

TAX HIGHLIGHTS FROM THE 2025 FEDERAL BUDGET



Canada's Finance Minister, the Honourable François-Phillippe Champagne, tabled the 2025 federal budget on November 4, 2025.

The Budget forecasts a deficit of \$78.3 billion, or 2.5% of GDP for 2025/26, falling to 1.5% of GDP by 2029/30, though it is expected to remain in deficit for the next five fiscal years.

According to the Budget, Consumer Price Index (CPI) inflation remains near 2%, sitting at 2.4% in September, and has stayed within the Bank of Canada's 1% to 3% target range for the past 21 months.

The Comprehensive Expenditure Review aims to rein in government spending—saving Canada \$13 billion annually by 2028/29, for a total of \$60 billion in savings and additional revenues over five years. Savings are expected to be achieved by restructuring operations, consolidating internal services, and rightsizing programs to realize efficiencies. It will also involve workforce adjustment and attrition to return the size of the public service to a more sustainable level.

Budget 2025 indicates that after growing by more than 2% in the second half of 2024, real GDP in Canada rose at an annualized pace of 0.2%. Growth reached 2% in the first quarter but contracted by 1.6% in the second quarter, as trade activity brought forward in the two previous quarters unwound and new tariffs came into effect.

Total budget revenues are anticipated to be \$511 billion in 2024/25 and \$507.5 billion in 2025/26, driven largely by personal income tax revenue, which is projected to increase annually from \$234.3 billion in 2024/25 to \$268.7 billion in 2029/30.

In the upside scenario the budgetary balance would improve by an average of approximately \$5.0 billion per year over the planning horizon. The federal debt-to-GDP ratio would stabilize in the near term and then decline more rapidly beginning in 2026/27, reaching 42.2% by 2029/30.

In the downside scenario, the budgetary balance would deteriorate by an average of approximately \$9.2 billion per year over the planning horizon. The federal debt-to-GDP ratio would be expected to rise to 45.3% by 2028/29 before declining slightly to 45.2% by 2029/30.

From a tax perspective, the most significant changes involve significant new and expanded tax credits and incentives related to housing, personal care workers, and clean energy. The budget also proposes phasing out both the Underutilized Housing Tax ("UHT") and the luxury tax on aircrafts and vessels. In addition, it introduces measures to tighten rules around trust-to-trust transfers that attempt to circumvent the existing 21-year deemed disposition rule, as well as perceived misuse of intercorporate dividends to defer tax on taxable dividends between related corporations with differing year-ends. The Canadian Entrepreneur Initiative ("CEI") introduced in Budget 2024, was also confirmed as cancelled.

The government also indicated its intention to switch to a fall budgetary cycle going forward versus the historical spring budgetary cycle employed in prior years. It is their belief that this change supports better planning for provinces and territories, municipalities, builders, and investors, and aligns with the construction season.

The following is a summary of significant tax and program changes announced in the budget. Please note that the changes are proposals until they are passed by the federal government.

PERSONAL TAX MATTERS

Personal Income Tax Rates and Tax Brackets

Tax brackets and other amounts have been indexed by 2.7% to recognize the impact of inflation. The table below shows federal personal income tax rates and brackets for 2025.

Taxable income range	2025 TAX RATES			
	Other income	Capital gains	Eligible dividends	Non-eligible dividends
First \$57,375	14.50%	7.25%	0.00%	6.29%
Over \$57,375-\$114,750	20.50%	10.25%	7.56%	13.19%
Over \$114,750-\$177,882	26.00%	13.00%	15.15%	19.52%
Over \$177,882-\$253,414	29.31%	14.65%	19.71%	23.32%
Over \$253,414	33.00%	16.50%	24.81%	27.57%

The table below shows the highest marginal federal tax rates for various types of income in 2025.

TYPE OF INCOME	2025 TAX RATES
Regular income	33.00%
Capital gains	16.50%
Eligible dividends	24.81%
Non-eligible dividends	27.57%

Personal Support Workers Tax Credit

Budget 2025 introduces a temporary Personal Support Workers Tax Credit, which would provide eligible personal support workers employed by eligible health care establishments with a *refundable* tax credit equal to 5% of eligible earnings, up to maximum credit value of \$1,100.

