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Tax Savings Review

Prepared for Sample Client · October 10, 2026

SUMMARY

We reviewed the tax year 2024 return and related information and identified 7 opportunities we recommend discussing with you, with a combined estimated benefit of about \$756,400. Each item below explains what it is, why it may apply to you, and what we suggest as a next step. Figures are estimates and depend on facts we will confirm together. Amounts are in Canadian dollars.

7

opportunities identified

~\$756,400

combined estimated benefit

TY2024

return reviewed

Thank you for letting us take a second look at the 2024 corporate year. Three items can still be recovered for 2024 by amending the federal return, with the Alberta ATI amended to match, and four planning items are worth setting up before the next round of equipment orders. The 2024 windows for the research credit, the Alberta grant and the apprentice credit closed on June 30, 2026; we have recorded those as lost for that year and set them up properly from 2025 onward. Nothing here is urgent this week; we will manage the deadlines with you.

WHAT WE FOUND

Opportunities

1 Lower personal tax on the 2024 dividends: a late re-labelling request backed by a rebuilt Schedule 53 ~\$17,600

Your company has paid enough tax at the higher general corporate rate over 2023 and 2024 to build up a pool that lets dividends come out of the company at a lower personal tax rate, but the 2024 dividends were paid without the paperwork that unlocks that lower rate. We could prepare the pool schedule, ask the CRA to accept a late designation for 2024 (the request window is still open, though acceptance is at the CRA's discretion), reissue the dividend slip and adjust your personal return. Going forward, we could put a simple routine in place so the designation is signed on the day each dividend is paid.

SUGGESTED NEXT STEP

We rebuild the pool schedule, file it with the 2024 return and ask the CRA to accept the late re-labelling; it is a discretionary request, so we will tell you when it is accepted.

2 The \$12,600 dividend refund sitting in the refundable tax pool ~\$12,600

The company paid tax on its term-deposit interest, and part of that tax sits in a special account the government gives back once the company pays dividends to its owner. Dividends of \$220,000 were paid in 2024, which is far more than enough to release the whole \$12,600 balance, so we could file an amended 2024 corporate return with the two supporting schedules to request that money back, and then set the yearly dividend so the refund is collected every year instead of building up.

This is money coming back sooner rather than a reduction in the total tax bill, and the request has to be made before the reassessment window for 2024 closes.

SUGGESTED NEXT STEP

We file the amended 2024 return claiming the refund, with the Alberta return amended to match.

3 **A first-year write-off on the full cost of the \$1.9 million electric-drive pump set bought in 2024** ~\$43,700

When your company bought the \$1.9 million electric-drive pump set in 2024, the depreciation claimed on it was cut in half for the first year under the ordinary rule. For equipment that first went into service in 2024, that first-year haircut was suspended, so the full 20% rate could have been applied to the whole cost instead.

We can file an amended T2 (and a matching Alberta AT1 amendment) to claim the additional depreciation, which may release roughly \$43,700 of federal and Alberta tax for 2024, with the trade-off that the pool balance carried into later years is correspondingly smaller.

SUGGESTED NEXT STEP

We ask the CRA and Alberta to reassess 2024 with the larger depreciation claim while the year is open.

4 **Apprentice hiring credit for the three registered apprentices, from 2025 onward** ~\$5,000

Your company employs three registered apprentices, and there is a federal credit worth up to \$2,000 a year for each apprentice during their first two years of training. That credit was not claimed, and the filing window for the 2024 year has now passed, but we could still add the claim to the 2025 corporate return and build it into the 2026 return and every year after, provided the apprenticeship registration papers show each person is still inside their first 24 months.

The likely value is a few thousand dollars of corporate tax a year, and it costs nothing but the paperwork to gather the registration contracts and tag the apprentices in payroll.

SUGGESTED NEXT STEP

Send us each apprentice's registration confirmation; we amend the 2025 return to add the claim (open until June 30, 2027) and build it into every return after that. The 2024 year cannot be recovered.

5

30% refundable clean technology credit plus a 100% first-year write-off on the 2025-2026 \$2.6 million electrification programme

~\$486,000

We could go back to the 2025 corporate return and add the federal clean technology credit form for any of the new electric equipment and battery storage that went into service that year, along with the credit for your registered apprentices. That credit is paid out in cash even if the company owes no tax, and the same treatment is available for the remaining equipment as it is put into service in the coming years, with a much faster write-off on the equipment itself.

The window on the 2025 filing runs to June 30, 2027, and the 2024 pump set is outside its own filing window, so the plan is built around 2025 and forward.

SUGGESTED NEXT STEP

Before the remaining orders go out, we write the eligibility requirements into the purchase orders and sequence the election paperwork; qualifying 2025 additions are claimed before the end of June 2027.

