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Tax Alert – Canada

CRA to administer draft legislation to extend deadline for 2024 charitable donations

EY Tax Alerts cover significant tax news, developments and changes in legislation that affect Canadian businesses. They act as technical summaries to keep you on top of the latest tax issues. For more information, please contact your EY advisor or EY Law advisor.

On 23 January 2025, the Department of Finance released draft income tax legislation (and related explanatory notes) to extend the deadline for taxpayers to make charitable donations that qualify for tax support for the 2024 taxation year. On the same day, the Canada Revenue Agency (CRA) announced that it will administer the proposed extension.

As previously announced on 30 December 2024, the deadline will be extended to 28 February 2025, to mitigate the impact that the Canada Post strike had on the receipt of donations by charities. Further details on the proposals (including eligibility for the extension), as well as the CRA's administrative guidance, are provided below.

The accompanying news release states that the Department of Finance will not be soliciting feedback on the draft legislation and that legislation to implement this change will be introduced in due course. Given the current prorogation of the last session of Parliament, legislation can only be introduced after the next session of Parliament opens, as scheduled for 24 March 2025.



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Draft legislative proposals

Eligibility for extension

The draft legislation confirms the extension applies to donations made by both individuals (including trusts and estates) eligible for an income tax credit under section 118.1 of the *Income Tax Act* (the Act) and corporations eligible for an income tax deduction under section 110.1 of the Act (collectively referred to below as taxpayers or donors). It also confirms that the extension applies to donations made before March 2025 and after the end of a taxation year that ended after 14 November 2024 and before 2025 (referred to as the donation year). Therefore, if the donor's 2024 taxation year ends before 15 November 2024, the extension will not apply to that year.

Furthermore, the draft legislation confirms that the extension applies only to gifts made in the form of cash or by way of cheque, credit card, money order or electronic payment. Gifts in kind (such as gifts of shares and other capital property), gifts made through a payroll deduction and gifts made by the will of an individual who died after 2024 do not qualify for the extension.

Deeming rule

The extension will operate by deeming any donations made by a taxpayer to a qualified donee after the end of the donation year (as defined above) and before March 2025 to have been made in the taxpayer's donation year and not in the taxpayer's 2025 taxation year. This deeming rule will apply only if the gift would otherwise be eligible for an income tax credit or income tax deduction for the donation year had it been made before the end of that year and the donation amount is claimed as a credit or deduction for the donation year.

CRA administration of the extension and other guidance

As indicated above, the CRA also announced in a separate [news release](#) that it will proceed with administering the 2024 deadline extension for charitable donations based on the draft legislation released on 23 January 2025. The CRA indicated that this will help to provide certainty for taxpayers and is consistent with its longstanding practice.

The CRA also provided the following guidance for charities and other qualified donees and for donors.

Charities and other qualified donees

The CRA confirmed that charities and other qualified donees should continue to issue official donation receipts in accordance with the current receipting rules. They will not be required to issue donation receipts specific to the extension period but may choose to do so as a courtesy to donors if they generally receive only one annual receipt for multiple donations. Charities and other qualified donees must ensure that eligible donations received and receipted during the extension period are not also included on a donor's annual 2025 receipt. In other words, where donations received in January and February 2025 have already been receipted, the 2025 annual donation receipt should only include donations received in March to December 2025.

Further, the extension will not affect how charities and other qualified donees report their tax-receipted revenue on their 2024 and 2025 annual information returns, such as the T3010, *Registered Charity Information Return*. In other words, all official donation receipts issued during the 2025 fiscal period should be reported on the 2025 annual information return even if the donations may have been eligible for the taxpayer's 2024 donation year (as defined above).

Donors

Donors who make donations before March 2025 that are eligible for the extension (i.e., that satisfy the conditions described above) will have the option of claiming the eligible amount of the gift on their 2024 tax return. If the donation is not claimed in their 2024 return, it may still be claimed in their 2025 return or carried forward to a later year (under the five-year carryforward rule).

The CRA's guidance for donors specifically mentions individuals, graduated rate estates and corporations. The guidance for individuals should apply equally to trusts (other than graduated rate estates), which generally have a calendar year-end. There is nothing in the draft legislation that would exclude trusts from also benefiting from the extended donation deadline.

Consistent with current rules, donors are advised to keep all official donation receipts in case the CRA requests copies of them. As indicated above, charities and qualified donees are not required to issue donation receipts specific to the extension period. Therefore, it will be important for donors to track separately any 2025 donations made before March 2025 that they choose to claim on their 2024 donation year return and ensure these donations are not inadvertently claimed a second time on their 2025 return or within the five-year carryforward period.

For additional information, see the CRA's guidance "[Extension of the deadline for making 2024 charitable donations.](#)"

Quebec

On 31 December 2024, Quebec announced that it will harmonize with the federal government's 30 December 2024 announcement relating to the extension of the 2024 charitable donations deadline.

At the time of writing, no further announcement has been made in relation to the province's specific harmonization with the 23 January 2025 federal draft legislation.

Learn more

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