

Information Sheet
Personal Tax Instalments

Instalments are periodic payments of income tax that individuals have to pay the Canada Revenue Agency (CRA) to cover tax they would otherwise have to pay on April 30 of the following year.

WHO HAS TO PAY?

- You have to pay your income tax instalments for 2010 if your net tax owing is more than \$3,000 in 2010; and in either 2009 or 2008

INTEREST AND PENALTY CHARGES

- Instalment interest is charged if ALL of the following conditions apply:
 - CRA sends you an instalment reminder in 2010 that shows the amount to pay
 - You are required to make instalment payments in 2010; and
 - You choose not to make instalment payments, or you make payments that are late or less than the required amount
- Instalment interest is compounded daily at the prescribed interest rate
- You may also have to pay a **penalty** if your instalment payments are late or less than the required amount. CRA applies this penalty only if your instalment interest charges for 2010 are more than \$1,000

GOODS AND SERVICES (GST)

- GST/HST registrants who are annual filers are required to make quarterly instalments if their net tax payable for the preceding year is more than \$3,000

For more information click [HERE](#)

Please call us at 905-898-4900 if you have any questions regarding the above

Information Sheet
Corporate Tax Instalments

Generally, corporations have to pay their taxes in instalments. An instalment payment is a partial payment of the total amount of tax payable for the year.

WHAT'S NEW

- For taxation years ending in 2009 or later, corporations that have a permanent establishment in Ontario are required to file a harmonized T2 Corporate Income Tax Return with the Canada Revenue Agency. For taxation years ending in 2009 or later, your combined Ontario and Federal Corporation tax instalment will be paid directly to the Canada Revenue Agency

WHO HAS TO PAY?

- You have to pay your income tax in instalments for 2010 if your Federal tax owing is more than \$3,000 in 2010 or in 2009. Similarly, you have to pay your income tax in instalments if your Provincial tax owing for the current or previous year is more than \$3,000
- Corporations generally make monthly or quarterly payments towards their tax liability. A small CCPC is eligible to make quarterly instalments under certain circumstances

DUE DATES

- Instalment payments are due on the last day of every complete month of your taxation year, or of every complete quarter if you are an eligible small CCPC

PAYING INSTALMENTS

- Instalments may be paid by telephone or internet banking, at your financial institution or by mail

INTEREST AND PENALTY CHARGES

- Interest is charged on late or insufficient payments. Instalment interest is compounded daily at the prescribed interest rate
- You may also have to pay a **penalty** if your instalment payments are late or less than the required amount. CRA applies this penalty only if your instalment interest charges for 2010 are more than \$1,000

For more information click [HERE](#)

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