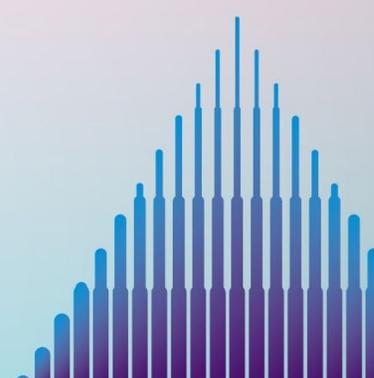




TaxNewsNow

Canada



August 9, 2023

CRA Prescribed Rate Remains at 5% for Q4 2023

No changes to the CRA prescribed income tax interest rates for taxable benefits, overpaid taxes and underpaid taxes 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 2023 (October 1, 2023 – December 31, 2023).

Currently, the interest rate on overdue income taxes and penalties is 9%. The prescribed rate for refunds of overpaid taxes is 7% for non-corporate taxpayers (5% for corporate taxpayers) and the prescribed rate that applies to taxable benefits for employees and shareholders from interest-free and low-interest loans, as well as prescribed rate family income-splitting loans, is 5%.

Prescribed rates for 2023 and 2022 are as follows:

	Taxable Benefits	Overpaid Taxes		Underpaid Taxes
		Corporations	Others	
2023				
October 1 – December 31	5%	5%	7%	9%
July 1 – September 30	5%	5%	7%	9%
April 1 – June 30	5%	5%	7%	9%
January 1 – March 31	4%	4%	6%	8%
2022				
October 1 – December 31	3%	3%	5%	7%
July 1 – September 30	2%	2%	4%	6%
April 1 – June 30	1%	1%	3%	5%
January 1 – March 31	1%	1%	3%	5%

For more information, contact your KPMG adviser.

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