What's new for corporations

This page includes proposed, announced, or enacted corporation income tax changes.

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2026 – Provinces and territories

British Columbia

[2026-02-17 Budget]

British Columbia book publishing tax credit – This credit will be made permanent effective March 31, 2026.

British Columbia farmers' food donation tax credit – This credit will be made permanent effective on royal assent.

British Columbia film and television tax credit – Effective on royal assent:

- the period to file a claim for the credit is extended from 18 months to 36 months after the end of the tax year. This applies to claims that would otherwise have been required to be filed after February 16, 2026
- corporations are no longer required to file a completion certificate with the CRA (Canada Revenue Agency) that would have been due after February 16, 2026

British Columbia manufacturing and processing investment tax credit – Effective April 1, 2026, a new temporary refundable B.C. (British Columbia) manufacturing and processing investment tax credit is introduced. The credit applies to investments made by B.C. (British Columbia) Canadian-controlled private corporations in buildings and machinery and equipment used for manufacturing and processing in B.C. (British Columbia) Exclusions and expenditure limitations in the legislation apply.

British Columbia production services tax credit – Effective on royal assent:

- the period to file a claim for the credit is extended from 18 months to 36 months after the end of the tax year. This applies to claims that would otherwise have been required to be filed after February 16, 2026.
- the requirement to file a notice of intent to claim the credit is eliminated for notices due after February 16, 2026. Notices that were required to have been filed before February 17, 2026, will continue to be subject to the previous requirements and timelines

British Columbia scientific research and experimental development tax credit – The credit is amended to align with recent changes to the federal SR&ED tax incentive program and expand the refundable credit to eligible Canadian public corporations. Effective on royal assent, the credit will be made permanent.

British Columbia shipbuilding and ship repair industry tax credit – Effective on royal assent, the credit is extended for one year to the end of 2027.

Manitoba

[2026-04-10 Reg. 34/2026 amending Reg. 181/2007]

Small business venture capital tax credit – Throughout the regulation, the term “share” has been replaced with the term “qualifying security” which is a defined term meaning a convertible right or an equity share. This change recognizes simple agreements for future equity (SAFEs) as eligible investment instruments. Eligibility for the credit has been expanded to include limited partnerships.

[2026-03-24 Budget]

Manitoba film and video production tax credit – The budget announced enhancements to the credit, including establishing a mandatory pre-certification process and allowing for the inclusion of eligible non-resident labour costs in calculating the credit.

New Brunswick

[2026-03-17 Budget and 2026-05-05 Bill 39]

New Brunswick small business investor tax credit – The tax credit is increased from 15% to 25% of the amount invested to an annual maximum of:

- $125,000, for investment of up to $500,000, if the investment is not made in a strategic sector
- $250,000, for investment of up to $1,000,000, if the investment is made in a strategic sector

- $250,000, for investment of up to a total of $1,000,000, if the investment is made in both a strategic sector and a non-strategic sector

This will come into force retroactively on March 17, 2026.

Newfoundland and Labrador

[2026-04-29 Budget]

Newfoundland and Labrador lower rate of tax – Retroactive to January 1, 2026, the lower rate of Newfoundland and Labrador corporation income tax decreases from 2.5% to 2.0%. It will further decrease to 1.5% on January 1, 2027, and to 1% on January 1, 2028.

Nova Scotia

[2026-02-23 Budget]

Nova Scotia capital investment tax credit – The credit, which was set to end December 31, 2029, has been extended to December 31, 2035. Property acquired after 2035 may still qualify if:

- a pre-approval application is submitted to the province before December 31, 2035, and
- the minister approves the application based on the required criteria

Nova Scotia financial institutions capital tax – For tax years starting on or after November 1, 2026, the capital tax rate will increase from 4% to 6%.

Ontario

[2026-03-26 Budget]

Ontario lower rate of tax – Effective July 1, 2026, the lower rate of Ontario corporation income tax will decrease from 3.2% to 2.2%.

Ontario regional opportunities investment tax credit – The credit will expire for expenditures incurred after 2026.

Saskatchewan

[2026-03-18 Budget]

Saskatchewan research and development tax credit – The limit on annual qualifying expenditures for the refundable R&D (research and development) tax credit is increased from $1 million to $2 million, retroactive to December 16, 2024. The list of qualifying expenditures for all corporations is expanded to include capital expenditures. These measures are being adopted in conjunction with the expansion of the federal SR&ED (scientific research and experimental development) measures.

