Income Tax Act (R.S.C. (Revised Statutes of Canada), 1985, c. 1 (5th Supp.))

Act current to 2026-07-21 and on 2026-06-18.

Assessment

152 (1) The Minister shall, with all due dispatch, examine a taxpayer’s return of income for a taxation year, assess the tax for the year, the interest and penalties, if any, payable and determine

(a) the amount of refund, if any, to which the taxpayer may be entitled by virtue of section 129, 131, 132 or 133 for the year; or

(b) the amount of tax, if any, deemed by any of subsections 120(2) or (2.2), 122.5(3) to (3.005), 122.51(2), 122.7(2) or (3), 122.72(1), 122.8(4), 122.9(2), 122.91(1), 122.92(3), 122.93(2), 125.4(3), 125.5(3), 125.6(2) or (2.1), 127.1(1), 127.41(3), 127.42(2) or (3), 127.421(2) or (3), 127.44(2), 127.45(2), 127.48(2), 127.49(2), 127.491(2) or 210.2(3) or (4) to be paid on account of the taxpayer’s tax payable under this Part for the year.

Determination of disability tax credit eligibility

(1.01) The Minister shall, if an individual requests by prescribed form, determine with all due dispatch whether an amount is deductible, or would if this Act were read without reference to paragraph 118.3(1)(c) be deductible, under section 118.3 in computing the individual’s tax payable under this Part for a taxation year and send a notice of the determination to the individual.

Determination of losses

(1.1) Where the Minister ascertains the amount of a taxpayer’s non-capital loss, net capital loss, restricted farm loss, farm loss or limited partnership loss for a taxation year and the taxpayer has not reported that amount as such a loss in the taxpayer's return of income for that year, the Minister shall, at the request of the taxpayer, determine, with all due dispatch, the amount of the loss and shall send a notice of determination to the person by whom the return was filed.

Determination under subsection 245(2)

(1.11) If at any time the Minister ascertains the tax consequences to a taxpayer because of subsection 245(2) with respect to a transaction, the Minister

(a) shall, in the case of a determination under subsection 245(8), determine any amount that is, or could at a subsequent time be, relevant for the purposes of computing the income, taxable income or taxable income earned in Canada of, tax or other amount payable by, or amount refundable to, the taxpayer under this Act;

(b) may, in any case not described in paragraph (a), determine any amount referred to in paragraph (a); and

(c) shall, if a determination is made under this subsection, send to the taxpayer, with all due dispatch, a notice of determination stating the amount so determined.

Application of s. 245(1)

(1.111) The definitions in subsection 245(1) apply to subsection 152(1.11).

When determination not to be made

(1.12) A determination of an amount shall not be made with respect to a taxpayer under subsection 152(1.11) at a time where that amount is relevant only for the purposes of computing the income, taxable income or taxable income earned in Canada of, tax or other amount payable by, or amount refundable to, the taxpayer under this Act for a taxation year ending before that time.

Provisions applicable

(1.2) Paragraphs 56(1)(l) and 60(o), this Division and Division J, as they relate to an assessment or a reassessment and to assessing or reassessing tax, apply, with any modifications that the circumstances require, to a determination or redetermination under subsection (1.01) and to a determination or redetermination of an amount under this Division or an amount deemed under section 122.61 to be an overpayment on account of a taxpayer’s liability under this Part, except that

- **(a)** subsections (1) and (2) do not apply to determinations made under subsections (1.01), (1.1) and (1.11);
- **(b)** an original determination of a taxpayer’s non-capital loss, net capital loss, restricted farm loss, farm loss or limited partnership loss for a taxation year may be made by the Minister only at the request of the taxpayer;
- **(c)** subsection 164(4.1) does not apply to a determination made under subsection 152(1.4); and
- **(d)** the Minister determines the amount deemed by any of subsections 122.5(3) to (3.005), 122.72(1), 122.8(4) or 127.421(2) or (3) to have been paid by a person for a taxation year to be nil, subsection (2) does not apply to the determination unless the person requests a notice of determination from the Minister.

Determination binding

(1.3) For greater certainty, where the Minister makes a determination of the amount of a taxpayer’s non-capital loss, net capital loss, restricted farm loss, farm loss or limited partnership loss for a taxation year or makes a determination under subsection 152(1.11) with respect to a taxpayer, the determination is (subject to the taxpayer’s rights of objection and appeal in respect of the determination and to any redetermination by the Minister) binding on both the Minister and the taxpayer for the purpose of calculating the income, taxable income or taxable income earned in Canada of, tax or other amount payable by, or amount refundable to, the taxpayer, as the case may be, for any taxation year.

