What's New for the 2025 Canadian Personal and Corporate Tax-Return Season

Summary of key CRA and federal updates impacting 2025 T1 and T2 filings

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Tax-return season: 2025
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At a glance

- Lowest federal personal rate reduced effective July 1, 2025 (15% to 14%); approximate 14.5% blended rate for 2025.
- Federal brackets and most non-refundable credits indexed for inflation for 2025.
- T1 deadlines unchanged for most individuals (April 30); automatic June 15 filing extension for self-employed (tax still due April 30).
- Expanded trust-reporting requirements and enhanced anti-avoidance rules continue to affect compliance and documentation.
- Capital-gains inclusion-rate changes are deferred to 2026 (planning impact remains).
- Corporate environment broadly stable for rates; CRA electronic-filing schema/validation updates apply for certain information returns in 2025.

1.01 Introduction

As the 2025 filing season approaches, Serbinski Partners PC reviews changes introduced by the Canada Revenue Agency (CRA) and the federal government impacting individual (T1) and corporate (T2) taxpayers. This summary highlights relevant updates, their implications, and practical planning considerations.

1.02 Personal tax-return changes

Reduction in lowest federal marginal rate

Effective July 1, 2025, the lowest federal personal income-tax rate decreases from 15% to 14%. For the full 2025 taxation year, this produces an approximate blended effective rate of 14.5% for the lowest bracket.

Indexation of brackets and credit amounts

All federal brackets and most non-refundable credits are indexed for inflation for 2025.

Federal tax-bracket comparison (2024 vs 2025)

Income range	2024 rate	Income range	2025 rate
Up to $55,867	15%	Up to $57,375	14.5% blended (14% mid-year)
$55,867 - $111,733	20.5%	$57,376 - $114,750	20.5%
$111,733 - $173,205	26%	$114,751 - $177,882	26%
$173,205 - $246,752	29%	$177,883 - $253,414	29%
Over $246,752	33%	Over $253,414	33%

Key dates

Item	2025 filing season
T1 filing deadline (most individuals)	April 30, 2025
T1 filing deadline (self-employed and spouses/common-law partners)	June 15, 2025 (automatic extension)
Balance due for most individuals	April 30, 2025 (interest accrues after April 30)
T2 corporate return due date	Six months after fiscal year-end

Automatic extension for self-employed individuals

Self-employed taxpayers and their spouses/common-law partners automatically qualify for an extended T1 filing deadline of June 15.

How the extension works

Under the Income Tax Act, where either the individual or their spouse/common-law partner carries on a business in the year, the return is generally considered timely if filed by June 15.

Important reminder

All tax balances remain due by April 30. Interest is charged after April 30 even if the return is filed under the extended deadline.

Additional personal measures

- Expanded trust-reporting requirements.
- Enhanced anti-avoidance rules.
- Proposed capital-gains inclusion-rate changes deferred to 2026.

Corporate tax-return changes

Filing and payment deadlines

Corporate T2 returns remain due six months after fiscal year-end. Instalment requirements remain unchanged.

Electronic filing changes (effective 2025)

Beginning in 2025, updated CRA schema/XML and new validation mechanisms apply for certain information returns.

Corporate tax-rate environment

No major changes to the federal corporate rate are expected for 2025; however, provincial differences and newly introduced credits may still influence planning.

Additional corporate measures

- Updated CRA audit-selection criteria.
- Deferred capital-gains inclusion-rate increases until 2026.

1.03 Planning considerations for 2025

- Review 2025 projected income with attention to mid-year rate changes.
- Reassess instalments, payroll deductions, and credit eligibility.
- Ensure systems comply with updated electronic-filing standards.
- Strengthen documentation for deductions and credits.
- Begin organizing tax information early to avoid penalties and delays.

1.04 Conclusion

The 2025 tax season includes meaningful changes for individual and corporate taxpayers. Serbinski Partners PC remains committed to providing accurate preparation, professional compliance review, and strategic advice aligned with the evolving tax environment.

Professional notice and disclaimer

This summary is designed to provide a concise overview of the subjects addressed and may not be complete. Reference should be made to original legislation prior to acting on any matter, and professional advice should also be obtained.

Please contact us for a confidential review of your individual situation.

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