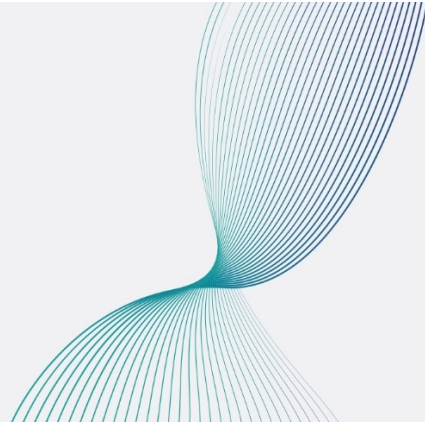




TaxNewsNOW



May 5, 2020

CRA Prescribed Rate Drops to 1% for Q3

The CRA prescribed rate falls by 1% for the third quarter of 2020

The CRA prescribed income tax interest rates for taxable benefits, overpaid taxes and underpaid taxes will all drop by 1% for the third quarter of 2020 (July 1, 2020 – September 30, 2020).

The interest rate on overdue income taxes and penalties will drop to 5% (from 6%). The prescribed rate for refunds of overpaid tax will decrease to 3% (from 4%) for non-corporate taxpayers and 1% (from 2%) for corporate taxpayers. Finally, the prescribed rate that applies to taxable benefits for employees and shareholders from interest-free and low-interest loans will drop to 1% (from 2%).

Prescribed rates for 2019 and 2020 are as follows:

	Taxable Benefits	Overpaid Taxes		Underpaid Taxes
		Corporations	Others	
2020				
July 1 – September 30	1%	1%	3%	5%
April 1 – June 30	2%	2%	4%	6%
January 1 – March 31	2%	2%	4%	6%
2019				
October 1 – December 31	2%	2%	4%	6%
July 1 – September 30	2%	2%	4%	6%
April 1 – June 30	2%	2%	4%	6%
January 1 – March 31	2%	2%	4%	6%

For more information, contact your KPMG advisor.

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