Lawn Care Deduction Checklist

Gondaliya CPA Professional Corporation | Year end 2026 | Incorporated lawn care businesses

Repair or asset: the first test

- [ ] Every purchase sorted into current expense or capital cost
- [ ] Repairs that restore, not improve, expensed in the year
- [ ] Replacement blades and consumables expensed
- [ ] Ride-on mowers and powered equipment capitalised
- [ ] Purchase invoice held for every capital addition
- [ ] Available-for-use date recorded for each asset

Capital cost allowance classes

- [ ] Mowers, aerators and spreaders recorded in Class 8 at 20%
- [ ] Tools under $500 each recorded in Class 12 at 100%
- [ ] Trucks and trailers recorded in Class 10 at 30%
- [ ] Passenger vehicles above the ceiling opened in Class 10.1
- [ ] Class 10.1 ceiling of $39,000 applied to 2026 acquisitions
- [ ] Half-year rule and the reinstated incentive applied correctly
- [ ] Recapture or terminal loss recorded on every disposal

Vehicles, fuel and logs

- [ ] Mileage log kept with dates, destinations, purpose and odometer
- [ ] Log updated monthly rather than reconstructed at year end
- [ ] Business kilometres compared to total kilometres each year
- [ ] Fuel card charges split between personal and business
- [ ] Repairs and maintenance allocated on the same percentage
- [ ] Deductible lease cost capped at $1,100 per month
- [ ] Deductible interest capped at $350 per month

Materials, wages and slips

- [ ] Fertiliser, seed, sod and mulch invoices retained
- [ ] Physical count at year end with spoiled stock written down
- [ ] Bulk purchases split between current use and future periods
- [ ] T4 slips issued to employees by the last day of February
- [ ] Family wages supported by timesheets and market rates
- [ ] Subcontractors tested against employee and contractor factors
- [ ] T5018 filed where the work is construction
- [ ] No worker paid in cash without documentation

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Owner, home office and records

- [ ] Business-only bank account used for all company money
- [ ] Owner's own property kept entirely out of the claim
- [ ] Written rent or reimbursement agreement for any home workspace
- [ ] Square footage calculation retained to support the amount
- [ ] Meals and entertainment limited to 50%
- [ ] Insurance, licences and professional fees split to business use
- [ ] GST/HST input tax credit invoices showing registration numbers
- [ ] T2 filed within six months of the fiscal year end
- [ ] Objection deadline diarised at 90 days on any assessment
- [ ] Six years of records retained, electronic records included

Bring three things to your free consultation

1. Your equipment purchase invoices
2. Your vehicle mileage log
3. Your last filed corporate return

Educational information only, not tax or legal advice. Reflects CRA rules current to 2026.
Outcomes depend on your own facts. Please consult a licensed CPA before acting.