Eligible personal support workers must ordinarily provide one-on-one care and essential support to optimize and maintain an individual's health, well-being, safety, autonomy, and comfort, consistent with that individual's health care needs as directed by a regulated health care professional or a provincial community health organization.

Eligible health care establishments would be hospitals, nursing care facilities, residential care facilities, community care facilities for the elderly, home health care establishments, and other similar regulated health care establishments.

Eligible earnings would include all taxable employment income—such as wages, salaries, and employment benefits—as well as similar tax-exempt income and benefits earned on a reserve, provided they are earned in the course of performing employment duties as an eligible personal support worker for an eligible health care establishment.

The refundable Personal Support Workers Tax Credit is intended to apply to the 2026 to 2030 taxation years.

Automatic Federal Benefits for Lower-Income Individuals

Canada's tax system is based on self-assessment and self-reporting. The *Income Tax Act* requires individuals with tax payable to file a tax return. In general, individuals must also file a tax return annually in order to receive the benefit and credit payments delivered through the tax system, as the Canada Revenue Agency (CRA) determines entitlement for most benefits based on net income.

Budget 2025 proposes to amend the *Income Tax Act* to grant the CRA the discretionary authority to file a tax return for a taxation year on behalf of an individual (other than a trust) who meets all the following criteria:

- the individual's taxable income for the taxation year is below the lower of either the federal basic personal amount or provincial equivalent (plus the age amount and/or disability amount, where applicable);
- all income of the individual for the taxation year is from sources for which specified information returns have been filed with the CRA;
- at least once in the preceding three taxation years, the individual has not filed a tax return;
- the individual has otherwise not filed a return for the taxation year prior to, or within 90 days of, the tax filing deadline for the year; and
- any other criteria as determined by the Minister of National Revenue.

Prior to filing a return on behalf of an eligible individual, the CRA would provide the individual with the information it has available at the time in respect of their tax return. The eligible individual would have 90 days to review the information and submit any changes to the CRA. If the eligible individual does not confirm the information (with or without changes) by the end of the 90 days, the CRA could file a tax return on the eligible individual's behalf.

The CRA would then issue a notice of assessment and subsequently determine and issue the individual's credit and benefit entitlements. Individuals would be able to opt out of automatic tax filing.

This measure would apply to the 2025 and subsequent taxation years (i.e., filing could begin in 2026).

Top-up Tax Credit

The rate applied to most non-refundable tax credits is based on the first marginal personal income tax rate. The middle-class tax cut announced in May 2025 and included in Bill C-4, currently before Parliament, would reduce the first marginal personal income tax rate, and therefore the rate applied to most non-refundable tax credits, from 15% to 14.5% for the 2025 taxation year, and to 14% for the 2026 and subsequent taxation years.

In very rare cases where an individual's non-refundable tax credit amounts exceed the first income tax bracket threshold (\$57,375 in 2025), the decrease in the value of these credits may exceed the tax savings from the rate reduction. This could occur when an individual claims a large one-time expense, such as significant tuition or medical expenses, or claims a combination of large tax credits. In some instances, these claims may relate to both the individual and a dependant, or include amounts carried forward from previous years.

To ensure that no individual in this situation experiences an increase in tax liability as a result of the middle-class tax cut, Budget 2025 proposes to introduce a new non-refundable Top-Up Tax Credit. The credit would effectively maintain the current 15% rate for non-refundable tax credits claimed on amounts in excess of the first income tax bracket threshold. The Top-Up Tax Credit would apply for the 2025 to 2030 taxation years.

Home Accessibility Tax Credit

The Home Accessibility Tax Credit is a non-refundable tax credit applied at the lowest personal income tax rate on up to \$20,000 of eligible home renovation or alteration expenses per calendar year. Eligible expenses must be incurred to improve the safety,

accessibility, or functionality of an eligible dwelling of a qualifying individual who is aged 65 or older, or who is eligible for the Disability Tax Credit.