Determination in respect of a partnership

(1.4) The Minister may, within 3 years after the day that is the later of

> **(a)** the day on or before which a member of a partnership is, or but for subsection 220(2.1) would be, required under section 229 of the *Income Tax Regulations* to make an information return for a fiscal period of the partnership, and
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> **(b)** the day the return is filed,

determine any income or loss of the partnership for the fiscal period and any deduction or other amount, or any other matter, in respect of the partnership for the fiscal period that is relevant in determining the income, taxable income or taxable income earned in Canada of, tax or other amount payable by, or any amount refundable to or deemed to have been paid or to have been an overpayment by, any member of the partnership for any taxation year under this Part.

Notice of determination

(1.5) Where a determination is made under subsection 152(1.4) in respect of a partnership for a fiscal period, the Minister shall send a notice of the determination to the partnership and to each person who was a member of the partnership during the fiscal period.

Absence of notification

(1.6) No determination made under subsection 152(1.4) in respect of a partnership for a fiscal period is invalid solely because one or more persons who were members of the partnership during the period did not receive a notice of the determination.

Binding effect of determination

(1.7) Where the Minister makes a determination under subsection 152(1.4) or a redetermination in respect of a partnership,

> **(a)** subject to the rights of objection and appeal of the member of the partnership referred to in subsection 165(1.15) in respect of the determination or redetermination, the determination or redetermination is binding on the Minister and each member of the partnership for the purposes of calculating the income, taxable income or taxable income earned in Canada of, tax or other amount payable by, or any amount refundable to or deemed to have been paid or to have been an overpayment by, the members for any taxation year under this Part; and
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> **(b)** notwithstanding subsections 152(4), 152(4.01), 152(4.1) and 152(5), the Minister may, before the end of the day that is one year after the day on which all rights of objection and appeal expire or are determined in respect of the determination or redetermination, assess the tax, interest, penalties or other amounts payable and determine an amount deemed to have been paid or to have been an overpayment under this Part in respect of

any member of the partnership and any other taxpayer for any taxation year as may be necessary to give effect to the determination or redetermination or a decision of the Tax Court of Canada, the Federal Court of Appeal or the Supreme Court of Canada.

Time to assess

(1.8) Where, as a result of representations made to the Minister that a person was a member of a partnership in respect of a fiscal period, a determination is made under subsection 152(1.4) for the period and the Minister, the Tax Court of Canada, the Federal Court of Appeal or the Supreme Court of Canada concludes at a subsequent time that the partnership did not exist for the period or that, throughout the period, the person was not a member of the partnership, the Minister may, notwithstanding subsections 152(4), 152(4.1) and 152(5), within one year after that subsequent time, assess the tax, interest, penalties or other amounts payable, or determine an amount deemed to have been paid or to have been an overpayment under this Part, by any taxpayer for any taxation year, but only to the extent that the assessment or determination can reasonably be regarded

(a) as relating to any matter that was relevant in the making of the determination made under subsection 152(1.4);

(b) as resulting from the conclusion that the partnership did not exist for the period; or

(c) as resulting from the conclusion that the person was, throughout the period, not a member of the partnership.

Waiver of determination limitation period

(1.9) A waiver in respect of the period during which the Minister may make a determination under subsection (1.4) in respect of a partnership for a fiscal period may be made by one member of the partnership if that member is

(a) designated for that purpose in the information return made under section 229 of the *Income Tax Regulations* for the fiscal period; or

(b) otherwise expressly authorized by the partnership to so act.

Notice of assessment

(2) After examination of a return, the Minister shall send a notice of assessment to the person by whom the return was filed.

Liability not dependent on assessment

(3) Liability for the tax under this Part is not affected by an incorrect or incomplete assessment or by the fact that no assessment has been made.

Definition of *normal reassessment period*

(3.1) For the purposes of subsections (4), (4.01), (4.2), (4.3), (4.31), (5) and (9), the normal reassessment period for a taxpayer in respect of a taxation year is

(a) if at the end of the year the taxpayer is a mutual fund trust or a corporation other than a Canadian-controlled private corporation, the period that ends four years after the earlier of the day of sending of a notice of an original assessment under this Part in respect of the taxpayer for the year and the day of sending of an original notification that no tax is payable by the taxpayer for the year; and

(b) in any other case, the period that ends three years after the earlier of the day of sending of a notice of an original assessment under this Part in respect of the taxpayer for the year and the day of sending of an original notification that no tax is payable by the taxpayer for the year.

