Gondaliya CPA
Your Growth Partner

Penalty Exposure Checklist

Gondaliya CPA Professional Corporation · Registered Ontario CPA Firm

Budget 2026 administrative penalties: what to establish before the measures apply

Proposals from the budget tabled 5 November 2026. Income Tax Act measures: years or periods ending after 2027.

- [ ] **Combined taxable capital**
  Total taxable capital employed in Canada across all related corporations.
- [ ] **Associated-corporation test**
  A CCPC is related only to corporations with which it is also associated.
- [ ] **Band confirmed**
  Over $10m to $50m is medium at 3x; over $50m is large at 8x.
- [ ] **Partnership gross revenue**
  $2m to under $10m is medium; $10m or more is large.
- [ ] **Three years of assessments**
  Every notice and assessment for each corporation in the group.
- [ ] **Prior fixed-dollar penalties**
  Any same-type penalty inside the three preceding taxation years.
- [ ] **Open CRA correspondence**
  Any notice, requirement or demand that has not been answered.
- [ ] **Information return inventory**
  T1134, T1135, partnership and reporting-framework filings owed.
- [ ] **Reporting-framework exposure**
  CRS, digital platform operator and crypto-asset obligations from 2028.
- [ ] **Instalment basis**
  Monthly is the general rule; quarterly only for eligible small CCPCs.
- [ ] **T2 deadlines**
  Return six months after year end; balance two months, three for a CCPC.
- [ ] **Dispute clock**
  Objection within 90 days of sending; relief does not extend that deadline.

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