

Twelve things to settle before your year-end

For Canadian lash and brow studios and technicians. Rules current to 9 October 2026.

- ☐ **Settle status for each technician**
Employee, contractor or station renter. Guide RC4110; ruling on Form CPT1.
- ☐ **Stop treating \$3,500 as a filing line**
It is the CPP basic exemption. Above it you pay both halves at 11.90%.
- ☐ **Find who actually holds the threshold**
The person making the supply. ETA 148, with association under ss.127 and 128.
- ☐ **Separate gift cards from prepaid packages**
ETA 181.2 taxes on redemption. A named package is taxed on payment, 168(1).
- ☐ **Put advance money into income**
ITA 12(1)(a)(i) in, 20(1)(m) reserve out, 12(1)(e) back next year.
- ☐ **Split every supplier invoice**
Backbar is a current expense. Retail stock is inventory under ITA 10(1).
- ☐ **Count the retail stock before year-end**
Lower of cost and fair market value, same basis as last year. ITA 10(2.1).
- ☐ **Claim Class 8 at 30% in year one**
The half-year rule is suspended. A \$6,000 bed gives \$1,800, not \$600.
- ☐ **Put the build-out in Class 13**
Lease term plus the first renewal. Reg 1100(1)(b) and Schedule III.
- ☐ **Run pooled tips through payroll**
Controlled tips are pensionable and insurable. Direct tips are not yours.
- ☐ **Test the home office against 18(12)**
Principal place of business, or exclusive plus regular client meetings.
- ☐ **Pay the corporate balance at two months**
Not with the return at six. ITA 157(1)(b), or three for an eligible CCPC.

Gondaliya CPA performs compilation engagements under CSRS 4200, which provide no assurance. Audit and review engagements are referred out. Educational information only, not advice.