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.

Minister’s duty

220 (1) The Minister shall administer and enforce this Act and the Commissioner of Revenue may exercise all the powers and perform the duties of the Minister under this Act.

Officers, clerks and employees

(2) Such officers, clerks and employees as are necessary to administer and enforce this Act shall be appointed or employed in the manner authorized by law.

Delegation

(2.01) The Minister may authorize an officer or a class of officers to exercise powers or perform duties of the Minister under this Act.

Waiver of filing of documents

(2.1) Where any provision of this Act or a regulation requires a person to file a prescribed form, receipt or other document, or to provide prescribed information, the Minister may waive the requirement, but the person shall provide the document or information at the Minister’s request.

Exception

(2.2) Subsection (2.1) does not apply in respect of a prescribed form, receipt or document, or prescribed information, that is filed with the Minister on or after the day specified, in respect of the form, receipt, document or information, in subsection 37(11) or paragraph (m) of the definition *investment tax credit* in subsection 127(9), or subsection 127.44(17), 127.45(3), 127.48(4), 127.49(3) or 127.491(6).

Extensions for returns

(3) The Minister may at any time extend the time for making a return under this Act.

Waiver of penalty or interest

(3.1) The Minister may, on or before the day that is ten calendar years after the end of a taxation year of a taxpayer (or in the case of a partnership, a fiscal period of the partnership) or on application by the taxpayer or partnership on or before that day, waive or cancel all or any portion of any penalty or interest otherwise payable under this Act by the taxpayer or partnership in respect of that taxation year or fiscal period, and notwithstanding subsections 152(4) to (5), any assessment of the interest and penalties payable by the taxpayer or partnership shall be made that is necessary to take into account the cancellation of the penalty or interest.

Late, amended or revoked elections

(3.2) The Minister may extend the time for making an election or grant permission to amend or revoke an election if

> **(a)** the election was otherwise required to be made by a taxpayer or by a partnership, under a prescribed provision, on or before a day in a taxation year of the taxpayer (or in the case of a partnership, a fiscal period of the partnership); and
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> **(b)** the taxpayer or the partnership applies, on or before the day that is ten calendar years after the end of the taxation year or the fiscal period, to the Minister for that extension or permission.

Joint election — pension income split

(3.201) On application by a taxpayer, the Minister may extend the time for making an election, or grant permission to amend or revoke an election, under section 60.03 if

(a) the application is made on or before the day that is three calendar years after the taxpayer's filing-due date for the taxation year to which the election applies; and

(b) the taxpayer is resident in Canada

(i) if the taxpayer is deceased at the time of the application, at the time that is immediately before the taxpayer's death, or

(ii) in any other case, at the time of the application.

Designations and allocations

(3.21) For the purpose of subsection (3.2),

(a) a designation in any form prescribed for the purpose of paragraph 80(2)(i) or any of subsections 80(5) to (11) or 80.03(7) is deemed to be an election under a prescribed provision of this Act;

(a.1) a designation is deemed to be an election under a prescribed provision of this Act if the designation is made under the definition *principal residence* in section 54; and

(b) a designation or allocation under subsection 132.11(6) is deemed to be an election under a prescribed provision of this Act.

Date of late election, amended election or revocation

(3.3) Where, under subsection 220(3.2), the Minister has extended the time for making an election or granted permission to amend or revoke an election,

(a) the election or the amended election, as the case may be, shall be deemed to have been made on the day on or before which the election was otherwise required to be made and in the manner in which the election was otherwise required to be made, and, in the case of an amendment to an election, that election shall be deemed, otherwise than for the purposes of this section, never to have been made; and

(b) the election that was revoked shall be deemed, otherwise than for the purposes of this section, never to have been made.

Assessments

(3.4) Notwithstanding subsections 152(4), 152(4.01), 152(4.1) and 152(5), such assessment of the tax, interest and penalties payable by each taxpayer in respect of any taxation year that began before the day an application is made under subsection 220(3.2) to the Minister shall be made as is necessary to take into account the election, the amended election or the revocation, as the case may be, referred to in subsection 220(3.3).

Penalty for late filed, amended or revoked elections

(3.5) Where, on application by a taxpayer or a partnership, the Minister extends the time for making an election or grants permission to amend or revoke an election (other than an extension or permission under subsection (3.201)), the taxpayer or the partnership, as the case may be, is liable to a penalty equal to the lesser of

(a) $8,000, and

(b) the product obtained when $100 is multiplied by the number of complete months from the day on or before which the election was required to be made to the day the application was made in a form satisfactory to the Minister.