Determination of deemed overpayment

(3.2) A taxpayer may, during any month, request in writing that the Minister determine the amount deemed by subsection 122.61(1) to be an overpayment on account of the taxpayer’s liability under this Part for a taxation year that arose during the month or any of the 11 preceding months.

Notice of determination

(3.3) On receipt of the request referred to in subsection 152(3.2), the Minister shall, with all due dispatch, determine the amounts deemed by subsection 122.61(1) to be overpayments on account of the taxpayer’s liability under this Part that arose during the months in respect of which the request was made or determine that there is no such amount, and shall send a notice of the determination to the taxpayer.

COVID-19 — notice of determination

(3.4) The Minister may at any time determine the amount deemed by any of subsections 125.7(2) to (2.2) to be an overpayment on account of a taxpayer’s liability under this Part that arose during a *qualifying period* (as defined in subsection 125.7(1)), or determine that there is no such amount, and send a notice of the determination to the taxpayer.

Clean electricity — notice of determination

(3.5) On receipt of a prescribed form referred to in subsection 127.491(2) from an entity that is described in any of paragraphs (b) to (i) of the definition *qualifying corporation* in subsection 127.491(1), the Minister shall, with all due dispatch, determine the amount of the entity's clean electricity investment tax credit under paragraph 127.491(2)(b), or determine that there is no such amount, and shall send a notice of the determination to the entity.

Assessment and reassessment

(4) The Minister may at any time make an assessment, reassessment or additional assessment of tax for a taxation year, interest or penalties, if any, payable under this Part by a taxpayer or notify in writing any person by whom a return of income for a taxation year has been filed that no tax is payable for the year, except that an assessment, reassessment or additional assessment may be made after the taxpayer's normal reassessment period in respect of the year only if

- **(a)** the taxpayer or person filing the return
  - **(i)** has made any misrepresentation that is attributable to neglect, carelessness or wilful default or has committed any fraud in filing the return or in supplying any information under this Act, or
  - **(ii)** has filed with the Minister a waiver in prescribed form within the normal reassessment period for the taxpayer in respect of the year;
- **(b)** the assessment, reassessment or additional assessment is made before the day that is 3 years after the end of the normal reassessment period for the taxpayer in respect of the year and

(i) is required under subsection (6) or (6.1), or would be so required if the taxpayer had claimed an amount by filing the prescribed form referred to in the subsection on or before the day referred to in the subsection,

(ii) is made as a consequence of the assessment or reassessment pursuant to this paragraph or subsection 152(6) of tax payable by another taxpayer,

(iii) is made

(A) as a consequence of a *transaction* (as defined in subsection 247(1)) involving the taxpayer and a non-resident person with whom the taxpayer was not dealing at arm’s length, or

(B) in respect of any income, loss or other amount in relation to a foreign affiliate of the taxpayer,

(iii.1) is made, if the taxpayer is non-resident and carries on a business in Canada, as a consequence of

(A) an allocation by the taxpayer of revenues or expenses as amounts in respect of the Canadian business (other than revenues and expenses that relate solely to the Canadian business, that are recorded in the books of account of the Canadian business, and the documentation in support of which is kept in Canada), or

(B) a notional transaction between the taxpayer and its Canadian business, where the transaction is recognized for the purposes of the computation of an amount under this Act or an applicable tax treaty.

(iv) is made as a consequence of a payment or reimbursement of any income or profits tax to or by the government of a country other than Canada or a government of a state, province or other political subdivision of any such country,

(v) is made as a consequence of a reduction under subsection 66(12.73) of an amount purported to be renounced under section 66,

(v.1) is made in respect of an amount deducted under subsection 127(5) in respect of a *flow-through critical mineral mining expenditure* as defined in subsection 127(9),

(vi) is made in order to give effect to the application of subsection 118.1(15) or 118.1(16),

(vii) is made to give effect to the application of any of sections 94, 94.1 and 94.2, or

(viii) is made to give effect to the application of section 245 in respect of a transaction, unless the transaction was disclosed by the taxpayer to the Minister in accordance with section 237.3 or 237.4;

(b.1) an information return described in subsection 237.1(7) that is required to be filed in respect of a deduction or claim made by the taxpayer in relation to a tax shelter is not filed as and when required, and the assessment, reassessment or additional assessment is made before the day that is three years after the day on which the information return is filed;

(b.2) the assessment, reassessment or additional assessment is made before the day that is three years after the end of the normal reassessment period for the taxpayer in respect of the year and if

(i) the taxpayer, or a partnership of which the taxpayer is a member, has failed to file for the year a prescribed form as and when required under subsection 233.3(3) or to report on the prescribed form the information required in respect of a specified foreign property (as defined in subsection 233.3(1)) held by the taxpayer at any time during the year, and