2025 – Federal

[2025-11-04 Budget]

Accelerated capital cost allowance (CCA) for liquefied natural gas (LNG) facilities

Under proposed changes, the accelerated CCA (capital cost allowance) will be reinstated for eligible LNG (liquefied natural gas) equipment and related buildings acquired after November 3, 2025, and before 2035. To be eligible, new emission performance requirements will have to be met:

- facilities that are in the top 25% in terms of emissions performance will be eligible for accelerated CCA (capital cost allowance) of 30% for liquefaction equipment and 10% for non-residential buildings used in LNG (liquefied natural gas) facilities

- facilities that are in the top 10% in terms of emissions performance will be eligible for accelerated CCA (capital cost allowance) of 50% for liquefaction equipment and 10% for non-residential buildings used in LNG (liquefied natural gas) facilities

Agricultural cooperatives: patronage dividends paid in shares

The temporary deferral of income taxes and withholding obligations, which was set to expire at the end of 2025, will continue to apply to eligible shares issued before 2031.

Carbon capture, utilization, and storage investment tax credit (CCUS ITC)

The full CCUS ITC (Carbon capture, utilization, and storage investment tax credit) rates (60%, 50%, and 37.5%) are extended by five years so that they apply from 2022 to 2035. The lower rates (30%, 25%, and 18.75%) will apply to eligible expenditures incurred from the start of 2036 to the end of 2040.

Clean technology manufacturing ITC (investment tax credit)

The list of critical minerals eligible for the clean technology manufacturing ITC (investment tax credit) is expanded to include antimony, indium, gallium, germanium and scandium. This applies to property that is acquired and becomes available for use after November 3, 2025.

Eligible activities under the Canadian exploration expense

Under proposed changes, effective November 4, 2025, expenses incurred to determine the quality of a mineral resource in Canada will not include expenses related to determining the economic viability or engineering feasibility of the mineral resource.

Foreign accrual business income

Foreign accrual business income (FABI) is a new elective relieving regime that complements foreign accrual property income (FAPI) by taxing certain foreign affiliate income like Canadian active business income. FABI (foreign accrual business income) rules apply to tax years that begin after 2025, but also apply to preceding tax years if an election is filed under 93.4(4) or (5).

Immediate expensing for manufacturing and processing buildings

Under proposed changes, effective November 4, 2025, temporary immediate expensing is introduced for the cost of eligible manufacturing or processing buildings, including the cost of eligible additions or alterations made to such buildings. A 100% deduction will be allowed in the first tax year if at least 90% of the floor space is used for eligible purposes.

The enhanced rate applies only for the tax year in which the eligible property is first used for manufacturing and processing. It is subject to the following phase-out:

- 100% after November 3, 2025, and before 2030
- 75% in 2030 and 2031
- 55% in 2032 and 2033
- 0% after 2033

Investment income derived from assets supporting Canadian insurance risks

Under proposed changes, it was clarified that investment income derived from assets held by a foreign affiliate to back Canadian risks is included in foreign accrual property income (FAPI), regardless of which entity holds those assets. This would apply to tax years that begin after November 4, 2025.

Restricting Part IV (part 4) tax deferral

Under proposed changes, for tax years starting after November 3, 2025, the deferral of Part IV (part 4) tax on investment income will be limited when it comes from the use of tiered affiliated corporation structures with mismatched year ends. The payer corporation's dividend refund will be suspended until a subsequent tax year when the recipient corporation pays a taxable dividend to a non-affiliated corporation or a shareholder who is an individual.

Return of fuel charge proceeds to farmers tax credit

The return of fuel charge proceeds to farmers tax credit is being eliminated. The 2024 calendar year is the final year for which the credit is available.

Scientific research and experimental development

The expenditure limit on which the SR&ED (Scientific research and experimental development) enhanced 35% tax credit can be earned is increased from the previously announced $4.5 million to $6 million. For more details, see the 2024-12-16 Fall Economic Statement.