Unpaid balance of penalty

(3.6) The Minister shall, with all due dispatch, examine each election, amended election and revoked election referred to in subsection 220(3.3), assess any penalty payable and send a notice of assessment to the taxpayer or the partnership, as the case may be, and the taxpayer or the partnership, as the case may be, shall pay forthwith to the Receiver General the amount, if any, by which the penalty so assessed exceeds the total of all amounts previously paid on account of that penalty.

Idem

(3.7) The provisions of Divisions I and J of Part I apply, with such modifications as the circumstances require, to an assessment made under this section as though it had been made under section 152.

Dishonoured instruments

(3.8) For the purposes of this Act and section 155.1 of the *Financial Administration Act*

> **(a)** any charge that becomes payable at any time by a person under the *Financial Administration Act* in respect of an instrument tendered in payment or settlement of an amount that is payable or remittable under this Act is deemed to be an amount that becomes payable or remittable by the person at that time under this Act;
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> **(b)** sections 152, 158 and 159, subsections 161(1), (2) and (11), sections 162 to 167 and Division J of this Part are applicable to the amount deemed to become payable or remittable by this subsection with any modifications that the circumstances require;

(c) Part II of the *Interest and Administrative Charges Regulations* does not apply to the charge; and

(d) any debt under subsection 155.1(3) of the *Financial Administration Act* in respect of the charge is deemed to be extinguished at the time the total of the amount and any applicable interest under this Act is paid.

Security

(4) The Minister may, if the Minister considers it advisable in a particular case, accept security for payment of any amount that is or may become payable under this Act.

Idem

(4.1) Where a taxpayer has objected to or appealed from an assessment under this Act, the Minister shall, while the objection or appeal is outstanding, accept adequate security furnished by or on behalf of the taxpayer for payment of the amount in controversy except to the extent that the Minister may collect the amount because of subsection 225.1(7).

Surrender of excess security

(4.2) Where at any time a taxpayer requests in writing that the Minister surrender any security accepted by the Minister under subsection 220(4) or 220(4.1), the Minister shall surrender the security to the extent that the value of the security exceeds the total of payable under this Act by the taxpayer at that time.

Security furnished by a member institution of a deposit insurance corporation

(4.3) The Minister shall accept adequate security furnished by or on behalf of a taxpayer that is a member institution in relation to a deposit insurance corporation (within the meaning assigned by subsection 137.1(5)) for payment of

(a) the tax payable under this Act by the taxpayer for a taxation year, to the extent that the amount of that tax exceeds the amount that that tax would be if no amount that the taxpayer is obliged to repay to the corporation were included under paragraph 137.1(10)(a) or 137.1(10)(b) in computing the taxpayer’s income for the year or a preceding taxation year, and

(b) interest payable under this Act by the taxpayer on the amount determined under paragraph 220(4.3)(a),

until the earlier of

(c) the day on which the taxpayer’s obligation referred to in paragraph 220(4.3)(a) to repay the amount to the corporation is settled or extinguished, and

(d) the day that is 10 years after the end of the year.

Additional security

(4.4) The adequacy of security furnished by or on behalf of a taxpayer under subsection 220(4.3) shall be determined by the Minister and the Minister may require additional security to be furnished from time to time by or on behalf of the taxpayer where the Minister determines that the security that has been furnished is no longer adequate.

Security for departure tax

(4.5) If an individual who is deemed by subsection 128.1(4) to have disposed of a property (other than a right to a benefit under, or an interest in a trust governed by, an employee benefit plan) at any particular time in a taxation year (in this section referred to as the individual’s “emigration year”) elects, in prescribed manner on or before the individual's balance-due day for the emigration year, that this subsection and subsections (4.51) to (4.54) apply in respect of the emigration year,

(a) the Minister shall, until the individual's balance-due day for a particular taxation year that begins after the particular time, accept adequate security furnished by or on behalf of the individual on or before the individual's balance-due day for the emigration year for the lesser of

(i) the amount determined by the formula

$$\mathbf{A - B - [((A - B)/A) \times C]}$$

where

A is the total amount of taxes under Parts I and I.1 that would be payable by the individual for the emigration year if the exclusion or deduction of each amount referred to in paragraph 161(7)(a) were not taken into account,

B is the total amount of taxes under those Parts that would have been so payable if each property (other than a right to a benefit under, or an interest in a trust governed by, an employee benefit plan) deemed by subsection 128.1(4) to have been disposed of at the particular time, and that has not been subsequently disposed of before the beginning of the particular year, were not deemed by subsection 128.1(4) to have been disposed of by the individual at the particular time, and

C is the total of all amounts deemed under this or any other Act to have been paid on account of the individual's tax under this Part for the emigration year, and

(ii) if the particular year immediately follows the emigration year, the amount determined under subparagraph (i), and in any other case, the amount determined under this paragraph in respect of the individual for the taxation year that immediately precedes the particular year, and

(b) except for the purposes of subsections 161(2), (4) and (4.01),

(i) interest under this Act for any period that ends on the individual’s balance-due day for the particular year and throughout which security is accepted by the Minister, and

(ii) any penalty under this Act computed with reference to an individual’s tax payable for the year that was, without reference to this paragraph, unpaid

shall be computed as if the particular amount for which adequate security has been accepted under this subsection were an amount paid by the individual on account of the particular amount.