(ii) the taxpayer has failed to report, in the return of income for the year, an amount in respect of a specified foreign property that is required to be included in computing the taxpayer's income for the year;

(b.3) the following conditions apply:

(i) the taxpayer, or a partnership of which the taxpayer is a member (directly or indirectly through one or more partnerships), disposes in the year of real or immovable property,

(ii) the taxpayer is not a *real estate investment trust* (as defined in subsection 122.1(1)) for the year,

(iii) if the disposition is by a corporation or partnership, the property is capital property of the corporation or partnership, as the case may be,

(iv) the disposition is not reported in

(A) if the disposition is by the taxpayer, the return of income of the taxpayer under this Part for the year, or

(B) if the disposition is by a partnership, the partnership's return required to be filed for the year under section 229 of the *Income Tax Regulations*, and

(v) in the case that the disposition is not reported in the return described in clause (iv)(A) or (B) and the taxpayer subsequently reports the disposition by filing a prescribed form amending the taxpayer's return of income under this Part for the year, the assessment, reassessment or additional assessment is made before the day that is three years after the day on which the prescribed form amending the return is filed;

(b.4) the assessment, reassessment or additional assessment is made before the day that is six years after the end of the normal reassessment period for the taxpayer in respect of the year if

(i) a reassessment of tax for the year was required under subsection (6), or would have been so required if the taxpayer had claimed an amount by filing the prescribed form referred to in that subsection on or before the day referred to in that subsection, in order to take into account a deduction claimed under section 111 in respect of a loss for a subsequent taxation year,

(ii) an assessment, reassessment, additional assessment of tax or notification that no tax is payable for the subsequent taxation year referred to in subparagraph (i) was made or issued after the normal reassessment period in respect of the subsequent taxation year as a consequence of a transaction involving the taxpayer and a non-resident person with whom the taxpayer was not dealing at arm's length, and

(iii) the assessment, reassessment, additional assessment or notification that no tax is payable referred to in subparagraph (ii) reduced the amount of the loss for the subsequent taxation year;

(b.5) an information return that is required to be filed under subsection 237.3(2) in respect of a *reportable transaction* (as defined in subsection 237.3(1)) entered into by the taxpayer, or by a person for the benefit of the taxpayer, is not filed as and when required, and the assessment, reassessment or additional assessment is made before the day that is

(i) in the case of a taxpayer described in paragraph (3.1)(a), four years after the day on which the information return is filed, or

(ii) in any other case, three years after the day on which the information return is filed;

(b.6) an information return that is required to be filed under subsection 237.4(4) in respect of a *notifiable transaction* (as defined in subsection 237.4(1)) entered into by the taxpayer, or by a person for the benefit of the taxpayer, is not filed as and when required, and the assessment, reassessment or additional assessment is made before the day that is

(i) in the case of a taxpayer described in paragraph (3.1)(a), four years after the day on which the information return is filed, or

(ii) in any other case, three years after the day on which the information return is filed;

(b.7) an information return that is required to be filed under subsection 237.5(2) in respect of a *reportable uncertain tax treatment* (as defined in subsection 237.5(1)) of the taxpayer is not filed as and when required, and the assessment, reassessment or additional assessment is made before the day that is

(i) in the case of a taxpayer described in paragraph (3.1)(a), four years after the day on which the information return is filed, or

(ii) in any other case, three years after the day on which the information return is filed;

(b.8) a prescribed form that is required to be filed under subsection 18.2(18) is not filed as and when required, and the assessment, reassessment or additional assessment is

(i) made before the day that is

(A) in the case of a taxpayer described in paragraph (3.1)(a), four years after the day on which the prescribed form containing the prescribed information is filed, and

(B) in any other case, three years after the day on which the prescribed form containing the prescribed information is filed, and

(ii) in respect of the application of paragraph 12(1)(l.2), subsection 18.2(2), clause 95(2)(f.11)(ii)(D) or (E) or paragraph 111(1)(a.1);

(b.9) the assessment, reassessment or additional assessment

(i) is made before the day that is three years after the end of the normal reassessment period for the taxpayer in respect of the year and made in respect of a disposition, in the year, of shares of the capital stock of a corporation resident in Canada in respect of which the taxpayer filed an election under paragraph 84.1(2.31)(h), or

(ii) is made before the day that is 10 years after the end of the normal reassessment period for the taxpayer in respect of the year and made in respect of a disposition, in the year, of shares of the capital stock of a corporation resident in Canada in respect of which the taxpayer filed an election under paragraph 84.1(2.32)(i);

