Supplement), c.1 as amended)

Year	Bill	Title	Chapter	Royal Assent
2025		(None)		
2024	C-78	<i>Tax Break for All Canadians Act</i>	32	December 12, 2024
2024	C-69	<i>Budget Implementation Act, 2024, No. 1</i>	17	June 20, 2024
2024	C-59	<i>Fall Economic Statement Implementation Act, 2023</i>	15	June 20, 2024
2023	C-42	<i>An Act to amend the Canada Business Corporations Acts and to make consequential and related amendments to other Acts</i>	29	November 2, 2023
2023	C-47	<i>Budget Implementation Act, 2023, No. 1 (An Act to implement certain provisions of the budget tabled in Parliament on March 28, 2023)</i>	26	June 22, 2023
2023	C-41	<i>An Act to amend the Criminal Code and to make consequential amendments to other Acts</i>	14	June 20, 2023
2023	C-46	<i>Cost of Living Relief Act. No. 3 (An Act to amend the Federal-Provincial Fiscal Arrangements Act and the Income Tax Act)</i>	11	May 11, 2023

(source: Justice Canada, Annual Statutes, online April 29, 2025
<https://www.laws-lois.justice.gc.ca/eng/AnnualStatutes/>)

LIST OF TAXATION DRAFT LEGISLATION

Year	Title	Released Date	Details
2025	Announcement by Prime Minister cancelling the capital gain inclusion rate increase and maintaining the increase in the Lifetime Capital Gains Exemption limit of \$1,250,000	March 21, 2025	√(exc)
	Legislative Proposals Relating to the <i>Income Tax Act</i>	February 2025	√(exc)
	Draft legislative proposals and explanatory notes related to the <i>Income Tax Act</i> (Charitable donations)	January 2025	√(exc)
2024	Legislative and Regulatory Proposals Relating to the <i>Excise Tax Act</i>	November 2024	√(exc)
	Notice of Ways and Means Motion to introduce a bill to amend the <i>Income Tax Act</i> and <i>Income Tax Regulations</i>	October 2024	√(exc)
	Notice of Ways and Means Motion to introduce a bill entitled <i>An Act to amend the Income Tax Act</i> and the <i>Income Tax Regulations</i> and Explanatory Notes	September 2024	√(exc)
	Legislative proposals and explanatory notes relating to various statutes (<i>Income Tax Act</i>)	August 2024	√(exc)
	Notice of Ways and Means Motion to introduce <i>An Act to amend the Income Tax Act</i> and the <i>Income Tax Regulations</i>	June 2024	√(exc)
	Notice of Ways and Means Motion to introduce an <i>Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024</i>	April 16, 2024	√(exc)
	Legislative Proposals to the <i>Excise Tax Act</i> and the <i>Excise Act, 2001</i>	March 2024	√(inc)
2023	Legislative Proposals Relating to the <i>Income Tax Act</i>	December 2023	√(inc)
	Draft Real Property (GST/HST) Regulations	December 2023	√(exc)
	Notice of Ways and Means Motion to introduce a bill entitled <i>An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 21, 2023 and certain provisions of the budget tabled in Parliament on March 28</i> and Explanatory Notes	November 2023	√(inc)
	Legislative Proposals Relating to New GST/HST Joint Venture Election Rules	November 2023	√(inc)
	Legislative Proposals and Explanatory Notes Relating to Various Statutes	August 2023	√(inc))
	Draft Regulations Amending Part 1 of Schedule 1 to the <i>Greenhouse Gas Pollution Pricing Act</i> and Fuel Charge Regulations	May 2023	-
	Notice of Ways and Means Motion to introduce an <i>Act to implement certain provisions of the budget tabled in Parliament on March 28, 2023</i>	April 2023	√(inc)
	Explanatory Notes Relating to Bill C-42. <i>An Act to amend the Canada Business Corporations Act and to make consequential and related amendments to other Acts</i>	April 2023	√(inc)

