Trust Tax Planning Checklist

Eight moves that legitimately lower tax on trust and estate income

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Retained income in most trusts is taxed at the top rate, so the whole game is moving income to the right beneficiary and using the timing the law allows. Work through this before the year-end, not after it.

- [ ] **1 Diarize the T3 deadline**
  90 days after the trust's year-end. A December 31 year-end means March 31.
- [ ] **2 Use the GRE window**
  Graduated rates apply for 36 months after death. Allocate inside it.
- [ ] **3 Split income where allowed**
  To lower-bracket beneficiaries, subject to the split-income rules.
- [ ] **4 Check the attribution rules**
  Before splitting with a spouse or a minor, or the benefit reverses.
- [ ] **5 Plan the 21-year date**
  The deemed disposition is knowable decades out. Plan, don't absorb.
- [ ] **6 Review the spousal rollover**
  Defer on death under s.70(6), or elect out property by property.
- [ ] **7 Document every allocation**
  A signed trustee resolution, or the income is taxed in the trust.
- [ ] **8 Wait for the TX19 certificate**
  Never distribute before it. The CRA standard is 120 days.

PRO TIP

The graduated rate estate window is the single biggest lever, and it closes 36 months after death. Plan the allocati

What happens next

1. **Free consultation**
   We review the trust and the beneficiaries.
2. **Flat fee, HST included**
   Quoted in writing before any work starts.
3. **Planned and filed**
   We model the allocations, then prepare the T3.

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