

Twelve things to settle before your year-end

For Canadian software resellers and distributors. Rules current to 9 October 2026.

- ☐ **Decide principal or agent per vendor**
CRA Policy P-182R: legal liability, authority to bind, and who carries the credit risk.
- ☐ **Make both returns agree**
Gross on the T2 must reconcile to taxable supplies on the GST/HST returns.
- ☐ **Use the right provisions**
Threshold is ETA 148, tax point is 168(1), billing agent election is 177(1.1).
- ☐ **Put resale licences in inventory**
ITA 10(1), lower of cost and FMV. They are not a capital cost allowance class.
- ☐ **Schedule deferred revenue by contract**
ITA 12(1)(a)(i) in, 20(1)(m) reserve out, 12(1)(e) back next year.
- ☐ **Remit HST on the invoice date**
ETA 168(1) runs on a different clock from the income tax reserve.
- ☐ **Charge tax to schools and hospitals**
Those sales are taxable. The buyer claims a rebate under ETA 259.
- ☐ **Zero-rate non-residents, do not exempt**
Schedule VI Part V. Check they are not GST/HST registered first.
- ☐ **Net vendor rebates against cost**
A true inducement is income under ITA 12(1)(x). Read the programme terms.
- ☐ **Claim ETA 231 on write-offs**
Recovers the tax you remitted. Separate from the 20(1)(p) deduction.
- ☐ **File the T1 by June 15 if unincorporated**
Business income moves the filing date. The balance is still due April 30.
- ☐ **Pay the corporate balance at two months**
Not with the return at six. ITA 157(1)(b), or three for an eligible CCPC.

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