Year	Title	Released Date	Details
	Explanatory Notes Relating to Bill C-46, <i>An Act to amend the Federal-Provincial Fiscal Arrangements Act and the Income Tax Act</i>	April 2023	√(inc)
	Tax Measures Budget 2023	March 28, 2023	√(inc)
2022	Draft Regulations Amending Part 1 of Schedule 1 and Schedule 2 to the Greenhouse Gas Pollution Pricing Act and Fuel Charge Regulations, No. 2	December 2022	-
	<i>Legislative Proposals Relating to Amendments to the Income Tax Act and Explanatory Notes</i>	November 2022	√(inc)
	Notice of Ways and Means Motion to introduce an Act to implement certain provisions of the fall economic statement tabled in Parliament on November 3, 2022 and certain provisions of the budget tabled in Parliament on April 7, 2022 and Explanatory Notes	November 2022	√(inc)
	<i>Legislative Proposals Relating to the Payment Card Networks Act</i>	November 2022	-
	Explanatory Notes Relating to Amendments to the <i>Income Tax Act</i> , <i>Excise Tax Act</i> and the <i>Excise Act, 2001</i>	September 2022	√(inc)
	<i>Legislative Proposals Relating to the Income Tax Act and Other Legislation and Explanatory Notes</i>	August 2022	√(inc)
	<i>Legislative Proposals Relating to the Income Tax Act - Hybrid Mismatch Arrangements and Explanatory Notes</i>	April 2022	√(inc)
	Notice of Ways and Means Motion to introduce an Act to implement certain provisions of the budget tabled in Parliament on April 7, 2022 and other measures	April 2022	√(inc)
	<i>Legislative Proposals Relating to the Selected Luxury Items Tax Act</i>	March 2022	-
	<i>Legislative and Regulatory Proposals Relating to the Excise Tax Act, the Air Travellers Security Charge Act, the Excise Act, 2001, and the Greenhouse Gas Pollution Pricing Act and Explanatory Notes</i>	February 2022	-
	<i>Legislative Proposals Related to the Income Tax Act and Other Legislation</i>	February 2022	√(inc)
	Explanatory Notes for the Draft <i>Digital Services Tax Act</i>	February 2022	-
2019	<i>Legislative Proposal Relating to the Income Tax Act (Amateur Athlete Trust) and Explanatory Notes</i>	December 20, 2019	√(exc)

(source: Department of Finance Canada, Draft Legislation, online April 29, 2025, <https://www.fin.canada.ca/drleg-apl/index-en.html>)

Note: (exc) = excluded from 2025 CFE; (inc) = included in 2025 CFE; √ = details included in recent changes section

RECENT CHANGES IN LEGISLATION INCLUDED IN 2025 CFE

Acts included in 2025 CFE

**** Tax Break for All Canadians Act**

(c.32 - royal assent December 12, 2024)

GST/HST (Excise Tax Act)

- implementing a temporary GST/HST holiday between December 14, 2024 and February 15, 2025 inclusively in respect of certain taxable supplies.

**** Budget Implementation Act, 2024, No. 1**

(c.17 - royal assent June 20, 2024)

Income Tax Act

- denying income tax deductions for expenses incurred with respect to non-compliant short-term rentals;
- exempting from taxation the international shipping income of certain Canadian resident companies;
- exempting from taxation any income of the trusts established under the First Nations Child and Family Services, Jordan's Principle, and Trout Class Settlement Agreement;
- doubling the volunteer firefighters and search and rescue volunteers tax credits;
- extending the eligibility for the Canada child benefit in respect of a child for six months after the child's death;
- increasing the cap on labour expenditures per eligible newsroom employee from \$55,000 to \$85,000 and increasing, for four years, the Canadian journalism labour tax credit rate from 25% to 35%;
- extending eligibility for the mineral exploration tax credit by one year;
- providing a refundable tax credit to small and medium-sized businesses in designated provinces by returning a portion of fuel charge proceeds from the province;
- providing a refundable investment tax credit to qualifying businesses for investments in certain clean hydrogen projects;
- providing a refundable investment tax credit to qualifying businesses for certain investments in clean technology manufacturing property;
- amending the definition "government assistance" to exclude bona fide concessional loans with reasonable repayment terms from public authorities;
- implementing a number of amendments to the alternative minimum tax;
- increasing the home buyers' plan withdrawal limit from \$35,000 to \$60,000 and deferring the repayment period by three additional years;
- excluding the failure to report under the mandatory disclosure rules from the application of the section 238 penalty;
- introducing a \$10-million capital gains exemption on the sale of a business to an employee ownership trust; and
- implementing a number of technical amendments to correct inconsistencies and to better align the law with its intended policy objectives.