The Medical Expense Tax Credit is a non-refundable tax credit applied at the lowest personal income tax rate on qualifying medical and disability-related expenses in excess of the lesser of \$2,834 (for 2025) and 3% of the claimant's net income. Eligible expenses under this credit can include certain costs to build or renovate a home to improve access or mobility for persons with disabilities. Currently, if the eligibility criteria for both credits are met, taxpayers may claim both credits for the same expense.

Budget 2025 proposes to amend the *Income Tax Act* to prevent an expense claimed under the Medical Expense Tax Credit from also being claimed under the Home Accessibility Tax Credit. This measure would apply to the 2026 and subsequent taxation years.

Trusts 21-Year Rule

Personal trusts are generally deemed to have disposed of their capital property and certain other property for fair market value proceeds on the 21st anniversary of their creation, and every 21st anniversary thereafter (the "21-year rule"). This rule prevents personal trusts from being used to indefinitely postpone tax on accrued gains.

Where property is transferred by a trust on a tax-deferred basis to a new trust, an anti-avoidance rule prevents the bypass of this 21-year rule. In such cases, the new trust essentially inherits the earlier 21-year anniversary date of the original trust. This ensures that the transferred property remains subject to the same 21-year period that applied to the original trust.

Certain tax avoidance planning techniques have been employed to transfer trust property indirectly to a new trust to avoid both the 21-year rule and the anti-avoidance rule. For example, this planning may involve trust property being transferred on a tax-deferred basis to a beneficiary that is a corporation owned by a new trust.

Budget 2025 proposes to broaden the current anti-avoidance rule for direct trust-to-trust transfers to include indirect transfers of trust property to other trusts. This measure would apply to transfers of property occurring on or after Budget Day.

Canada Carbon Rebate (CCR)

Budget 2025 proposes to amend the *Income Tax Act* to provide that no CCR payments would be made in respect of tax returns, or adjustment requests, filed after October 30, 2026.

CORPORATE TAX MATTERS

Corporate income tax rates

There were no changes to federal corporate income tax rates or the small business limit for 2025. The table below shows federal tax rates and the small business limit for 2025.

Category	2025 Tax Rates
General rate	15.0%
Manufacturing & processing rate	15.0%
Small business rate	9.0%
Small business limit	\$500,000

Immediate Expensing for Manufacturing and Processing Buildings

Currently, eligible buildings in Canada with at least 90% of the building's floor space used to manufacture or process goods for sale or lease (manufacturing or processing buildings) are subject to a prescribed capital cost allowance (CCA) rate of 10%.

Budget 2025 proposes an enhanced allowance that would permit a 100% deduction in the first taxation year that eligible property is used for manufacturing or processing, provided the minimum 90% floor-space requirement is met. This measure would apply for eligible property acquired on or after Budget Day and that is first used for manufacturing or processing before 2030.

An enhanced first-year CCA rate of 75% would apply to eligible property first used for manufacturing or processing in 2030 or 2031, and a rate of 55% would apply for eligible property first used for manufacturing or processing in 2032 or 2033. The enhanced rates would not be available for property first used for manufacturing or processing after 2033.

Scientific Research and Experimental Development Tax Incentive Program

Under the Scientific Research and Experimental Development (SR&ED) tax incentive program, qualifying expenditures are generally eligible for an investment tax credit. The tax credit is fully refundable at an enhanced rate of 35% for Canadian-controlled private corporations (CCPCs) on up to \$3 million of qualified SR&ED expenditures annually. The \$3 million expenditure limit is gradually phased out where a CCPC's taxable capital employed in Canada in the previous taxation year is between \$10 million and \$50 million. This limit is shared among associated corporations.

Budget 2025 proposes to further increase the expenditure limit on which the SR&ED program's enhanced 35% tax credit can be earned, from the previously announced \$4.5 million to \$6 million. This measure would apply to taxation years that begin on or after December 16, 2024.

