



# taxtips

*courtesy of H&R Block*

concerning the deceased

## The Final Return To Canada Revenue Agency

The Due date for filing the deceased's final return is usually:

April 30 of the following year, for taxpayers who die during the period from January 1 to October 31 of the taxation year; and

Six months after the date of death, for taxpayers who die in November and December of the taxation year.

A final return includes income up to the date of death. Various elective returns can also be filed to report this income in the most advantageous way.

**A trust return** includes income after the date of death and is due 90 days after the end of the trust year. A trust year can be for up to one year after the date of death.

Be sure to consult with a tax specialist to ensure the most advantageous tax treatment.

**A clearance certificate** should be obtained after the above is completed and the notices of assessment have been received from the CRA. This clears the deceased's representative to distribute the assets of the estate without personal tax liability.

## Do You Know?

- who is considered to be the legal representative of the deceased's estate for tax purposes?
- that an RRSP or RRIF held at time of death is fully taxable?
- how tax on these might be deferred?
- that the CRA considers a deceased taxpayer to have sold all capital assets immediately before death?
- how tax on any resulting capital gains might be reduced or deferred?
- whether the deceased was eligible for the Canada Pension Plan death benefit? If so, on whose tax return should it be reported?
- that there are special elective returns that may be filed which can sometimes reduce the overall tax liability of a deceased taxpayer?
- what to do if there are beneficiaries of an estate that live outside of Canada?

*For more information please call:*

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