Transfer pricing

Section 247 of the ITA (Income Tax Act) will be amended to align with the Organization for Economic Co-operation and Development (OECD) Transfer Pricing Guidelines, and will require accurate delineation of transactions, including analysis of functions, risks, and market context. The proposed measures include:

- increasing the threshold for the transfer pricing penalty from a $5 million to a $10 million transfer pricing adjustment
- clarifying and simplifying the documentation requirements
- reducing the time to provide the documentation from 3 months to 30 days

These measures apply to tax years starting after November 4, 2025

[2025-10-28 CRA Newswire]

Effective November 3, 2025, registrations for new business number (BN) or Canada Revenue Agency (CRA) program accounts must be done online. The CRA (Canada Revenue Agency) is moving away from phone-based registrations. See the details on how to register.

[2025-10-01]

Effective October 1, 2025, changes will be made to the Voluntary Disclosures Program to make it easier to apply to the program and understand it. For more details see Changes to the Voluntary Disclosures Program.

[2025-03-14 – Regulations re: Canada carbon rebate for small businesses]

The Canada carbon rebate for small businesses was eliminated. A portion of fuel charge proceeds from for the 2019-2020 through 2023-2024 fuel charge years has been returned to the majority of eligible Canadian-controlled private corporations. Proceeds for the 2024-2025 fuel charge year will be returned in a similar manner. See the details on the Canada carbon rebate for small businesses.

[2025-01-31 Department of Finance announcement]

The federal government is deferring from June 25, 2024, to January 1, 2026, the date on which the capital gains inclusion rate would increase from one-half to two-thirds. It was later announced that this proposed increase was cancelled.

2025 – Provinces and territories

British Columbia

[2025-03-04 Budget]

British Columbia interactive digital media tax credit – The credit rate is increased to 25% (from 17.5%), effective September 1, 2025. The credit, which was set to end August 31, 2028, has been made permanent.

British Columbia clean buildings tax credit – The credit, which was set to end March 31, 2025, is extended one year to March 31, 2026.

British Columbia film and television tax credit – The basic tax credit is increased to 40% (from 35%) for productions that begin principal photography on or after January 1, 2025. Animated productions that begin key animation on or after this date will be eligible for the existing regional and distant location tax credits if the workers are present at a physical office and they meet certain in-office requirements.

British Columbia production services tax credit – The basic production services tax credit is increased to 36% (from 28%) for productions that begin principal photography on or after January 1, 2025. Animated productions that begin key animation on or after this date will be eligible for the existing regional production services and distant location production services tax credits if the workers are present at a physical office and they meet certain in-office requirements.

British Columbia major production tax credit – A new major film or video production tax credit is proposed for BC (British Columbia) production services tax credit claimants that have BC (British Columbia) production costs more than $200 million. The credit will be equal to 2% of the corporation's accredited qualified BC (British Columbia) labour expenditures related to the production and may be claimed once the production is completed. The credit will be available for productions that begin principal photography on or after January 1, 2025.

Manitoba

[2025-11-04 Bill 51]

Manitoba manufacturing investment tax credit – Manitoba proposed that, effective July 1, 2026, a part of the manufacturing investment tax credit be converted into an immediate retail sales tax exemption at the time of purchase for certain machinery and equipment. This change will remove the 7% refundable part of the credit for the cost of machinery and equipment that will be exempt from retail sales tax. The 1% non-refundable part of the credit will be retained. Any manufacturing and processing assets that are not eligible for the retail sales tax exemption, including buildings, will still be eligible for the 7% refundable and 1% non refundable credit.

[2025-03-06 Bill 27]

Manitoba cultural industries printing tax credit – The credit, which was set to end December 31, 2024, is being made permanent. This proposal is deemed to have come into force retroactively on January 1, 2025.

Newfoundland and Labrador

[2025-02-28 Regulation 25/25]

Newfoundland and Labrador all-spend film and video production tax credit – Effective February 28, 2025, the maximum credit amount is increased from $10 million to $20 million.

Nova Scotia

[2025-02-18 Budget]

Nova Scotia lower rate of tax and small business limit – Effective April 1, 2025, the lower rate of Nova Scotia corporation income tax is decreased from 2.5% to 1.5% and the small business limit is increased from $500,000 to $700,000.