Critical Mineral Exploration Tax Credit and Eligible Activities Under the Canadian Exploration Expense

Flow-through shares allow corporations to renounce or "flow through" Canadian exploration expenses (CEE) to investors, who can generally deduct the expenses in calculating their own taxable income.

The Critical Mineral Exploration Tax Credit (CMETC) provides an additional income tax benefit for individuals who invest in eligible flow-through shares. Budget 2025 proposes to expand the eligibility for the CMETC to include the following additional critical minerals: bismuth, cesium, chromium, fluorspar, germanium, indium, manganese, molybdenum, niobium, tantalum, tin, and tungsten. This measure would apply to expenditures renounced under eligible flow-through share agreements entered into after Budget Day and on or before March 31, 2027.

Canadian exploration expenses (CEE) may include expenses incurred by a taxpayer for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada. CEE is a category of tax-deductible expense that can be transferred from mining corporations to equity investors via flow-through shares, enabling investors to claim a 100% immediate deduction.

Historically, the determination of a mineral resource's "quality" for CEE purposes has been interpreted by the CRA to relate to the resource's underlying physical characteristics. Expenses for technical studies—typically incurred to assess a mineral resource's engineering feasibility and economic viability as a mining project, rather than physical characteristics—have generally been viewed by the CRA as ineligible for CEE treatment. A recent provincial court decision found that reference to "quality" could be interpreted to include the economic viability under the provincial equivalent of the CEE definition, not just the physical characteristics of a mineral resource.

Budget 2025 proposes to amend the *Income Tax Act* to clarify that expenses incurred to determine the quality of a mineral resource in Canada do not include expenses related to determining the economic viability or engineering feasibility of the mineral resource. This amendment would apply as of Budget Day.

Clean Technology Manufacturing Investment Tax Credit

The Clean Technology Manufacturing investment tax credit is a refundable tax credit equal to 30% of the cost of investments in new machinery and equipment used to manufacture or process key clean technologies, or to extract, process, or recycle critical minerals essential for clean technology supply chains (i.e., lithium, cobalt, nickel, graphite, copper, and rare earth elements).

Budget 2025 proposes to expand the list of critical minerals eligible for the Clean Technology Manufacturing investment tax credit to include antimony, indium, gallium, germanium, and scandium. This measure would apply to property acquired and becoming available for use on or after Budget Day.

Clean Electricity Investment Tax Credit and Canada Growth Fund

The Clean Electricity investment tax credit is a refundable credit equal to 15% of the capital cost of eligible investments in equipment related to low-emitting electricity generation, electricity storage, and the transmission of electricity between provinces and territories.

Budget 2025 proposes to include the Canada Growth Fund as an eligible entity, and further proposes that financing provided by the Canada Growth Fund would not reduce the cost of eligible property for the purpose of calculating the Clean Electricity investment tax credit. These measures would apply to eligible property acquired and becoming available for use on or after Budget Day.

Investment Tax Credit for Carbon Capture, Utilization, and Storage

The Carbon Capture, Utilization, and Storage (CCUS) investment tax credit is a refundable tax credit that provides support for eligible expenditures relating to CCUS activities.

The CCUS tax credit provides three different credit rates depending on the purpose of the equipment, with the following credit rates applying to eligible CCUS expenditures incurred from the start of 2022 to the end of 2030:

- 60% for eligible capture equipment used in a direct air capture project
- 50% for all other eligible capture equipment
- 37.5% for eligible transportation, storage, and use equipment.

Eligible expenditures incurred from the start of 2031 to the end of 2040 are subject to the lower credit rates below:

- 30% for eligible capture equipment used in a direct air capture project
- 25% for all other eligible capture equipment
- 18.75% for eligible transportation, storage, and use equipment

The extent to which the CCUS tax credit is available to a CCUS project and respective eligible equipment depends on the end use of the carbon dioxide (CO₂) being captured. Eligible uses include dedicated geological storage and storage in concrete, while enhanced oil recovery (EOR) is not eligible.

Budget 2025 proposes to extend the availability of the full credit rates by five years, so that the full rates apply to eligible expenditures incurred from the start of 2022 to the end of 2035. Eligible expenditures incurred from the start of 2036 to the end of 2040 would continue to be subject to the lower credit rates described above.