6

SR&ED and the Alberta Innovation Employment Grant on the electric-drive development, from 2026

~\$180,000

The company already did real development work on the electric drive pumping system, but the federal filing window for the 2024 spending ran out on June 30, 2026, so that year cannot be claimed and the matching Alberta grant for 2024 is nil as a result. Going forward, we could set up a proper research and development file from day one on the next generation electric drive and battery work, so the engineering contractor bills and the technicians' trial hours are documented as they happen and can be claimed each year.

On spending of the same size as before, that combination of the federal refundable research credit and the Alberta grant could be worth a meaningful cash refund each year, and if any of the development work carried on into 2025 there is still a live filing deadline of June 30, 2027 for that year.

SUGGESTED NEXT STEP

We set up the technical records with the engineering contractor and fix the contract so the company owns the work; the claims go in with the returns. The 2024 year cannot be recovered and we will not chase it.

7 **A company pension plan for the owner with catch-up funding for past years of service**

~\$11,500

We could work with a pension actuary to set up a company pension plan just for you, funded by the business, which generally allows larger tax-deductible contributions than an RRSP once you are in your fifties. To make it work, more of what you take out of the company would have to come as salary instead of dividends going forward, and the plan can also be funded for past years you were on the company payroll, though that part uses up some of the RRSP room shown on your notice of assessment.

The company gets a deduction when it contributes and you are taxed later when you draw the pension, so this is mainly about shifting tax into retirement rather than eliminating it, and the actuary's numbers will determine what is actually fundable.

SUGGESTED NEXT STEP

We model the required salary level with you and bring in an actuary to design the plan; nothing changes on payroll until you approve the numbers.

This summary was prepared by Your Firm Name, Chartered Professional Accountants from the tax return as filed and the information available to us at the time. Amounts are estimates; actual results depend on your specific facts, the elections made, and timing. Please contact us before acting on any item so we can confirm it applies to you.

Authorities referenced

- 1 **Lower personal tax on the 2024 dividends: a late re-labelling request backed by a rebuilt Schedule 53**
Income Tax Act, RSC 1985, c 1 (5th Supp), s 185.1; Alberta Corporate Tax Act, RSA 2000, c A-15, s 21; CRA Income Tax Folio S3-F2-C2, Taxable Dividends from Corporations Resident in Canada; Income Tax Act, RSC 1985, c 1 (5th Supp), s 89
- 2 **The \$12,600 dividend refund sitting in the refundable tax pool**
Income Tax Act, RSC 1985, c 1 (5th Supp), s 129; CRA Guide T4012, T2 Corporation, Income Tax Guide, "T2 Corporation, Income Tax Guide, Chapter 6: Pages 6 and 7 of the T2 return"; CRA Guide T4012, T2 Corporation, Income Tax Guide, "T2 Corporation, Income Tax Guide, Chapter 4: Page 4 of the T2 return"; Alberta Personal Income Tax Act, RSA 2000, c A-30, s 21
- 3 **A first-year write-off on the full cost of the \$1.9 million electric-drive pump set bought in 2024**
Income Tax Regulations, CRC, c 945, s 1100
- 4 **Apprentice hiring credit for the three registered apprentices, from 2025 onward**
CRA Guide T4012, T2 Corporation, Income Tax Guide, "T2 Corporation, Income Tax Guide, Chapter 7: Page 8 of the T2 return"; Income Tax Act, RSC 1985, c 1 (5th Supp), s 127.46; Income Tax Act, RSC 1985, c 1 (5th Supp), s 127; Alberta Corporate Tax Act, RSA 2000, c A-15, s 26.7

- 5 **30% refundable clean technology credit plus a 100% first-year write-off on the 2025-2026 \$2.6 million electrification programme**
CRA Guide T4012, T2 Corporation, Income Tax Guide, "T2 Corporation, Income Tax Guide, Chapter 3: Page 3 of the T2 return"; CRA Guide T4036, Rental Income, "Rental Income"; Income Tax Act, RSC 1985, c 1 (5th Supp), s 127.45; CRA, "SR&ED Filing Requirements Policy" (canada.ca)
- 6 **SR&ED and the Alberta Innovation Employment Grant on the electric-drive development, from 2026**
Alberta Corporate Tax Act, RSA 2000, c A-15, s 26.96; CRA, "SR&ED news and updates" (canada.ca); CRA, "SR&ED Investment Tax Credit Policy" (canada.ca); Alberta Tax and Revenue Administration, "Innovation Employment Grant" (alberta.ca)
- 7 **A company pension plan for the owner with catch-up funding for past years of service**
CRA Income Tax Folio S3-F2-C2, Taxable Dividends from Corporations Resident in Canada; Alberta Corporate Tax Act, RSA 2000, c A-15, s 22.01; Income Tax Act, RSC 1985, c 1 (5th Supp), s 147.2; CRA Interpretation Bulletin IT-167R6, Registered Pension Plans - Employee's Contributions