Prince Edward Island

[2025-04-10 Budget]

Prince Edward Island higher rate of tax and small business limit – Effective July 1, 2025, the higher rate of Prince Edward Island corporation income tax is decreased from 16% to 15% and the small business limit is increased from $500,000 to $600,000.

2024 – Federal

[2024-12-16 Fall Economic Statement]

Accelerated investment incentive and immediate expensing

Under proposed changes, the accelerated investment incentive (AII) and immediate expensing measures for certain CCA (capital cost allowance) classes would be reinstated for qualifying property acquired on or after January 1, 2025, and that becomes available for use before 2030, with a four-year phase-out after 2029.

Canada carbon rebate for small businesses

For the 2024-25 and later fuel charge years:

- small businesses that have between 1 and 20 employees across Canada would qualify for a minimum payment amount as if they had 20 employees
- corporations would have their payment amounts reduced on a straight-line basis when the number of employees across Canada is between 300 and 500. The payment amount would be zero once the number of employees across Canada reaches 500
- the rebate would be newly available to cooperative corporations and credit unions
- proceeds will continue to be returned automatically to eligible corporations through direct deposits and cheques from the CRA

(Canada Revenue Agency), separately from CRA (Canada Revenue Agency) tax refunds

See the Canada Carbon Rebate for Small Businesses details.

Clean hydrogen ITC (investment tax credit)

Under proposed changes, effective for property that is acquired and becomes available for use in an eligible project on or after December 16, 2024, the clean hydrogen ITC (investment tax credit) would be expanded to include projects that produce hydrogen from methane pyrolysis.

Electric vehicle supply chain ITC (investment tax credit)

A corporation would have to invest at least $100 million in each of the three segments:

- electric vehicle assembly
- electric vehicle battery production
- cathode active material production

The corporation (either by itself or as part of a related group, such as with a parent company) would have to either:

- acquire at least $100 million in property eligible for the clean technology manufacturing ITC (investment tax credit) that has become available for use in each of the three segments
- acquire at least $100 million in property eligible for the clean technology manufacturing ITC (investment tax credit) that has become available for use in each of two segments; and hold a qualifying minority interest in another corporation that acquires at least $100 million in property eligible for the clean technology manufacturing ITC (investment tax credit) that has become available for use in the remaining segment

Scientific research and experimental development

The Government announced that, for tax years that begin on or after December 16, 2024:

- the annual expenditure limit on which CCPCs (Canadian-controlled private corporations) are entitled to earn an enhanced 35% investment tax credit would increase from $3 million to $4.5 million
- the prior-year taxable capital phase-out thresholds for the enhanced credit would increase from $10 million and $50 million, to $15 million and $75 million, respectively
- the enhanced refundable SR&ED (scientific research and experimental development) credit would be extended to Canadian public corporations

For property acquired after December 15, 2024 (or lease costs first becoming payable after that date) the pre-2014 eligibility of capital expenditures would be reinstated to both the SR&ED (scientific research and experimental development) income deduction and the SR&ED (scientific research and experimental development) ITC (investment tax credit). Qualifying CCPCs (Canadian-controlled private corporations) eligible to earn a 35% SR&ED (scientific research and experimental development) ITC (investment tax credit) would be entitled to partial refundability of the credit at a rate of 40% on their capital expenditures.

[2024-04-16 Budget]

Accelerated capital cost allowance (CCA)

Under proposed changes, an accelerated CCA (capital cost allowance) rate of 10% under class 1 would apply to new eligible purpose-built rental housing projects that begin construction after April 15, 2024, and before 2031, and are available for use before 2036. Investments eligible for this measure would continue to benefit from the accelerated investment incentive (AII), which currently suspends the half-year rule, providing a CCA (capital cost allowance) deduction at the full rate for eligible property that becomes available for use before 2028.

Immediate expensing (a 100% first-year deduction) would apply to new additions of property to CCA (capital cost allowance) classes 44, 46, and 50, if the property is acquired after April 15, 2024, and becomes available for use before 2027. Property that becomes available for use in 2027 would continue to benefit from the AII (accelerated investment incentive).

Avoidance of tax debts

A new supplementary rule was announced to strengthen the existing tax debt anti-avoidance rule that is intended to prevent taxpayers from avoiding their tax liabilities by transferring their assets to non-arm's length persons for insufficient consideration.