Tax Deferral Through Tiered Corporate Structures

The *Income Tax Act* includes a set of rules designed to prevent the use of Canadian-controlled private corporations (CCPC) to defer personal income tax on investment income. Investment income earned by a CCPC is subject to an additional refundable tax that increases the corporation's tax rate to approximate the highest marginal combined federal-provincial personal income tax rate. A corporation is entitled to a refund of a portion of this additional tax when it pays a taxable dividend. The refund reflects the fact that a shareholder who is an individual is subject to personal income tax on a taxable dividend.

Unlike an individual shareholder, a corporate shareholder is generally not subject to income tax on a taxable dividend received from another corporation because it can claim an offsetting inter-corporate dividend deduction. However, additional anti-deferral rules in Part IV of the *Income Tax Act* may impose a special refundable tax on the recipient corporation when it receives the taxable dividend.

Part IV tax is payable by the recipient corporation on the balance-due day for its taxation year in which the dividend is received. This date can be after the balance-due day for the payer corporation's taxation year in which the dividend was paid. Certain tax planning techniques have taken advantage of this timing difference by interposing corporations with staggered year-ends in a corporate chain.

Budget 2025 proposes to limit the deferral of tax on investment income using tiered corporate structures with mismatched year-ends. The proposed limitation would suspend the dividend refund that could be claimed by a payer corporation on the payment of a taxable dividend to an affiliated recipient corporation, where the recipient corporation's balance-due day for the taxation year in which the dividend is received ends after the payer corporation's balance-due day for the taxation year in which the dividend was paid.

This rule would not apply if each corporate dividend recipient in the chain of affiliated corporations pays a subsequent dividend such that no deferral is achieved by the affiliated corporate group. To accommodate *bona fide* commercial transactions, the rule would also not apply to a dividend payer that is subject to an acquisition of control where it pays a dividend within 30 days before the acquisition of control.

The payer corporation would generally be entitled to claim the suspended dividend refund in a subsequent taxation year when the recipient corporation pays a taxable dividend to a non-affiliated corporation or an individual shareholder.

This measure would apply to taxation years that begin on or after Budget Day.

INTERNATIONAL TAX MATTERS

Transfer Pricing

Budget 2025 proposes to modernize Canada's transfer pricing rules to better align with the international consensus on applying the arm's length principle. In addition, an interpretation rule would be added to ensure that Canada's transfer pricing rules are applied in a manner consistent with the analytic framework set out in the OECD Transfer Pricing Guidelines.

The new rules would provide more detailed guidance on how cross-border transactions between non-arm's length persons must be analyzed. To support this analysis, a new transfer pricing adjustment rule would apply where both the following conditions are met:

- (i) there is a transaction or series of transactions between a taxpayer and a non-resident person with whom the taxpayer does not deal at arm's length; and
- (ii) the transaction or series, once analyzed and determined, includes actual conditions different from arm's length conditions.

In determining the actual conditions, consideration would be given not only to the contractual terms of the transaction or series but also to other “economically relevant characteristics,” including the conduct of the participants.

Investment Income Derived from Assets Supporting Canadian Insurance Risks

Budget 2025 proposes to clarify that investment income derived from assets held by a foreign affiliate to back Canadian risks is included in foreign accrual property income (FAPI), regardless of which entity holds those assets. Investment income derived from assets backing Canadian risks includes income from assets held directly to back such risks as well as assets held as part of regulatory surplus supporting those risks. This measure would apply to taxation years that begin after Budget Day.

SALES & EXCISE TAX MEASURES

Underused Housing Tax

The Underused Housing Tax (UHT) took effect on January 1, 2022, and applies to certain owners of vacant or underused residential property in Canada, generally non-resident, non-Canadian owners. The UHT is imposed annually at a rate of 1% on the value of the property.

Budget 2025 proposes to eliminate the UHT as of the 2025 calendar year. As a result, no UHT would be payable, and no UHT returns would be required to be filed in respect of the 2025 and subsequent calendar years.