(b.91) a prescribed form that is required to be filed by the taxpayer, or a partnership of which the taxpayer is a member, under subsection 127.45(15) or (18) is not filed as and when required, and the assessment, reassessment or additional assessment is made in relation to transactions or events described in subsections 127.45(11) to (14) or (16) and (17) before the day that is

(i) in the case of a taxpayer described in paragraph (3.1)(a), four years after the day on which the form is filed, and

(ii) in any other case, three years after the day on which the form is filed;

(b.92) a prescribed form that is required to be filed by the taxpayer, or a partnership of which the taxpayer is a member, under subsection 127.48(24) is not filed as and when required, and the assessment, reassessment or additional assessment is made in relation to amounts, transactions or events described in any of subsections 127.48(21), (22) or (25) to (28) before the day that is

(i) in the case of a taxpayer described in paragraph (3.1)(a), four years after the day on which the form is filed, or

(ii) in any other case, three years after the day on which the form is filed;

(b.93) a prescribed form that is required to be filed by the taxpayer, or a partnership of which the taxpayer is a member, under subsection 127.49(15) or (18) is not filed as and when required, and the assessment, reassessment or additional assessment is made in relation to transactions or events described in any of subsections 127.49(11) to (14) or (16) and (17) before the day that is

- **(i)** in the case of a taxpayer described in paragraph (3.1)(a), four years after the day on which the form is filed, or
- **(ii)** in any other case, three years after the day on which the form is filed;

(b.94) the assessment, reassessment or additional assessment is made before the day that is 36 months after the end of the normal reassessment period for the taxpayer in respect of the year and is made in respect of a disposition, in the year, of shares of the capital stock of a corporation in respect of which the taxpayer claimed a deduction under subsection 110.61(2);

(b.941) the assessment, reassessment or additional assessment is made before the day that is 36 months after the end of the normal reassessment period for the taxpayer in respect of the year and is made in respect of a disposition, in the year, of shares of the capital stock of a corporation in respect of which the taxpayer claimed a deduction under subsection 110.62(2);

(b.95) a prescribed form that is required to be filed by the taxpayer, or a partnership of which the taxpayer is a member, under subsection 127.491(24) or (25) is not filed as and when required, and the assessment, re-assessment or additional assessment is made in relation to transactions or events described in any of subsections 127.491(16), (17), (22), (23) or (26) to (30) before the day that is

(i) in the case of a taxpayer described in paragraph (3.1)(a), four years after the day on which the form is filed, and

(ii) in any other case, three years after the day on which the form is filed;

(c) the taxpayer or person filing the return of income has filed with the Minister a waiver in prescribed form within the additional three-year period referred to in paragraph (b) or (b.1);

(c.1) the taxpayer or person filing the return of income has filed with the Minister a waiver in prescribed form within the additional three-year period referred to in paragraph (b.2); or

(d) as a consequence of a change in the allocation of the taxpayer’s taxable income earned in a province as determined under the law of a province that provides rules similar to those prescribed for the purposes of section 124, an assessment, reassessment or additional assessment of tax for a taxation year payable by a corporation under a law of a province that imposes on the corporation a tax similar to the tax imposed under this Part (in this paragraph referred to as a “provincial reassessment”) is made, and as a consequence of the provincial reassessment, an assessment, reassessment or additional assessment is made on or before the day that is one year after the later of

(i) the day on which the Minister is advised of the provincial reassessment, and

(ii) the day that is 90 days after the day of sending of a notice of the provincial reassessment.

Extended period of assessment

(4.01) Notwithstanding subsections (4) and (5), an assessment, reassessment or additional assessment to which any of paragraphs (4)(a) to (b.1) or (b.3) to (c) applies in respect of a taxpayer for a taxation year may be made after the taxpayer's normal reassessment period in respect of the year to the extent that, but only to the extent that, it can reasonably be regarded as relating to,

(a) where paragraph 152(4)(a) applies to the assessment, reassessment or additional assessment,

(i) any misrepresentation made by the taxpayer or a person who filed the taxpayer's return of income for the year that is attributable to neglect, carelessness or wilful default or any fraud committed by the taxpayer or that person in filing the return or supplying any information under this Act, or

(ii) a matter specified in a waiver filed with the Minister in respect of the year;

(b) if any of paragraphs (4)(b), (b.1) or (b.5) to (c) applies to the assessment, reassessment or additional assessment,

(i) the assessment, reassessment or additional assessment to which subparagraph 152(4)(b)(i) applies,

