Person deemed resident

250 (1) For the purposes of this Act, a person shall, subject to subsection 250(2), be deemed to have been resident in Canada throughout a taxation year if the person

(a) sojourned in Canada in the year for a period of, or periods the total of which is, 183 days or more;

(b) was, at any time in the year, a member of the Canadian Forces;

(c) was, at any time in the year,

(i) an ambassador, minister, high commissioner, officer or servant of Canada, or

(ii) an agent-general, officer or servant of a province,

and was resident in Canada immediately prior to appointment or employment by Canada or the province or received representation allowances in respect of the year;

(d) performed services, at any time in the year, in a country other than Canada under a prescribed international development assistance program of the Government of Canada and was resident in Canada at any time in the 3 month period preceding the day on which those services commenced;

(d.1) was, at any time in the year, a member of the overseas Canadian Forces school staff who filed his or her return for the year on the basis that the person was resident in Canada throughout the period during which the person was such a member;

(e) [Repealed, 1999, c. 22, s. 82(1)]

(f) was at any time in the year a child of, and dependent for support on, an individual to whom paragraph (b), (c), (d) or (d.1) applies and the person's income for the year did not exceed the amount determined for F in subsection 118(1.1) for the year; or

(g) was at any time in the year, under an agreement or a convention with one or more other countries that has the force of law in Canada, entitled to an exemption from an income tax otherwise payable in any of those countries in respect of income from any source (unless all or substantially all of the person's income from all sources was not so exempt), because at that time the person was related to or a member of the family of an individual (other than a trust) who was resident in Canada.

Idem

(2) Where at any time in a taxation year a person described in paragraph (1)b), (c) or (d) ceases to be a person so described, or a person described in paragraph (1)(d.1) ceases to be a member of the overseas Canadian Forces school staff, that person shall be deemed to have been resident in Canada throughout the part of the year preceding that time and the spouse or common-law partner and child of that person who by reason of paragraph (1)(e) or (f) would, but for this subsection, be deemed to have been resident in Canada throughout the year shall be deemed to have been resident in Canada throughout that part of the year.

Ordinarily resident

(3) In this Act, a reference to a person resident in Canada includes a person who was at the relevant time ordinarily resident in Canada.

Corporation deemed resident

(4) For the purposes of this Act, a corporation shall be deemed to have been resident in Canada throughout a taxation year if

(a) in the case of a corporation incorporated after April 26, 1965, it was incorporated in Canada;

(b) in the case of a corporation that

(i) was incorporated before April 9, 1959,

(ii) was, on June 18, 1971, a foreign business corporation (within the meaning of section 71 of the *Income Tax Act*, chapter 148 of the Revised Statutes of Canada, 1952, as it read in its application to the 1971 taxation year) that was controlled by a corporation resident in Canada,

(iii) throughout the 10 year period ending on June 18, 1971, carried on business in any one particular country other than Canada, and

(iv) during the period referred to in subparagraph 250(4)(b)(iii), paid dividends to its shareholders resident in Canada on which its shareholders paid tax to the government of the country referred to in that subparagraph,

it was incorporated in Canada and, at any time in the taxation year or at any time in any preceding taxation year commencing after 1971, it was resident in Canada or carried on business in Canada; and

(c) in the case of a corporation incorporated before April 27, 1965 (other than a corporation to which subparagraphs 250(4)(b)(i) to 250(4)(b)(iv) apply), it was incorporated in Canada and, at any time in the taxation year or at any time in any preceding taxation year of the corporation ending after April 26, 1965, it was resident in Canada or carried on business in Canada.

Deemed non-resident

(5) Notwithstanding any other provision of this Act (other than paragraph 126(1.1)(a)), a person is deemed not to be resident in Canada at a time if, at that time, the person would, but for this subsection and any tax treaty, be resident in Canada for the purposes of this Act but is, under a tax treaty with another country, resident in the other country and not resident in Canada.

Continued corporation

(5.1) Where a corporation is at any time (in this subsection referred to as the “time of continuation”) granted articles of continuance (or similar constitutional documents) in a particular jurisdiction, the corporation shall

(a) for the purposes of applying this Act (other than subsection 250(4)) in respect of all times from the time of continuation until the time, if any, of continuation in a different jurisdiction, be deemed to have been incorporated in the particular jurisdiction and not to have been incorporated in any other jurisdiction; and

(b) for the purpose of applying subsection 250(4) in respect of all times from the time of continuation until the time, if any, of continuation in a different jurisdiction, be deemed to have been incorporated in the particular jurisdiction at the time of continuation and not to have been incorporated in any other jurisdiction.

Residence of international shipping corporation

(6) For the purposes of this Act, a corporation that was incorporated or otherwise formed under the laws of a country other than Canada or of a state, province or other political subdivision of such a country is deemed to be resident in that country throughout a taxation year and not to be resident in Canada at any time in the year, if

(a) the corporation

(i) has international shipping as its principal business in the year, or

(ii) holds eligible interests in one or more eligible entities throughout the year and at no time in the year is the total of the cost amounts to it of all those eligible interests and of all debts owing to it by an eligible entity in which an eligible interest is held by it, by a person related to it or by a partnership affiliated with it less than 50% of the total of the cost amounts to it of all its property;

(b) all or substantially all the corporation’s gross revenue for the year consists of any one or more of

(i) gross revenue from international shipping,

(ii) gross revenue from an eligible interest held by it in an eligible entity, and

(iii) interest on a debt owing by an eligible entity in which an eligible interest is held by it, by a person related to it or by a partnership affiliated with it;

(c) the corporation was not granted articles of continuance in Canada before the end of the year; and

(d) the corporation files an election in prescribed form and manner in respect of the year.

