

NOTE ON CHANGES IN INCOME TAX LEGISLATION FOR 2026 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 2026 (for taxation)

(source: CPA Canada, Technical update for 2026 CPA PEP examinations and the CFE, online April 1, 2026, <https://www.cpacanada.ca/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 2026, you should be aware of the cut-off date and testable material used for examinations to be delivered in 2026. You are expected to use the reference material electronically provided.”

“As specified in the examination blueprints for the CPA PEP modules and the CFE, you are responsible for the standards and regulations that are in effect as of December 31 of the previous year. However, because of the timing of when reference materials need to be included in the exam software, the cut-off for reference materials is November 30th; therefore, any new Handbook releases issued or tax legislation substantively enacted between December 1 and December 31 are not testable [...]”

“For 2026, 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 November 30, 2025.” [...]

“In addition, you are responsible for an awareness of changes that occur subsequent to the cut-off dates, or that have been issued but are not in effect or substantively enacted, 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 2024 Fall Economic Statement on December 16, 2024, both of which included a number of tax measures. In 2025, several tax changes were included directly in Bill C-4, which was introduced to parliament on May 26, 2025, and the Finance Minister released the 2025 Federal Budget on November 4, 2025. Some of the Federal Budget measures were enacted during 2024. Several measures announced in 2024 have since been formally cancelled by the government and are therefore not expected to be enacted at all. The remainder of the 2024 Federal Budget measures, the 2024 Fall Economic Statement measures, the measures introduced in Bill C-4, and the 2025 Federal Budget measures are at various stages of the legislative process, but none have passed third reading and therefore were not substantively enacted by November 30, 2025.

Specific measures relevant to CPA candidates that have been proposed but not substantively enacted as of November 30, 2025, include changes to the lifetime capital gains exemption limit, a new immediate expensing rule for productivity-enhancing assets as well as manufacturing and processing buildings, changes to the SR&ED program, an extension of the accelerated investment incentive, a change to the tax rate on the lowest individual income tax bracket, and a change to the home accessibility tax credit.

However, following the principle that candidates may apply a more current standard than 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; that is, other than items noted in the next paragraph, candidates should not apply these new rules in their responses to objective-format questions.

Certain proposed income tax measures have been adopted by the Canada Revenue Agency when providing its annual indexation amounts. Where applicable, the reference schedule in exam booklets will include indexed amounts published by the Canada Revenue Agency when amounts under existing legislation are not available, and candidates should use these to respond to both the cases and objective-format questions. For example, the lifetime capital gains exemption limit increase to \$1,250,000 was included in Bill C-15, which had only passed first reading by November 2025, but no indexed amounts are available for the previous, lower, limit. Therefore, even though they have not been substantively enacted by November 30, 2025, in such instances the reference schedule in exam booklets will include indexed amounts published by the Canada Revenue Agency.

In addition, the reference schedule will reflect the substantively enacted rate on November 30, 2025 of 15% on the lowest individual income tax bracket, and an additional table will be provided under the proposed change to reduce this to 14.5% for 2025 and 14% for 2026. Candidates should use the substantively-enacted legislation table (15% on the lowest bracket) for objective-format questions and may use either table in their case responses.”

INTRODUCTION

This note aims to present changes in income tax legislation during 2026, 2025, 2024, and 2023 for the 2026 CFE. A previous note presents changes in income tax legislation for the 2025 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 2026 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)

LIST OF INCOME TAX ACT - AMENDING ACTS

(R.S.C. 1985 (5th Supplement), c.1 as amended)

Year	Bill	Title	Chapter	Royal Assent
2026	C-15	<i>Budget Implementation Act, 2026, No. 1 (An Act to implement certain provisions of the budget tabled in Parliament on November 4, 2025)</i>	3	March 26, 2026
2026	C-19	<i>Canada Groceries and Essentials Benefit Act</i>	1	February 12, 2026
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
2026	Explanatory Notes Relating to Bill C-19, An Act to amend the <i>Income Tax Act</i>	February 2026	√(exc)
	Legislative Proposals Relating to the <i>Global Minimum Tax Act</i> , the <i>Income Tax Act</i> and the <i>Income Tax Regulations</i>	January 2026	√(exc)
2025	Notice of Ways and Means Motion to introduce a bill entitled <i>An Act to implement certain provisions of the budget tabled in Parliament on November 4, 2025</i>	November 2025	√(exc)
	Notice of Ways and Means Motion to amend the <i>Income Tax Act</i> and the <i>Income Tax Regulations</i> , the <i>Excise Tax Act</i> , the <i>Underused Housing Tax Act</i> and a Related Text, and the <i>Select Luxury Items Tax Act</i>	November 2025	√(exc)
	Legislative and Regulatory Proposals Relating to the <i>Excise Tax Act</i> , the <i>Excise Act, 2001</i> and the <i>Excise Act</i>	August 2025	√(exc)
	Legislative Proposals Relating to the <i>Income Tax Act</i> , the <i>Income Tax Regulations</i> , and the <i>Global Minimum Tax Act</i> , and Explanatory Notes	August 2025	√(exc)
	Draft legislative proposals and explanatory notes related to the <i>Income Tax Act</i> (Canada Carbon Rebate for Small Businesses)	June 2025	√(exc)
	Notice of Ways and Means Motion to introduce a bill respecting certain affordability measures for Canadians and Explanatory Notes	May 2025	√(exc)
	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	√(inc)
	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
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	√(inc)
Legislative Proposals to the <i>Excise Tax Act</i> and the <i>Excise Act, 2001</i>		March 2024	√(inc)

