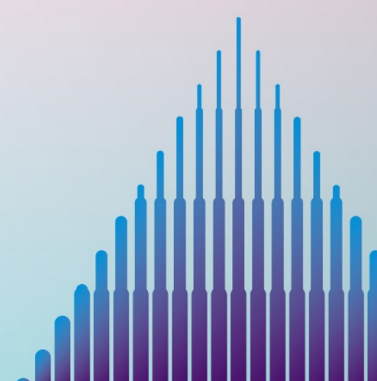




TaxNewsNow

Canada



May 4, 2021

CRA Prescribed Rate Remains at 1% for Q3 2021

No changes to the CRA prescribed income tax interest rates for taxable benefits, overpaid taxes and underpaid taxes

There will be no changes to the CRA prescribed income tax interest rates for taxable benefits, overpaid taxes and underpaid taxes in the third quarter of 2021 (July 1, 2021 – September 30, 2021).

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

Prescribed rates for 2021 and 2020 are as follows:

	Taxable Benefits	Overpaid Taxes		Underpaid Taxes
		Corporations	Others	
2021				
July 1 – September 30	1%	1%	3%	5%
April 1 – June 30	1%	1%	3%	5%
January 1 – March 31	1%	1%	3%	5%
2020				
October 1 – December 31	1%	1%	3%	5%
July 1 – September 30	1%	1%	3%	5%
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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