

12 January 2024

RE: New Tax Remittance Requirements

How you remit taxes to the CRA may have just changed. Taxpayers making their first remittances of 2024 should be aware of the consequences of failing to comply to these new requirements.

As of January 1, 2024 you must remit payments exceeding \$10,000 to the CRA by electronic means, failure to comply makes you liable to a penalty of \$100 for each failure.

Passed on June 22, 2023, the legislation, ITA ss.160.5(2) limits the ability to use payment methods such as cheque to remit taxes if the amount exceeds \$10,000. The legislation allows some leeway, stating that if a taxpayer cannot reasonably remit or pay the amount in an electronic manner they will not be issued a penalty. However, CRA has not yet provided guidance on what circumstances could be considered as 'reasonable' providing some risk to taxpayers who find themselves unable to remit their taxes electronically.

If you are new to electronic payments you can make your payment using:

- your Canadian financial institution's online or telephone banking services
- the CRA's My Payment service at canada.ca/cra-my-payment
- your credit card, Interac e-transfer, or PayPal through one of the CRA's third-party service providers
- pre-authorized debit (PAD) at canada.ca/my-cra-business-account

If you have any questions reach out to us and we can assist in determining how this will impact you.