Year	Title	Released Date	Details
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)
	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)	
2019	Legislative Proposal Relating to the <i>Income Tax Act</i> (Amateur Athlete Trust) and Explanatory Notes	December 20, 2019	√(exc)

(source: Department of Finance Canada, Draft Legislation, online April 1, 2026, <https://www.fin.canada.ca/drleg-apl/index-en.html>)

Note: (exc) = excluded from 2026 CFE; (inc) = included in 2026 CFE; √ = details included in recent changes section

RECENT CHANGES IN LEGISLATION INCLUDED IN 2026 CFE

Acts included in 2026 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 2026 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)

RECENT CHANGES IN LEGISLATION EXCLUDED FROM 2026 CFE

Draft legislation excluded in 2026 CFE

- * February 2026
 Explanatory Notes Relating to Bill C-19, An Act to amend the *Income Tax Act*
 - Annual adjustments - amounts (ITA 117.1)
 - Additional deemed payments (GST/HST credit) (Jan 2026; July 2026 - Apr 2031) (ITA 122.5)

- * January 2026
 Legislative Proposals Relating to the *Global Minimum Tax Act*, the *Income Tax Act* and the *Income Tax Regulations*
 - Global Minimum Tax
 - Qualified Investments for Registered Plans
 - Reporting by Non-Profit Organizations
 - 21-Year Rule
 - Canada Carbon Rebate
 - Immediate Expensing for Manufacturing and Processing Buildings
 - Clean Hydrogen Investment Tax Credit
 - Investment Tax Credit for Carbon Capture, Utilization and Storage
 - Tax Deferral Through Tiered Corporate Structures
 - Eligible activities under the Canadian Exploration Expense
 - Hybrid Mismatch Rules
 - Investment Income Derived from Assets Supporting Canadian Insurance Risks

- * November 2025
 Notice of Ways and Means Motion to introduce a bill entitled *An Act to implement certain provisions of the budget tabled in Parliament on November 4, 2025*
 - Productivity Super-Deduction
 - SR&ED
 - Immediate intergenerational business transfer (ITA 84.1)
 - Limited partnership losses
 - Annual adjustments - amounts (ITA 117.1)
 - Additional deemed payments (GST/HST credit) (Jan 2026; July 2026 - Apr 2031) (ITA 122.5)
 - Employee options (ITA 110)
 - Personal Support Worker Tax Credit
 - Carbon capture, utilization and storage tax credit
 - Investment Tax Credit (clean economy, hydrogen, clean technology, refundable)
 - RRSP, TFSA, RRIF, FHSA,
 - Class 43.1, 56, 57, 58

- * November 2025
 Notice of Ways and Means Motion to amend the *Income Tax Act* and the *Income Tax Regulations*, the *Excise Tax Act*, the *Underused Housing Tax Act* and a Related Text, and the *Select Luxury Items Tax Act*
 - Personal Support Worker Tax Credit
 - Automated Federal Benefits for Lower-Income Individuals
 - Top-Up Tax Credit
 - Qualified and Prohibited Investments for Registered Plans
 - Clean Energy Investment Tax Credit
 - Transfer Pricing

- * August 2025
Legislative and Regulatory Proposals Relating to the *Excise Tax Act*, the *Excise Act, 2001* and the *Excise Act*
 - Redemption of coupon, commercial activities
 - Real property credits
 - Penalty and interest

- * August 2025
Legislative Proposals Relating to the *Income Tax Act*, the *Income Tax Regulations*, and the *Global Minimum Tax Act*, and Explanatory Notes
 - Capital Gains Rollover on Investments
 - Reporting by Non-profit Organizations
 - SR&ED
 - Crypto-Asset Reporting Framework (Part XXI)
 - Employee Ownership Trust Tax Exemption
 - Workers Cooperatives
 - Non-Compliance with Information Requests
 - Excessive Interest and Financing Expenses Limitation Rules
 - Substantive CCPCs
 - Foreign affiliate FABI (ITA 93.4)

- * June 2025
Draft legislative proposals and explanatory notes related to the *Income Tax Act* (Canada Carbon Rebate for Small Businesses)

- * May 2025
Notice of Ways and Means Motion to introduce a bill respecting certain affordability measures for Canadians and Explanatory Notes
 - Change to the tax rate on the lowest individual income tax bracket for years after 2024
 - Lowest rate of personal income tax for the 2025 taxation year from 15% to 14.5%.
 - Lowest rate of personal income tax for the 2026 and subsequent years from 14.5% to 14%.
 - 2025
 - Paragraphs 117(2)(a) and (b) are amended to replace references to \$45,282 with \$57,375;
 - Paragraphs 117(2)(b) and (c) are amended to replace references to \$90,563 with \$114,750;
 - Paragraphs 117(2)(c) and (d) are amended to replace references to \$140,388 with \$177,882;
 - Paragraphs 117(2)(d) and (e) are amended to replace references to \$200,000 with \$253,414.

Excise Tax Act

 - First-time home buyers' GST rebate

- * 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 amendmentsCapital 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)