Under the new supplementary rule, where certain conditions are met, the property transferred by the tax debtor would be deemed to have been transferred to the transferee for the purposes of the tax debt avoidance rule. This would ensure that the tax debt avoidance rule applies in situations where property has been transferred from a tax debtor to a person and, as part of the same transaction or series, property has been received by a non-arm's length person.

In addition, the existing penalty would be extended to tax debt avoidance planning that is subject to the supplementary rule. The penalty is equal to the lesser of:

- 50% of the tax that is attempted to be avoided

- $100,000 plus any amount the person, or a related person, is entitled to receive or obtain regarding the planning activity

To further enhance the effectiveness of the tax debt anti-avoidance rule, it is proposed that taxpayers who participate in tax debt avoidance planning would be jointly and severally, or solidarily, liable for the full amount of the avoided tax debt. This amount would include any portion the planner retained as a fee. These measures would apply to transactions or series of transactions that occur after April 15, 2024.

Canada carbon rebate for small businesses

A new refundable tax credit is available to return a portion of fuel charge proceeds collected under the federal carbon pollution pricing system to eligible Canadian-controlled private corporations (CCPCs). To be eligible for a Canada carbon rebate for a calendar year, a corporation must:

- have had no more than a total of 499 employees in all provinces in Canada in the calendar year
- for the 2019 to 2023 calendar years, file a tax return for its 2023 tax year by July 15, 2024
- have been a CCPC (Canadian-controlled private corporation) at all times in the tax year ending in 2023

The tax credit amount will be:

- the total number of persons the CCPC (Canadian-controlled private corporation) employed in each designated province, for each calendar year from 2019 to 2023, **multiplied by**
- the fuel return the minister of Finance specified for that designated province for that calendar year

The designated provinces are Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, Ontario, Manitoba, Saskatchewan, and Alberta.

CCPCs (Canadian-controlled private corporations) will not have to apply for this tax credit. Once the corporation files a tax return for a tax year ending in 2023, the Canada Revenue Agency (CRA) will determine the corporation's eligibility and, generally, issue the rebate to it.

For calendar years after 2023, the Canada carbon rebate will be determined in a similar way – the CRA (Canada Revenue Agency) will automatically calculate the rebate for eligible CCPCs (Canadian-controlled private corporations) that filed a tax return on or before July 15 of the next calendar year.

See the Canada Carbon Rebate for Small Businesses details.

Charitable donations

Deadline

The deadline for making donations eligible for tax support in the 2024 tax year is proposed to be extended until February 28, 2025, for tax years ending after November 14, 2024, and before 2025.

Receipts

Effective on registration of the amended Regulation, charities will be allowed to issue donation receipts electronically, if:

- they contain all required information
- they are issued in a secure and non-editable format
- the charity maintains an electronic copy of the receipts

Clean technology manufacturing ITC (investment tax credit) – Polymetallic extraction and processing

Because producing qualifying materials may occur during polymetallic projects (projects that produce multiple metals), under proposed changes, several adjustments would be made to the credit. One of these includes changing to a "primarily" test (with 50% rather than 90%) for property used in qualifying mineral activities expected to produce qualifying materials at mine or well sites.

Electric vehicle supply chain ITC (investment tax credit)

The Government announced a new 10% electric vehicle (EV) supply chain investment tax credit. It would apply on the cost of buildings used in key segments of the EV (electric vehicle) supply chain for businesses that invest in Canada across three supply chain segments:

- electric vehicle assembly
- electric vehicle battery production
- cathode active material production

Excessive interest and financing expenses limitation (EIFEL) rules

New EIFEL (excessive interest and financing expenses limitation) rules limit the net amount of interest and financing expenses (interest and financing expenses minus interest and financing revenues) that can be deducted by a taxpayer that is not an excluded entity. For tax years starting on or after January 1, 2024, the limit is generally equal to 30% of adjusted taxable income. As a transition measure, a ratio of 40% applies to tax years starting on or after October 1, 2023, and before January 1, 2024.

Exempt interest and financing expenses on purpose-built residential rentals and regulated energy utility businesses

The definition of "exempt interest and financing expenses" in subsection 18.2(1) provides an exemption from the excessive interest and financing limitation (EIFEL) rules for interest and financing expenses (IFE) incurred in respect of the financing of certain Canadian public-private partnership infrastructure projects.