GST/HST (Excise Tax Act)

- repealing the temporary relief for supplies of certain face masks or respirators and certain face shields from the Goods and Services Tax/Harmonized Sales Tax.

Global Minimum Tax Act

- enacting the Global Minimum Tax Act, a regime based on the rules of the Organisation for Economic Co-operation and Development (OECD). The global minimum tax regime will ensure that large multinational corporations are subject to a minimum effective tax rate of 15% on their profits wherever they do business. It sets out rules for the purposes of establishing liability for the tax and also sets out applicable

- reporting and filing requirements.
- promote compliance with its provisions, that Act includes modern administration and enforcement provisions generally aligned with those found in other taxation statutes.
- making related and consequential amendments to other texts to ensure proper implementation of the tax and cohesive and efficient administration by the Canada Revenue Agency.

**** Fall Economic Statement Implementation Act, 2023**

(c.15 - royal assent June 20, 2024)

Income Tax Act and Income Tax Regulations

- limiting the deductibility of net interest and financing expenses by certain corporations and trusts, consistent with certain Organisation for Economic Co-operation and Development (OECD) and the Group of Twenty Base Erosion and Profit Shifting project recommendations;
- implementing hybrid mismatch rules consistent with the Organisation for Economic Co-operation and Development and the Group of Twenty Base Erosion and Profit Shifting project recommendations regarding cross-border tax avoidance structures that exploit differences in the income tax laws of two or more countries to produce “deduction/non-inclusion mismatches”;
- allowing expenditures incurred in the exploration and development of all lithium to qualify as Canadian exploration expenses and Canadian development expenses;
- ensuring that only genuine intergenerational business transfers are excluded from the anti-surplus stripping rule in section 84.1 of the Income Tax Act;
- denying the dividend received deduction for dividends received by Canadian financial institutions on certain shares that are held as mark-to-market property;
- increasing the rate of the rural supplement for Climate Action Incentive payments (CAIP) from 10% to 20% for the 2023 and subsequent taxation years as well as referencing the 2016 census data for the purposes of the CAIP rural supplement eligibility for the 2023 and 2024 taxation years;
- providing a refundable investment tax credit to qualifying businesses for eligible carbon capture, utilization and storage equipment;
- providing a refundable investment tax credit to qualifying businesses for eligible clean technology equipment;
- introducing, under certain circumstances, labour requirements in relation to the new refundable investment tax credits for eligible carbon capture, utilization and storage equipment as well as eligible clean technology equipment;
- removing the requirement that credit unions derive no more than 10% of their revenue from sources other than certain specified sources;
- permitting a qualifying family member to acquire rights as successor of a holder of a Registered Disability Savings Plan (RDSP) following the death of that plan’s last remaining holder who was also a qualifying family member;
- implementing consequential changes of a technical nature to facilitate the operation of the existing rules for First Home Savings Accounts (FHSA);
- introducing a tax of 2% on the net value of equity repurchases by certain Canadian corporations, trusts and partnerships whose equity is listed on a designated stock exchange;
- exempting certain fees from the refundable tax applicable to contributions under retirement compensation arrangements (RCA);
- introducing a technical amendment to the provision that authorizes the sharing of taxpayer information for the purposes of the Canadian Dental Care Plan;
- implementing a number of amendments to the general anti-avoidance rule (GAAR) as well as introducing a new penalty applicable to transactions subject to the GAAR and extending the normal reassessment period for the GAAR by three years in certain circumstances;
- facilitating the creation of employee ownership trusts;
- introducing specific anti-avoidance rules in relation to corporations referred to as substantive

CCPCs; and

- extending the phase-out by three years, and expanding the eligible activities, in relation to the reduced tax rates for certain zero-emission technology manufacturers.