(ii) the assessment or reassessment referred to in subparagraph 152(4)(b)(ii),

(iii) the transaction, income, loss or other amount referred to in subparagraph (4)(b)(iii),

(iv) the payment or reimbursement referred to in subparagraph 152(4)(b)(iv),

(v) the reduction referred to in subparagraph 152(4)(b)(v),

(vi) the application referred to in subparagraph 152(4)(b)(vi),

(vii) the deduction or claim referred to in paragraph (4)(b.1),

(viii) the reportable transaction referred to in paragraph (4)(b.5),

(ix) the notifiable transaction referred to in paragraph (4)(b.6),

(x) any transaction, or series of transactions, to which the reportable uncertain tax treatment referred to in paragraph (4)(b.7) relates,

(x.1) [Repealed, 2024, c. 17, s. 80]

(x.2) [Repealed, 2024, c. 17, s. 80]

(xi) the transaction referred to in subparagraph (4)(b)(viii),

(xii) the transactions or events referred to in paragraph (4)(b.91),

(xiii) the amounts, transactions or events referred to in paragraph (4)(b.92),

(xiv) the transactions or events referred to in paragraph (4)(b.93), or

(xv) the transactions or events referred to in paragraph (4)(b.95);

(c) if paragraph (4)(b.3) applies to the assessment, reassessment or additional assessment, the disposition referred to in that paragraph; and

(d) if paragraph (4)(b.4) applies to the assessment, reassessment or additional assessment, the reduction under subparagraph (4)(b.4)(iii).

If waiver revoked

(4.1) If the Minister would, but for this subsection, be entitled to reassess, make an additional assessment or assess tax, interest or penalties by virtue only of the filing of a waiver under subparagraph (4)(a)(ii) or paragraph (4)(c) or (c.1), the Minister may not make such a reassessment, additional assessment or assessment after the day that is six months after the date on which a notice of revocation of the waiver in prescribed form is filed.

Reassessment with taxpayer’s consent

(4.2) Notwithstanding subsections (4), (4.1) and (5), for the purpose of determining — at any time after the end of the normal reassessment period, of a taxpayer who is an individual (other than a trust) or a graduated rate estate, in respect of a taxation year — the amount of any refund to which the taxpayer is entitled at that time for the year, or a reduction of an amount payable under this Part by the taxpayer for the year, the Minister may, if the taxpayer makes an application for that determination on or before the day that is 10 calendar years after the end of that taxation year,

> **(a)** reassess tax, interest or penalties payable under this Part by the taxpayer in respect of that year; and
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> **(b)** redetermine the amount, if any, deemed by any of subsections 120(2) or (2.2), 122.5(3) to (3.005), 122.51(2), 122.7(2) or (3), 122.8(4), 122.9(2), 122.91(1), 122.92(3), 122.93(2), 127.1(1), 127.41(3) or 210.2(3) or (4) to be paid on account of the taxpayer’s tax payable under this Part for the year or deemed by subsection 122.61(1) to be an overpayment on account of the taxpayer’s liability under this Part for the year.

Consequential assessment

(4.3) Notwithstanding subsections (4), (4.1) and (5), if the result of an assessment or a decision on an appeal is to change a particular balance of a taxpayer for a particular taxation year, the Minister may, or if the taxpayer so requests in writing, shall, before the later of the expiration of the normal reassessment period in respect of a subsequent taxation year and the end of the day that is one year after the day on which all rights of objection and appeal expire or are determined in respect of the particular year, reassess the tax, interest or penalties payable by the taxpayer, redetermine an amount deemed to have been paid or to have been an overpayment by the taxpayer or modify the amount of a refund or other amount payable to the taxpayer, under this Part in respect of the subsequent taxation year, but only to the extent that the reassessment, redetermination or modification can reasonably be considered to relate to the change in the particular balance of the taxpayer for the particular year.

Consequential assessment of Part IV tax

(4.31) Notwithstanding subsections (4), (4.1) and (5), if a taxpayer in a taxation year receives a taxable dividend from a corporation that, as a result of having paid the dividend, is entitled to a dividend refund, the Minister may, within one year after the expiration of the normal reassessment period for the taxpayer in respect of the year, assess or reassess the tax, interest or penalties payable under Part IV by the taxpayer in respect of the taxable dividend.

Definition of *balance*

(4.4) For the purpose of subsection 152(4.3), a ***balance*** of a taxpayer for a taxation year is the income, taxable income, taxable income earned in Canada or any loss of the taxpayer for the year, or the tax or other amount payable by, any amount refundable to, or any amount deemed to have been paid or to have been an overpayment by, the taxpayer for the year.