Under proposed changes, this definition would be amended by adding two elections:

- an election to exempt certain IFE (interest and financing expenses) incurred before January 1, 2036, in respect of arm's length financing used to:
  - build or acquire an eligible purpose-built residential rental
  - convert a property into an eligible purpose-built residential rental in Canada
- an election to exempt IFE (interest and financing expenses) incurred in respect of an arm's length borrowing or financing used for the purpose of gaining or producing income from a regulated energy utility business in Canada

A purpose built residential rental would be a building or part of a building situated in Canada:

- containing either:
  - at least 10 residential rental units (that is, housing units used or intended for use as rented residential premises and not provided to the travelling or vacationing public)
  - at least 4 residential rental units that are private (a unit with a private kitchen, bathroom, and living area), and

- in which all or substantially all (90%) of the residential rental units would be rented or offered for rent for continuous periods of no less than 28 consecutive days

Global minimum tax

A new global minimum tax was introduced to ensure that large multinational enterprises (MNEs) are subject to a minimum effective tax rate of at least 15% on their profits in each jurisdiction they operate in. Large MNEs (multinational enterprises) are entreprises with more than €750 million in worldwide revenues on a consolidated group basis.

The new tax applies to fiscal years starting on or after December 31, 2023. Corporations that are subject to this tax must file applicable returns separately from their T2 Corporation Income Tax Return.

Manipulation of bankrupt status

Under proposed changes, the exception to the debt forgiveness rules for bankrupt corporations and the loss restriction rule applicable to bankrupt corporations will be repealed.

As a result, bankrupt corporations would be subject to the general rules that apply to other corporations whose commercial debts are forgiven. This change would apply to bankruptcy proceedings that started after April 15, 2024.

Mutual fund corporation

Under proposed changes, for tax years starting after 2024, a corporation will not qualify as a mutual fund corporation if it is controlled by or for the benefit of a corporate group (including a corporate group that consists of any combination of corporations, individuals, trusts, and partnerships that do not deal with each other at arm's length).

This new rule would not apply to mutual fund corporations incorporated within the two previous years and where specified persons hold shares with a value of $5 million or less. Exceptions would apply to ensure that the measure does not adversely affect mutual fund corporations that are widely held pooled investment vehicles.

Non-compliance with information requests

Under proposed changes, effective on royal assent, the information gathering provisions would be amended by:

- creating a new notice of non-compliance
- providing the possibility to require that any required information or document be provided under oath
- adding a penalty when the CRA (Canada Revenue Agency) issues a compliance order or notice of non-compliance
- expanding the rules to stop the reassessment limitation clock

Non-compliant short-term rentals

Effective January 1, 2024, any deduction (including capital cost allowance deduction in Schedule 8) from income in respect of non-compliant short-term rentals is disallowed to the extent of a non-compliant amount.

Reportable and notifiable transactions penalty

The general penalty provision for failure to file an information return is removed for reportable or notifiable transactions, as there are specific penalty provisions under the mandatory disclosure rules (MDR) that apply.

This is deemed to have come into force on June 22, 2023, which is the coming into force date of the specific penalty provisions under the MDR (mandatory disclosure rules).

Reporting rules for digital platform operators

New reporting requirements have been introduced for the 2024 calendar year for platform operators in select segments of the digital economy under Part XX (Part 20) (which came into force January 1, 2024). Starting in January 2025, reporting platform operators have to file an information return on sellers using their platform to generate revenue in select segments of the platform economy. See the Reporting Rules for Digital Platforms details.

Synthetic equity arrangement

A corporation can generally deduct the amount of any dividends received on a share of a corporation resident in Canada. However, this is subject to certain limitations. One of these limitations is an anti avoidance rule that denies the dividend received deduction in respect of synthetic equity arrangements (SEA). The anti-avoidance rule does not apply for SEA (synthetic equity arrangements) for which the taxpayer has established that no tax-indifferent investor has all or substantially all of the risk of loss and opportunity for gain or profit in respect of the share.

Under proposed changes, this anti-avoidance rule would be simplified by removing the tax-indifferent investor exception (including the exchange traded exception). Corporations would therefore be unable to claim the deduction for dividends received on a share there is a SEA (synthetic equity arrangements) for, without any exceptions. This would apply to dividends received after December 31, 2024.