GST/HST (Excise Tax Act)

- making related and consequential amendments to the Excise Tax Act and the Excise Act, 2001 of Income tax Acts changes;
- ensuring that an interest in a corporation that does not have its capital divided into shares is treated as a financial instrument for GST/HST purposes;
- ensuring that interest and dividend income from a closely related partnership is not included in the determination of whether a person is a de minimis financial institution for GST/HST purposes;
- ensuring that an election related to supplies made within a closely related group of persons that includes a financial institution may not be revoked on a retroactive basis without the permission of the Minister of National Revenue;
- making technical amendments to an election that allows electing members of a closely related group to treat certain supplies made between them as having been made for nil consideration;
- ensuring that certain supplies between the members of a closely related group are not inadvertently taxed under the imported taxable supply rules that apply to financial institutions;
- raising the income threshold for the requirement to file an information return by certain financial institutions;
- allowing up to seven years to assess the net tax adjustments owing by certain financial institutions in respect of the imported taxable supply rules;
- expanding the GST/HST exemption for services rendered to individuals by certain health care practitioners to include professional services rendered by psychotherapists and counselling therapists;
- providing relief in relation to the GST/HST treatment of payment card clearing services;
- allowing the joint venture election to be made in respect of the operation of a pipeline, rail terminal or truck terminal that is used for the transportation of oil, natural gas or related products;
- raising the input tax credit (ITC) documentation thresholds from \$30 to \$100 and from \$150 to \$500 and allowing billing agents to be treated as intermediaries for the purposes of the ITC information rules; and
- extending the 100% GST rebate in respect of new purpose-built rental housing to certain cooperative housing corporations.
- implementing an excise tax measure by creating a joint election mechanism to specify who is eligible to claim a rebate of excise tax for goods purchased by provinces for their own use.

*** An Act to amend the Canada Business Corporations Acts and to make consequential and related amendments to other Acts*

(c.29 - royal assent November 2, 2023)

- addition of paragraph 241(4)(u) authorizing communication of certain taxpayer information

*** Budget Implementation Act, 2023, No. 1 (An Act to implement certain provisions of the budget tabled in Parliament on March 28, 2023)*

(c.26 - royal assent June 22, 2023)

Income Tax Act

- enabling the Canada Revenue Agency (CRA) to use electronic certification of tax and information returns and requiring taxpayers to file electronically in certain circumstances;
- doubling the maximum deduction for tradespeople's tools from \$500 to \$1,000;
- providing that any gain on the disposition of a right to acquire Canadian housing property within a one-year period of its acquisition is treated as business income;

- excluding from a taxpayer's income certain benefits for Canadian Forces members, veterans and their spouses or common-law partners;
- exempting from taxation any income earned by the Band Class Settlement Trust in accordance with section 24.05 of the Settlement Agreement entered into on January 18, 2023 relating to the attendance of day scholars at residential schools;
- providing an additional payment of the Goods and Services Tax/Harmonized Sales Tax (GST/HST) credit equal to double the amount of the regular January 2023 payment;
- providing for automatic, quarterly advance payments of the Canada Workers Benefit;
- allowing divorced and separated spouses to open joint Registered Educational Savings Plans and increasing educational assistance amounts under those plans;
- extending, by three years, the ability of a qualifying family member to be the plan holder of an individual's Registered Disability Savings Plan and expanding the definition of "qualifying family member" to include a sister or a brother of the individual;
- allowing defined contribution registered pension plans to correct contribution errors and requiring that the contributions or refunds are reported to the CRA for the purpose of correcting the RRSP deduction limit;
- modifying reporting requirements in respect of reportable transactions, introducing reporting requirements for notifiable transactions and providing reporting requirements with respect to uncertain tax treatments, as well as extending the reassessment periods applicable to those transactions and creating or modifying penalties for non-compliance with those requirements;
- allowing the CRA to share taxpayer information for the purposes of the Canadian Dental Care Plan;
- expanding the definition of "dividend rental arrangement" to include "specified hedging transactions" carried out in whole or in part by registered securities dealers;
- implementing the Model Reporting Rules for Digital Platforms developed by the Organisation for Economic Co-operation and Development;
- requiring annual reporting by financial institutions of the fair market value of registered retirement savings plans and registered retirement income funds;
- expanding the permissible borrowing by defined benefit pension plans; and
- implementing a number of technical amendments to correct mistakes or inconsistencies and to better align the law with its intended policy objectives.