Limitation on assessments

(5) There shall not be included in computing the income of a taxpayer for a taxation year, for the purpose of an assessment, reassessment or additional assessment made under this Part after the taxpayer's normal reassessment period in respect of the year, any amount that was not included in computing the taxpayer's income for the purpose of an assessment, reassessment or additional assessment made under this Part before the end of the period.

Reassessment where certain deductions claimed

(6) Where a taxpayer has filed for a particular taxation year the return of income required by section 150 and an amount is subsequently claimed by the taxpayer or on the taxpayer's behalf for the year as

> **(a)** a deduction under paragraph 3(e) of the *Income Tax Act*, chapter 148 of the Revised Statutes of Canada, 1952, by virtue of the taxpayer's death in a subsequent taxation year and the consequent application of section 71 of that Act in respect of an allowable capital loss for the year,
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> **(b)** a deduction under section 41 in respect of the taxpayer's listed-personal-property loss for a subsequent taxation year,
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> **(b.1)** a deduction under paragraph 60(i) in respect of a premium (within the meaning assigned by subsection 146(1)) paid in a subsequent taxation year under a registered retirement savings plan where the premium is deductible by reason of subsection 146(6.1),

(c) a deduction under section 118.1 in respect of a gift made in a subsequent taxation year or under section 111 in respect of a loss for a subsequent taxation year,

(c.1) [Repealed, 2013, c. 34, s. 309]

(d) a deduction under subsection 127(5) in respect of property acquired or an expenditure made in a subsequent taxation year,

(e) [Repealed, 2013, c. 34, s. 309]

(f) a deduction under section 125.3 in respect of an unused Part I.3 tax credit (within the meaning assigned by subsection 125.3(3)) for a subsequent taxation year,

(f.1) a deduction under subsection 126(2) in respect of an unused foreign tax credit (within the meaning assigned by subsection 126(7)), or under subsection 126(2.21) or (2.22) in respect of foreign taxes paid, for a subsequent taxation year,

(f.2) a deduction under subsection 128.1(8) as a result of a disposition in a subsequent taxation year,

(f.3) a deduction (including for the purposes of this subsection a reduction of an amount otherwise required to be included in computing a taxpayer's income) under subsection 146(8.9) or (8.92), 146.3(6.2) or (6.3) or 147.5(14) or (19),

(g) a deduction under subsection 147.2(4) because of the application of subsection 147.2(6) as a result of the taxpayer's death in the subsequent taxation year, or

(h) a deduction by virtue of an election for a subsequent taxation year under paragraph 164(6)(c) or 164(6)(d) by the taxpayer's legal representative, by filing with the Minister, on or before the day on or before which the taxpayer is, or would be if a tax under this Part were payable by the taxpayer for that subsequent taxation year, required by section 150 to file a return of income for that subsequent taxation year, a prescribed form amending the return, the Minister shall reassess the taxpayer's tax for any relevant taxation year (other than a taxation year preceding the particular taxation year) in order to take into account the deduction claimed.

Reassessment if amount under subsection 91(1) is reduced

(6.1) If

(a) a taxpayer has filed for a particular taxation year the return of income required by section 150,

(b) the amount included in computing the taxpayer's income for the particular year under subsection 91(1) is subsequently reduced because of a reduction in the foreign accrual property income of a foreign affiliate of the taxpayer for a taxation year (referred to in this paragraph as the "claim year") of the affiliate that ends in the particular year, if

(i) the reduction is

(A) attributable to a foreign accrual property loss (within the meaning assigned by subsection 5903(3) of the *Income Tax Regulations*) of the affiliate for a taxation year of the affiliate that ends in a subsequent taxation year of the taxpayer, and

(B) included in the description of F in the definition ***foreign accrual property income*** in subsection 95(1) in respect of the affiliate for the claim year, or

(ii) the reduction is

(A) attributable to a foreign accrual capital loss (within the meaning assigned by subsection 5903.1(3) of the *Income Tax Regulations*) of the affiliate for a taxation year of the affiliate that ends in a subsequent taxation year of the taxpayer, and

(B) included in the description of F.1 in the definition ***foreign accrual property income*** in subsection 95(1) in respect of the affiliate for the claim year, and

(c) the taxpayer has filed with the Minister, on or before the filing-due date for that subsequent taxation year, a prescribed form amending the return,

the Minister shall reassess the taxpayer's tax for any relevant taxation year (other than a taxation year preceding the particular year) in order to take into account the reduction in the amount included under subsection 91(1) in computing the income of the taxpayer for the particular year.

