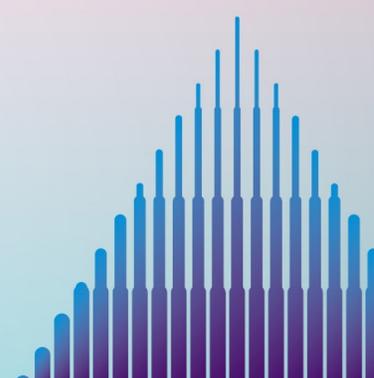




# TaxNewsNow

Canada



August 10, 2021

## CRA Prescribed Rate Remains at 1% for Q4 2021

*No changes to the CRA prescribed income tax interest rates from the previous quarter*

There will be no changes to the CRA prescribed income tax interest rates for taxable benefits, overpaid taxes and underpaid taxes in the fourth quarter of 2021 (October 1, 2021 – December 31, 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	
<b>2021</b>				
October 1 – December 31	1%	1%	3%	5%
July 1 – September 30	1%	1%	3%	5%
April 1 – June 30	1%	1%	3%	5%
January 1 – March 31	1%	1%	3%	5%
<b>2020</b>				
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 adviser.

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