GST/HST (Excise Tax Act)

- clarifying that the international transportation of money benefits from Goods and Services Tax/Harmonized Sales Tax (GST/HST) relief and other special rules in the same manner as a service of internationally transporting other kinds of freight;
- permitting a pension entity, in specific circumstances, to claim the pension entity rebate or an input tax credit, or to make the pension entity rebate election, after the end of the two-year limitation period;
- specifying that cryptoasset mining is generally not considered a supply for GST/HST purposes; and
- ensuring that payment card clearing services are excluded from the definition "financial service" under the GST/HST legislation

*** An Act to amend the Criminal Code and to make consequential amendments to other Acts*
(c.14 - royal assent June 20, 2023)

- change to paragraph 241(4)(d) regarding Criminal Code

*** Cost of Living Relief Act, No. 3 (An Act to amend the Federal-Provincial Fiscal Arrangements Act and the Income Tax Act)* (c.11 - royal assent May 11, 2023)

- providing an additional payment of the Goods and Services Tax/Harmonized Sales Tax (GST/HST) credit equal to double the amount of the regular January 2023 payment.

Draft legislation included in 2025 CFE

(CAUTION: draft legislation may be broken down in pieces when included in a specific bill which become a chapter receiving royal assent modifying the ITA; not necessarily 100% of all draft legislation are kept together; it is preferable to use the enacted Acts included in a specific CFE to know what is or not included)

- * April 16, 2024
Notice of Ways and Means Motion to introduce an *Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024*
(Integrated in New statute c.17 - royal assent June 20, 2024)
- * March 2024
Legislative Proposals to the *Excise Tax Act* and the *Excise Act, 2001*
(Integrated in New statute c.15 - royal assent June 20, 2024)
- * December 2023
Legislative Proposals Relating to the *Income Tax Act*
(Integrated in New statute c.17 - royal assent June 20, 2024)
 - investment tax credit for clean hydrogen (ITA 127.48)
 - clean technology manufacturing investment tax (ITA 127.49)
 - investment tax credits related sections
 - concessional loans (ITA 12(1))
 - short-term rentals (ITA 67.7)
 - international shipping (ITA 81(1))
- * November 2023
Notice of Ways and Means Motion to introduce a bill entitled *An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 21, 2023 and certain provisions of the budget tabled in Parliament on March 28* and Explanatory Notes
(Integrated in New statute c.15 - royal assent June 20, 2024)
 - hybrid financial instrument and hybrid mismatch arrangements (ITA 18.4)
 - interest and financing expenses + EIFEL (excessive interest and financing expenses limitation)
 - Canadian development expense (lithium brine well)
 - intergenerational business transfer and non-arm's length sale of shares (ITA 84.1)
 - amalgamation and wind-up
 - FHSA (First Home Savings Plans) (ITA 146.6)
 - FAPI (foreign accrual property income)
 - loss restriction
 - carbon capture utilization and storage (CCUS) tax credit (class 57-60)
 - clean technology investment tax credit
 - clean electricity investment tax credit
 - labour requirements related to certain investment tax credit
 - tax on repurchase of equity (Part II.2)
 - General Anti-Avoidance Rule (GAAR)
 - substantive CCPC
- * November 2023
Legislative Proposals Relating to New GST/HST Joint Venture Election Rules
(Integrated in New statute c.15 - royal assent June 20, 2024)