Deemed security

(4.51) If an individual (other than a trust) elects under subsection (4.5) that that subsection apply in respect of a taxation year, for the purposes of this subsection and subsections (4.5) and (4.52) to (4.54), the Minister is deemed to have accepted at any time after the election is made adequate security for a total amount of taxes payable under Parts I and I.1 by the individual for the emigration year equal to the lesser of

(a) the total amount of those taxes that would be payable for the year by a trust resident in Canada (other than a graduated rate estate or a qualified disability trust as defined in subsection 122(3)) the taxable income of which for the year is $50,000, and

(b) the greatest amount for which the Minister is required to accept security furnished by or on behalf of the individual under subsection (4.5) at that time in respect of the emigration year,

and that security is deemed to have been furnished by the individual before the individual’s balance-due day for the emigration year.

Limit

(4.52) Notwithstanding subsections (4.5) and (4.51), the Minister is deemed at any time not to have accepted security under subsection (4.5) in respect of an individual’s emigration year for any amount greater than the amount, if any, by which

(a) the total amount of taxes that would be payable by the individual under Parts I and I.1 for the year if the exclusion or deduction of each amount referred to in paragraph 161(7)(a), in respect of which the day determined under paragraph 161(7)(b) is after that time, were not taken into account

exceeds

(b) the total amount of taxes that would be determined under paragraph (a) if this Act were read without reference to subsection 128.1(4).

Inadequate security

(4.53) Subject to subsection (4.7), if it is determined at any particular time that security accepted by the Minister under subsection (4.5) is not adequate to secure the particular amount for which it was furnished by or on behalf of an individual,

(a) subject to a subsequent application of this subsection, the security shall be considered after the particular time to secure only the amount for which it is adequate security at the particular time;

(b) the Minister shall notify the individual in writing of the determination and shall accept adequate security, for all or any part of the particular amount, furnished by or on behalf of the individual within 90 days after the day of notification; and

(c) any security accepted in accordance with paragraph (b) is deemed to have been accepted by the Minister under subsection (4.5) on account of the particular amount at the particular time.

Extension of time

(4.54) If in the opinion of the Minister it would be just and equitable to do so, the Minister may at any time extend

(a) the time for making an election under subsection (4.5);

(b) the time for furnishing and accepting security under subsection (4.5); or

(c) the 90-day period for the acceptance of security under paragraph (4.53)(b).

Security for tax on distributions of taxable Canadian property to non-resident beneficiaries

(4.6) Where

(a) solely because of the application of subsection 107(5), paragraphs 107(2)(a) to (c) do not apply to a distribution by a trust in a particular taxation year (in this section referred to as the trust's "distribution year") of taxable Canadian property, and

(b) the trust elects, in prescribed manner on or before the trust's balance-due day for the distribution year, that this subsection and subsections (4.61) to (4.63) apply in respect of the distribution year,

the following rules apply:

(c) the Minister shall, until the trust’s balance-due day for a subsequent taxation year, accept adequate security furnished by or on behalf of the trust on or before the trust’s balance-due day for the distribution year for the lesser of

(i) the amount determined by the formula

$$A - B - [((A - B)/A) \times C]$$

where

A is the total amount of taxes under Parts I and I.1 that would be payable by the trust for the distribution year if the exclusion or deduction of each amount referred to in paragraph 161(7)(a) were not taken into account,

B is the total amount of taxes under those Parts that would have been so payable if the rules in subsection 107(2) (other than the election referred to in that subsection) had applied to each disposition by the trust in the distribution year of property (other than property subsequently disposed of before the beginning of the subsequent year) to which paragraph (a) applies, and

C is the total of all amounts deemed under this or any other Act to have been paid on account of the trust’s tax under this Part for the distribution year, and

(ii) where the subsequent year immediately follows the distribution year, the amount determined under subparagraph (i), and in any other case, the amount determined under this paragraph in respect of the trust for the taxation year that immediately precedes the subsequent year, and

(d) except for the purposes of subsections 161(2), (4) and (4.01),

(i) interest under this Act for any period that ends on the trust’s balance-due day for the subsequent year and throughout which security is accepted by the Minister, and

(ii) any penalty under this Act computed with reference to the trust’s tax payable for the year that was, without reference to this paragraph, unpaid

shall be computed as if the particular amount for which adequate security has been accepted under this subsection were an amount paid by the trust on account of the particular amount.