Withholding for non-resident service providers

Currently, a person who pays a fee, commission, or other amount to a non-resident for services provided in Canada is required to withhold 15% of the payment and remit it to the CRA (Canada Revenue Agency). Effective on royal assent, the CRA (Canada Revenue Agency) would be able to waive this withholding requirement over a specific period under certain conditions

2024 – Provinces and territories

British Columbia

[2024-05-21 Order in Council 268/2024]

British Columbia interactive digital media tax credit – Effective September 1, 2024, products that enable gambling with currency will not qualify as interactive digital media products.

[2024-02-22 Budget]

British Columbia clean buildings tax credit

The retrofit certification deadline is extended by six months from March 31, 2027, to September 30, 2027.

British Columbia film and television tax credit – Animated productions that begin key animation on or after June 1, 2024, are no longer eligible for the regional and distant location regional tax credits.

British Columbia mining exploration tax credit – Effective February 23, 2024, mining exploration expenses related to a bituminous sands deposit or oil shale deposit do not qualify for the mining exploration tax credit.

British Columbia production services tax credit – Animated productions that begin key animation on or after June 1, 2024, are no longer eligible for the regional production services and distant location production services tax credits.

British Columbia shipbuilding and ship repair industry tax credit – The credit, which was set to end December 31, 2024, is extended two years to December 31, 2026.

British Columbia training tax credit – The credit, which was set to end December 31, 2024, is extended three years to December 31, 2027.

Manitoba

[2024-04-02 Budget]

Manitoba data processing investment tax credits – These credits are eliminated for the 2025 and later tax years.

Manitoba interactive digital media tax credit – Expenses for eligible projects are to be claimed in the tax year in which they were incurred. The requirement that a corporation claim the credit on or before its filing due date for the tax year is eliminated. Some qualified corporations, in certain circumstances, will be exempt from having to apply for a certificate of eligibility (pre-approval) before project work begins.

Manitoba rental housing construction tax credit – Effective for the 2024 tax year, a new refundable tax credit is announced that will provide:

- $8,500 for the construction of new market-rate rental units
- $13,500 for units classified and maintained as affordable units for a period of at least 10 years

Construction must start on or after January 1, 2024.

Newfoundland and Labrador

[2024-12-27 Regulation 103/24]

Newfoundland and Labrador interactive digital media tax credit – The credit, which was set to end December 31, 2024, has been made permanent.

[2024-03-21 Budget]

Newfoundland and Labrador – Provincial corporation tax – Effective January 1, 2024, the lower rate of income tax is decreased from 3% to 2.5%.

Nova Scotia

[2024-02-29 Budget]

Nova Scotia digital animation tax credit – The credit, which was set to end December 31, 2025, has been extended five years to December 31, 2030.

Nova Scotia digital media tax credit – The credit, which was set to end December 31, 2025, has been extended five years to December 31, 2030.

Nova Scotia innovation equity tax credit – The credit, which was set to end February 29, 2024, has been extended five years to March 1, 2029.

Nova Scotia venture capital tax credit – The credit, which was set to end March 31, 2024, has been extended five years to March 30, 2029.

Ontario

[2024-03-26 Budget]

Ontario computer animation and special effects (OCASE) tax credit – For film or television productions for which no specified labour costs were incurred before March 26, 2024, an eligible production no longer has to qualify for either the Ontario film and television tax credit or the Ontario production services tax credit. Instead, the corporation has to incur a minimum of $25,000 in Ontario labour expenditures for each film or television production for which it is claiming the OCASE (Ontario computer animation and special effects) credit. This minimum labour expenditure threshold has to be incurred either:

- in the tax year of the claim
- cumulatively between the tax year of the claim and the previous tax year

Once a qualifying corporation reaches the minimum labour expenditure threshold within up to two tax years for a specific production, expenditures related to that production in those tax years and any later tax year will be eligible. Certain types of productions are excluded from eligibility, such as instructional, music and gaming videos, and videos consisting mainly of user-generated footage.

Saskatchewan

[Bill 1 – Royal assent 2024-12-10]

Saskatchewan – Provincial corporation tax – The lower tax rate of income tax of 1% has been made permanent.

Date modified: 2026-06-12