- * April 2023
Explanatory Notes Relating to Bill C-42. *An Act to amend the Canada Business Corporations Act and to make consequential and related amendments to other Acts*
(Integrated in New statute c.29 - royal assent November 2, 2023)

- * April 2023
Explanatory Notes Relating to Bill C-46. *An Act to amend the Federal-Provincial Fiscal Arrangements Act and the Income Tax Act*
(Integrated in New statute c.11 - royal assent May 11, 2023)

- * April 2023
Notice of Ways and Means Motion to introduce an *Act to implement certain provisions of the budget tabled in Parliament on March 28, 2023*
(Integrated in New statute c.26 - royal assent June 22, 2023)

- * March 28, 2023
Budget 2023
(Integrated in New statute c.26 - royal assent June 22, 2023)

- * November 2022
Legislative Proposals Relating to Amendments to the *Income Tax Act* and Explanatory Notes
(Integrated in New statute c.15 - royal assent June 20, 2024)
 - excessive interest and financing expenses (EIFEL BEPS G20 OECD) (ITA 12, 18.2, 18.21)
 - part II reporting rules for digital platform operators (ITA 282-295)

- * November 2022
Notice of Ways and Means Motion to introduce an Act to implement certain provisions of the fall economic statement tabled in Parliament on November 3, 2022 and certain provisions of the budget tabled in Parliament on April 7, 2022 and Explanatory Notes
(Integrated in New statute c.19 - royal assent December 15, 2022)

- * September 2022
Explanatory Notes Relating to Amendments to the *Income Tax Act*, *Excise Tax Act* and the *Excise Act, 2001*
(Integrated in New statute c.11 - royal assent May 11, 2023)

- * August 2022
Legislative Proposals Relating to the *Income Tax Act* and Other Legislation and Explanatory Notes
(Integrated in New statute c.19 - royal assent December 15, 2022)

- * April 2022
Legislative Proposals Relating to the *Income Tax Act* - Hybrid Mismatch Arrangements and Explanatory Notes
(Integrated in New statute c.15 - royal assent June 20, 2024)
 - implementing the recommendations in the Action 2 Report of the Organization for Economic Cooperation and Development (OECD / G20 Base Erosion and Profit Sharing (BEPS) project on 'Neutralizing the Effects of Hybrid Mismatch Arrangements'

- * April 7, 2022
Budget 2022
Notice of Ways and Means Motion to introduce an Act to implement certain provisions of the budget tabled in Parliament on April 7, 2022 and other measures
(Integrated in New statute c.10 - royal assent June 23, 2022 /c.19 - royal assent December 15, 2022)
- * February 2022
Legislative Proposals Related to the Income Tax Act and Other Legislation
(Integrated in New statute c.19 - royal assent December 15, 2022)