Partner’s gross revenue

(6.01) For the purposes of paragraph (6)(b), an amount of profit allocated from a partnership to a member of the partnership for a taxation year is deemed to be gross revenue of the member from member’s interest in the partnership for the year.

Service providers

(6.02) Subsection (6.03) applies to a corporation, trust or partnership (in this subsection and subsection (6.03) referred to as the “relevant entity”) for a taxation year if

(a) the relevant entity does not satisfy the condition in subparagraph (6)(a)(i), determined without reference to subsection (6.03);

(b) all or substantially all the gross revenue of the relevant entity for the year consists of any one or more of

(i) gross revenue from the provision of services to one or more eligible entities, other than services described in any of paragraphs (a) to (h) of the definition ***international shipping*** in subsection 248(1),

(ii) gross revenue from international shipping,

(iii) gross revenue from an eligible interest held by it in an eligible entity, and

(iv) interest on a debt owing by an eligible entity in which an eligible interest is held by it or a person related to it;

(c) either the relevant entity is a subsidiary wholly-owned corporation (as defined in subsection 87(1.4)) of the eligible entity referred to in paragraph (b) or an eligible interest in each eligible entity referred to in paragraph (b) is held throughout the year by

(i) the relevant entity,

(ii) one or more persons related to the relevant entity (if the relevant entity and each such person is a corporation), or persons or partnerships affiliated with the relevant entity (in any other case), or

(iii) any combination of the relevant entity and persons or partnerships described in subparagraph (ii); and

(d) all or substantially all the shares of the capital stock of, or interests in, the relevant entity are held, directly or indirectly through one or more subsidiary wholly-owned corporations (as defined in subsection 87(1.4)), throughout the year by one or more corporations, trusts or partnerships that would be eligible entities if they did not own shares of, or interests in, the relevant entity.

Service providers

(6.03) If this subsection applies for a taxation year, then for the purposes of subsection (6) and paragraphs 81(1)(c) and (c.1),

(a) the relevant entity is deemed to have international shipping as its principal business in the year; and

(b) the gross revenue described in subparagraph (6.02)(b)(i) is deemed to be gross revenue from international shipping.

Definitions

(6.04) The following definitions apply in this subsection and subsections (6) to (6.03).

eligible entity, for a taxation year, means

(a) a corporation that is deemed by subsection (6) to be resident in a country other than Canada for the year;

(a.1) a corporation resident in Canada (if this Act were read without reference to subsection (4)) that satisfies the conditions set out in paragraphs (6)(a) and (b); or

(b) a partnership or trust, if

(i) it satisfies the conditions in subparagraph (6)(a)(i) or (ii), and

(ii) all or substantially all its gross revenue for the year consists of any combination of amounts described in any of subparagraphs (6)(b)(i) to (iii). (*entité admissible*)

eligible interest means

(a) in respect of a corporation, shares of the capital stock of the corporation that

(i) give the holders of those shares not less than 25% of the votes that could be cast at an annual meeting of the shareholders of the corporation, and

(ii) have a fair market value that is not less than 25% of the fair market value of all the issued and outstanding shares of the capital stock of the corporation;

(b) in respect of a trust, an interest as a beneficiary (as defined in subsection 108(1)) under the trust with a fair market value that is not less than 25% of the fair market value of all the interests of all beneficiaries under the trust; and

(c) in respect of a partnership, an interest as a member of the partnership with a fair market value that is not less than 25% of the fair market value of all the membership interests in the partnership. (*participation admissible*)

Holdings in eligible entities

(6.05) For the purpose of determining whether a person or partnership (in this subsection referred to as the “holder”) holds an eligible interest in an eligible entity in subsections (6) to (6.04), the holder is deemed to hold all of the shares or interests, as the case may be, in the eligible entity held by

(a) the holder;

(b) if the holder is a corporation,

(i) each corporation related to the holder, and

(ii) each person, other than a corporation, or partnership that is affiliated with the holder; and

(c) if the holder is not a corporation, each person or partnership affiliated with the holder.

Residence of *inter vivos* trusts

(6.1) For the purposes of provisions of this Act that apply to a trust for a taxation year only where the trust has been resident in Canada throughout the year, where a particular trust ceases at any time to exist and the particular trust was resident in Canada immediately before that time, the particular trust is deemed to be resident in Canada throughout the period that begins at that time and ends at the end of the year.

(7) [Repealed, 2011, c. 24, s. 74]

[NOTE: Application provisions are not included in the consolidated text; see relevant amending Acts and regulations.] ; R.S., 1985, c. 1 (5th Supp.), s. 250; 1994, c. 7, Sch. II, s. 194, Sch. VII, s. 22, c. 21, s. 111; 1995, c. 3, s. 54; 1998, c. 19, ss. 67, 241; 1999, c. 22, s. 82; 2000, c. 12, s. 142, c. 19, s. 68; 2001, c. 17, s. 190; 2011, c. 24, s. 74; 2014, c. 39, s. 74; 2021, c. 23, s. 62; 2024, c. 17, s. 76.

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