All UHT requirements continue to apply for the 2022 to 2024 calendar years, including penalties and interest for failure to file or remit tax.

Luxury Tax on Aircrafts and Vessels

The federal government imposes a tax on subject vehicles and subject aircraft valued above \$100,000, and on subject vessels (e.g., boats) valued above \$250,000. The luxury tax is equal to the lesser of 10% of the total value of the subject item and 20% of the value above the relevant threshold. The tax is generally imposed on sales, importations, leases, and certain improvements of subject vehicles, subject aircraft, and subject vessels.

Budget 2025 proposes to amend the Select Luxury Items Tax Act (SLITA) to eliminate the luxury tax on subject aircraft and subject vessels. All instances of the tax would cease to be payable after Budget Day, including the tax on sales, importations, and improvements.

All registrations in respect of subject aircraft and subject vessels would be automatically cancelled on February 1, 2028, after which vendors would no longer be able to claim rebates.

Carousel Fraud

In recent years, certain individuals and groups have been trying to take advantage of the Canadian tax system by engaging in carousel fraud schemes to obtain unwarranted tax benefits. These schemes exploit the general design of value-added tax systems, such as the Goods and Services Tax/Harmonized Sales Tax (GST/HST), by using a series of real or fraudulent transactions where at least one person, often known as the “missing trader”, collects GST/HST on a supply of property or services but does not remit it to the government.

Budget 2025 announces proposed changes to the *Excise Tax Act* to help prevent carousel fraud and enhance the fairness of the Canadian tax system. Specifically, the government proposes to introduce a new reverse charge mechanism, beginning with certain supplies in the telecommunications sector.

GST/HST Treatment of Manual Osteopathic Services

Under the GST/HST, services covered under a provincial public health care plan are generally tax-exempt. In addition, most health care services provided to individuals by physicians, dentists, and certain other health care practitioners listed in the GST/HST legislation are also tax-exempt.

Budget 2025 proposes to clarify the longstanding policy that osteopathic services provided by individuals who are not osteopathic physicians are taxable under the GST/HST.

PREVIOUSLY ANNOUNCED MEASURES

Budget 2025 confirms that the government has reviewed each of the outstanding tax measures announced by the previous government and intends to proceed with the following measures, as modified to reflect consultations and deliberations since their release.

- Legislative and regulatory proposals released on August 15, 2025, including with respect to the following measures:
 - Capital Gains Rollover on Small Business Investments
 - Reporting by Non-profit Organizations, subject to a deferred application date for taxation years beginning January 1, 2027 or later (the government is reviewing stakeholder feedback and will release final proposals in due course that minimize administrative burden and clarify which organizations are, or are not, subject to the new requirement)
 - Scientific Research and Experimental Development Tax Incentive Program
 - Crypto-Asset Reporting Framework and the Common Reporting Standard (subject to a deferred application date of January 1, 2027)
 - Tax exemption for sales to Employee Ownership Trusts
 - Tax exemption for sales to Worker Cooperatives
 - Non-Compliance with Information Requests
 - Excessive Interest and Financing Expenses Limitation Rules
 - Substantive CCPCs
 - GST/HST rules for the redemption of coupons
 - Technical tax amendments to the *Income Tax Act* and the Income Tax Regulations (subject to a deferred application date for reporting by bare trusts, such that the rules would apply to taxation years ending on or after December 31, 2026)
 - Technical amendments to the Global Minimum Tax Act
 - Technical amendments relating to the GST/HST and excise levies
- Legislative proposals released on June 30, 2025, to ensure that all Canada Carbon Rebates for Small Businesses are provided tax-free and to extend the filing deadline for the 2019 to 2023 calendar years.
- The extension of the Mineral Exploration Tax Credit announced on March 3, 2025.
- Legislative proposals released on January 23, 2025, to extend the 2024 charitable donations deadline.
- Legislative and regulatory proposals announced in the 2024 Fall Economic Statement, including with respect to the following measures:
 - Exempting the Canada Disability Benefit from income
 - Expanding eligibility under the Clean Electricity Investment Tax Credit to the Canada Infrastructure Bank;
 - Modifying the Small Nuclear Energy Eligibility under the Clean Technology Investment Tax Credit
 - Expanding eligibility under the Clean Hydrogen Investment Tax Credit to Methane Pyrolysis
 - Extension of the Accelerated Investment Incentive and Immediate Expensing Measures.
- Legislative and regulatory proposals to remove the GST on the construction of new student residences released on November 19, 2024.
- Legislative amendments to give effect to the suspension of the *Agreement Between the Government of Canada and the Government of the Russian Federation for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital* under domestic law as of November 18, 2024.
- Legislative and regulatory proposals released on August 12, 2024, including with respect to the following measures:
 - Alternative Minimum Tax (other than changes related to resource expense deductions)
 - Disability Supports Deduction
 - Charities and Qualified Donees