RECENT CHANGES IN LEGISLATION EXCLUDED FROM 2025 CFE

Draft legislation excluded in 2025 CFE

- * March 21, 2025
Announcement by Prime Minister
 - Cancellation of the capital gain inclusion rate increase
 - Maintaining the increase in the Lifetime Capital Gains Exemption limit of \$1,250,000
- * February 2025
Legislative Proposals Relating to the *Income Tax Act*
 - Electric Vehicle (EV) supply chain investment tax credit
- * January 2025
Draft legislative proposals and explanatory notes related to the *Income Tax Act*
 - Charitable donations extension of time (before March 2025 for taxation year 2024)
- * November 2024
Legislative and Regulatory Proposals Relating to the *Excise Tax Act*
 - GST/HST substantial completion of real property
 - GST/HST purpose-built rental housing - student residence
- * October 2024
Notice of Ways and Means Motion to introduce a bill to amend the *Income Tax Act* and *Income Tax Regulations*
 - Definition of birth control services (ITA 149.1)
 - Disclosure requirement - registered charity (ITA 149.1)
- * September 2024
Notice of Ways and Means Motion to introduce a bill entitled *An Act to amend the Income Tax Act* and the *Income Tax Regulations* and Explanatory Notes
 - Capital gains inclusion rate increase (2/3 vs 1/2) after June 24, 2024
 - Exception regarding inclusion rate on net capital gains of individuals, graduated rate estates and qualified disability trusts, that does not exceed \$250,000
 - Capital gains reduction (\$250,000) (ITA 38.01; 111.2)
 - Multiple rules related to inclusion rate (ABIL, CDA)
 - Increase of Lifetime Capital Gains Exemption limit of \$1,250,000 (ITA 110.6) (farm + QSBC)
 - Alternative minimum tax (AMT)
 - Foreign affiliate rules (FAPI)
- * August 2024
Legislative proposals and explanatory notes relating to various statutes (*Income Tax Act*)
Budget 2024 and other proposals
 - Canadian Entrepreneurs' Initiative (ITA 110.63)
 - Disability supports deduction
 - Employee ownership trust tax exemption
 - Capital gains deduction (ITA 110.61)
 - Workers cooperatives
 - Charities and qualified donees
 - Registered Education Savings Plan (RESP)
 - Non-compliance with information requests

- Avoidance of tax debts
- Mutual fund corporations
- Synthetic equity arrangements
- Manipulation of bankrupt status
- Accelerated capital cost allowance for productivity-enhancing assets
- Accelerated capital cost allowance for purpose-built rental housing
- Interest deductibility limits
- Clean economy investment tax credits (clean electricity (ITA127.491); clean technology (ITA127.45); clean technology manufacturing (CTM) (ITA127.49))
- Withholding for non-resident service providers (ITA 153)
- Substantive CCPCs (ITA 89)
- Foreign affiliate rules (FAPI)

Technical amendments

- Numerous technical amendments

Capital gains inclusion rate

- Capital gains inclusion rate increase (2/3 vs 1/2) after June 24, 2024
- Exception regarding inclusion rate on net capital gains of individuals, graduated rate estates and qualified disability trusts, that does not exceed \$250,000
- Capital gains reduction (\$250,000) (ITA 38.01; 111.2)
- Multiple rules related to inclusion rate (ABIL, CDA)

Global Minimum Tax Act

- Proposals on Global Minimum tax Act

GST/HST (Excise Tax Act)

- First Home Savings Accounts (FHSA)
- Definition of Canadian activity

* June 2024

Notice of Ways and Means Motion to introduce *An Act to amend the Income Tax Act and the Income Tax Regulations*

(New draft legislation in September 2024)

- Capital gains inclusion rate increase (2/3 vs 1/2) after June 24, 2024
- Capital gains reduction (\$250,000) (ITA 38.01)
- Multiple rules related to inclusion rate

* December 2023

Draft Real Property (GST/HST) Regulations

(New draft legislation in November 2024)

* August 2023

Legislative Proposals and Explanatory Notes Relating to Various Statutes

(Integrated in New statute c.15 - royal assent June 20, 2024)

(New draft legislation in August 2024 and September 2024)

- employee ownership trust
- retirement compensation arrangements (RCA)
- Alternative Minimum Tax (AMT) for high-income individuals (ITA 127.51)
- intergenerational business transfer
- carbon capture utilization and storage (CCUS)
- clean technology investment tax credit
- labour requirements related to certain investment tax credit
- zero-emission technology manufacturers
- flow-through shares and critical mineral exploration - lithium from brine

- tax on repurchase of equity (Part II.2)
- General Anti-Avoidance Rule (GAAR)
- credit unions
- interest and financing expenses + EIFEL (excessive interest and financing expenses limitation)
- technical amendments

* December 20, 2019

Legislative Proposal Relating to the *Income Tax Act* (Amateur Athlete Trust) and Explanatory Notes

- introducing ITA 143.1(3.1) to ensure that amounts held by amateur athlete trusts are included in a individual's income within a reasonable period of time
(if an individual has not competed in an international sporting event as a Canadian national team member for eight years)