Limit

(4.61) Notwithstanding subsection (4.6), the Minister is deemed at any time not to have accepted security under that subsection in respect of a trust’s distribution year for any amount greater than the amount, if any, by which

(a) the total amount of taxes that would be payable by the trust under Parts I and I.1 for the year if the exclusion or deduction of each amount referred to in paragraph 161(7)(a), in respect of which the day determined under paragraph 161(7)(b) is after that time, were not taken into account

exceeds

(b) the total amount of taxes that would be determined under paragraph (a) if paragraphs 107(2)(a) to (c) had applied to each distribution by the trust in the year of property to which paragraph (1)(a) applies.

Inadequate security

(4.62) Subject to subsection (4.7), where it is determined at any particular time that security accepted by the Minister under subsection (4.6) is not adequate to secure the particular amount for which it was furnished by or on behalf of a trust,

(a) subject to a subsequent application of this subsection, the security shall be considered after the particular time to secure only the amount for which it is adequate security at the particular time;

(b) the Minister shall notify the trust in writing of the determination and shall accept adequate security, for all or any part of the particular amount, furnished by or on behalf of the trust within 90 days after the notification; and

(c) any security accepted in accordance with paragraph (b) is deemed to have been accepted by the Minister under subsection (4.6) on account of the particular amount at the particular time.

Extension of time

(4.63) Where in the opinion of the Minister it would be just and equitable to do so, the Minister may at any time extend

(a) the time for making an election under subsection (4.6);

(b) the time for furnishing and accepting security under subsection (4.6); or

(c) the 90-day period for the acceptance of the security under paragraph (4.62)(b).

Undue hardship

(4.7) If, in respect of any period of time, the Minister determines that an individual who has made an election under either subsection (4.5) or (4.6)

(a) cannot, without undue hardship, pay or reasonably arrange to have paid on the individual’s behalf, an amount of taxes to which security under that subsection would relate, and

(b) cannot, without undue hardship, provide or reasonably arrange to have provided on the individual’s behalf, adequate security under that subsection,

the Minister may, in respect of the election, accept for the period security different from, or of lesser value than, that which the Minister would otherwise accept under that subsection.

Limit

(4.71) In making a determination under subsection (4.7), the Minister shall ignore any transaction that is a disposition, lease, encumbrance, mortgage, hypothec, or other voluntary restriction by a person or partnership of the person’s or partnership’s rights in respect of a property, if the transaction can reasonably be considered to have been entered into for the purpose of influencing the determination.

Administration of oaths

(5) Any officer or servant employed in connection with the administration or enforcement of this Act, if designated by the Minister for the purpose, may, in the course of that employment, administer oaths and take and receive affidavits, declarations and affirmations for the purposes of or incidental to the administration or enforcement of this Act or regulations made thereunder, and every officer or servant so designated has for those purposes all the powers of a commissioner for administering oaths or taking affidavits.

Assignment by corporation

(6) Notwithstanding section 67 of the Financial Administration Act and any other provision of a law of Canada or a province, a corporation may assign any amount payable to it under this Act.

Effect of assignment

(7) An assignment referred to in subsection 220(6) is not binding on Her Majesty in right of Canada and, without limiting the generality of the foregoing,

(a) the Minister is not required to pay to the assignee the assigned amount;

(b) the assignment does not create any liability of Her Majesty in right of Canada to the assignee; and

(c) the rights of the assignee are subject to all equitable and statutory rights of set-off in favour of Her Majesty in right of Canada.

[NOTE: Application provisions are not included in the consolidated text; see relevant amending Acts and regulations.] ; R.S., 1985, c. 1 (5th Supp.), s. 220; 1994, c. 7, Sch. II, s. 181, Sch. VIII, s. 127, c. 13, s. 7; 1995, c. 21, s. 42; 1997, c. 25, s. 66; 1998, c. 19, s. 221; 1999, c. 17, s. 164, c. 22, s. 78; 2001, c. 17, s. 178; 2003, c. 15, s. 129; 2005, c. 19, s. 48, c. 38, s. 140; 2006, c. 4, s. 164; 2007, c. 35, s. 61; 2013, c. 34, s. 350; 2014, c. 39, s. 67; 2017, c. 33, s. 76; 2024, c. 15, s. 61; 2024, c. 17, s. 68; 2024, c. 17, s. 80; 2026, c. 3, s. 91.

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