- Registered Education Savings Plans
- Avoidance of Tax Debts
- Mutual Fund Corporations
- Synthetic Equity Arrangements
- Manipulation of Bankrupt Status
- Accelerated Capital Cost Allowance for Productivity-Enhancing Assets
- Accelerated Capital Cost Allowance for Purpose-Built Rental Housing
- Withholding for Non-Resident Service Providers
- Regulations related to the application of the Enhanced (100%) GST Rental Rebate to cooperative housing corporations
- Clean Electricity Investment Tax Credit
- Expanding eligibility under the Clean Technology Investment Tax Credit to support generation of electricity and heat from waste biomass
- Proposed expansion of eligibility for the Clean Technology Manufacturing Investment Tax Credit to support Polymetallic Extraction and Processing
- Amendments to the *Global Minimum Tax Act* and *Income Tax Conventions Interpretation Act*
- Technical tax amendments to the *Income Tax Act* and *Income Tax Regulations*
- Technical amendments relating to the GST/HST, excise levies, and other taxes and charges.
- Legislative proposals released on July 12, 2024, related to implementing an opt-in Fuel, Alcohol, Cannabis, Tobacco and Vaping (FACT) value-added sales tax framework for interested Indigenous governments.
- The proposed exemption from the Alternative Minimum Tax for certain trusts for the benefit of Indigenous groups announced in Budget 2024.
- The proposed increase in the Lifetime Capital Gains Exemption to apply to up to \$1.25 million of eligible capital gains announced in Budget 2024.
- Legislative and regulatory proposals announced in Budget 2024 introducing a new importation limit for packaged raw leaf tobacco for personal use.
- Tax measures to amend the *Excise Tax Act*, the *Air Travellers Security Charge Act*, the *Excise Act, 2001*, and the *Select Luxury Items Tax Act* to give effect to the proposals relating to non-compliance with information requests and to avoidance of tax debts announced in Budget 2024.
- Legislative and regulatory proposals released on August 4, 2023, including the following measures:
 - Technical amendments to GST/HST rules for financial institutions
 - Tax-exempt sales of motive fuels for export
 - Revised Luxury Tax draft regulations to provide greater clarity on the tax treatment of luxury items
- Legislative and regulatory proposals released on August 9, 2022, including the following measures:
 - Technical amendments to the *Income Tax Act* and *Income Tax Regulations*
 - Remaining legislative and regulatory proposals relating to the GST/HST, excise levies, and other taxes and charges
- Legislative amendments to implement the Hybrid Mismatch Arrangements rules announced in Budget 2021.
- The income tax measure announced on December 20, 2019, to extend the maturation period for amateur athlete trusts maturing in 2019 by one year, from eight years to nine years.

Budget 2025 also reaffirms the government's commitment to proceed, as required, with other technical amendments to enhance the certainty and integrity of the tax system.

WE CAN HELP

Your Assante advisor can help you assess the impact of these proposals on your personal finances or business affairs and show you ways to take advantage of their benefits or ease their impact. The resources available to you and your advisor include CI Assante Private Client's Wealth Planning Group, a multi-disciplinary team of accountants, lawyers and financial planners.

For more information, we encourage you to speak to your advisor or visit us at [assante.com](https://www.assante.com)

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