Extended reassessment period

(6.2) The Minister shall reassess a taxpayer's tax for a particular taxation year, in order to take into account the application of paragraph (d) of the definition ***excluded property*** in subsection 142.2(1), or the application of subsection 142.6(1.6), in respect of property held by the taxpayer, if

(a) the taxpayer has filed for the particular taxation year the return of income required by section 150; and

(b) the taxpayer files with the Minister a prescribed form amending the return, on or before the filing-due date for the taxpayer's taxation year that

(i) if the filing is in respect of paragraph (d) of that definition ***excluded property***, includes the acquisition of control time referred to in that paragraph, and

(ii) if the filing is in respect of subsection 142.6(1.6), immediately follows the particular taxation year.

Reassessment for section 119 credit

(6.3) If a taxpayer has filed for a particular taxation year the return of income required by section 150 and an amount is subsequently claimed by the taxpayer, or on the taxpayer’s behalf, for the particular year as a deduction under section 119 in respect of a disposition in a subsequent taxation year, and the taxpayer files with the Minister a prescribed form amending the return on or before the filing-due date of the taxpayer for the subsequent taxation year, the Minister shall reassess the taxpayer’s tax for any relevant taxation year (other than a taxation year preceding the particular taxation year) in order to take into account the deduction claimed.

Assessment not dependent on return or information

(7) The Minister is not bound by a return or information supplied by or on behalf of a taxpayer and, in making an assessment, may, notwithstanding a return or information so supplied or if no return has been filed, assess the tax payable under this Part.

Assessment deemed valid and binding

(8) An assessment shall, subject to being varied or vacated on an objection or appeal under this Part and subject to a reassessment, be deemed to be valid and binding notwithstanding any error, defect or omission in the assessment or in any proceeding under this Act relating thereto.

Alternative basis for assessment

(9) At any time after the normal reassessment period, the Minister may advance an alternative basis or argument — including that all or any portion of the income to which an amount relates was from a different source — in support of all or any portion of the total amount determined on assessment to be payable or remittable by a taxpayer under this Act unless, on an appeal under this Act

> **(a)** there is relevant evidence that the taxpayer is no longer able to adduce without the leave of the court; and
>
> **(b)** it is not appropriate in the circumstances for the court to order that the evidence be adduced.

Tax deemed not assessed

(10) Notwithstanding any other provision of this section, an amount of tax is deemed, for the purpose of any agreement entered into by or on behalf of the Government of Canada under section 7 of the *Federal-Provincial Fiscal Arrangements Act*, not to have been assessed under this Act until

> **(a)** the end of the period during which the security is accepted by the Minister, if adequate security for the tax is accepted by the Minister under subsection 220(4.5) or (4.6); or
>
> **(b)** the amount is collected by the Minister, if information relevant to the assessment of the amount was provided to the Canada Revenue Agency under a contract entered into by a person under a program administered by the Canada Revenue Agency to obtain information relating to tax non-compliance.

[NOTE: Application provisions are not included in the consolidated text; see relevant amending Acts and regulations.] ; R.S., 1985, c. 1 (5th Supp.), s. 152; 1994, c. 7, Sch. II, s. 125, Sch. VII, s. 15, Sch. VIII, s. 90, c. 8, s. 20, c. 21, s. 76; 1995, c. 3, s. 46; 1996, c. 21, s.

39; 1998, c. 19, ss. 42, 181; 1999, c. 22, s. 63.1; 2000, c. 19, s. 44; 2001, c. 17, s. 149; 2002, c. 8, s. 184; 2005, c. 19, s. 36; 2007, c. 35, s. 48; 2009, c. 2, s. 58; 2010, c. 25, s. 38; 2011, c. 15, s. 3; 2012, c. 19, s. 10, c. 31, s. 39; 2013, c. 34, ss. 15, 34, 74, 309, c. 40, s. 67; 2014, c. 20, s. 22, c. 39, s. 55; 2016, c. 7, s. 41, c. 12, s. 55; 2017, c. 33, s. 62; 2018, c. 27, s. 18; 2019, c. 29, s. 32; 2020, c. 5, s. 5; 2020, c. 6, s. 3; 2020, c. 11, s. 3; 2020, c. 13, s. 3; 2021, c. 23, s. 40; 2022, c. 10, s. 17; 2022, c. 13, s. 3; 2022, c. 19, s. 36; 2023, c. 11, s. 4; 2023, c. 26, s. 49; 2024, c. 15, s. 47; 2024, c. 17, s. 56; 2024, c. 17, s. 80; 2026, c. 1, s. 4; 2026, c. 1, s. 6; 2026, c. 3, s. 72.

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