FOR BC SMALL BUSINESS OWNERS

15

Year-End Tax Moves *every BC owner should make* before December 31.

A field-ready checklist from a Chartered Professional Accountant in Abbotsford.

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WHO THIS IS FOR

A practical, no-jargon checklist for BC owners.

If you run a small business in British Columbia — a trades company, a professional corporation, an e-commerce brand, a real-estate hold-co, anything in the $250K–$10M revenue range — this short guide will save you money this year. Every move inside is one we routinely find missed when new clients come to us from another accounting firm.

It is not legal or tax advice. It is a field-tested checklist of conversations every BC owner should be having with their CPA before December 31. If your accountant isn't proactively raising these items each year, that's a useful signal in itself.

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CONTENTS

The 15 moves, in order.

MOVE 01

Lock in your owner compensation mix.

Salary, dividends, or a blend — the right answer depends on your personal tax bracket, RRSP room, CPP impact, and the small business deduction available to your corporation. Most owners default to last year's mix and leave thousands on the table.

ACTION

Re-run the math in November, not March. The decision has to happen before fiscal year-end.

MOVE 02

Time capital purchases before fiscal year-end.

Eligible Class purchases bought before year-end get a half-year of CCA (or full immediate expensing for many AIIP-eligible assets) — but only if the asset is available for use by your year-end date.

ACTION

Want a new truck, computer or piece of equipment in Q1? Buy it in December instead — get the deduction a year earlier.

MOVE 03

Accrue bonuses before year-end (and pay within 180 days).

A bonus accrued at year-end is deductible to the corporation immediately, but personal tax doesn't hit you until you actually receive it in the following calendar year — a classic deferral move.

ACTION

Document the bonus declaration before fiscal year-end. Pay it (or T4 it) within 180 days to keep the deduction.

MOVE 04

Top up your RRSP — strategically.

RRSP room is generated by previous-year earned income. If you took salary in the prior year, you now have new room to use. If you took dividends, you didn't generate new room — plan accordingly.

ACTION

Use the CRA's My Account portal to confirm your exact contribution room before the March deadline.

MOVE 05

Don't forget the TFSA.

The TFSA limit is set annually. Most owners forget to fund their TFSA personally because the dollars are sitting in the corporation. Sweep idle personal cash in before year-end.

ACTION

$7,000 in 2024, indexed thereafter. Cumulative room available if you've never contributed.

MOVE 06

Clean up shareholder loans before they trigger Section 15(2).

If you've borrowed money from your corporation and don't repay it by the corporation's next year-end, CRA can include the full balance in your personal income — a brutal mistake.

ACTION

Review shareholder loan balances every November. Repay, declare a dividend, or document a formal repayment plan with interest.

MOVE 07

Write off bad debts before year-end.

A receivable you genuinely cannot collect is a deductible bad-debt expense — but only if you've made reasonable collection efforts and formally written it off the books.

ACTION

Pull an AR aging report. Identify anything 120+ days overdue. Decide: collect, write off, or send to collections — before year-end.

MOVE 08

Document every legitimate owner expense.

Home office, vehicle, meals (50%), professional development, cell phone — all deductible when properly documented. The dollars add up, but the documentation has to be there if CRA asks.

ACTION

Use a receipt-capture app (Dext, Hubdoc) all year. Reconcile your shareholder-expense account before year-end.

MOVE 09

Prepay deductible expenses — when it actually helps.

Insurance premiums, rent, subscriptions, professional fees: prepaying can pull a deduction into this year. But CRA limits prepaid deductions to a 12-month forward window.

ACTION

Run the cash-flow check first. Pulling deductions forward only helps if your marginal rate is higher this year than next.

MOVE 10

Crystallize capital losses to offset gains.

Sold something at a gain this year? Look at your unrealized losses — selling a losing position before year-end (carefully, avoiding superficial-loss rules) lets you net the gain down to zero.

ACTION

Settlement date matters. In Canada, the trade has to settle by year-end — typically that means selling no later than the last 2 business days of December.

MOVE 11

Audit your GST/HST input tax credits.

We routinely find 6–12 months of missed ITCs in new-client cleanups: cell phone bills, subcontractor invoices, vehicle expenses, software subscriptions. Each unclaimed ITC is real cash back.

ACTION

Reconcile your ITC ledger against your bank feed before filing. Voluntary amendments are allowed up to 4 years back.

MOVE 12

Make charitable donations — from the right pocket.

Personal donations get a federal + provincial credit (≈50% combined on amounts over $200). Corporate donations are a straight deduction. Which is better depends on your bracket and the corporation's situation.

ACTION

Donate by December 31 to count for this year. Get receipts in the donor's legal name.

MOVE 13

Pay reasonable salaries to family — but mind TOSI.

Income-splitting through family salaries can save real tax, but the Tax on Split Income (TOSI) rules sharply limit dividend splitting with related adults who aren't actively engaged in the business.

ACTION

Document hours worked and rates paid to family members. If they're not genuinely working, don't pay them — CRA will reassess.

MOVE 14

Plan inventory valuation method consciously.

FIFO vs weighted-average matters when prices are moving. The method you choose affects cost of goods sold, taxable income, and your closing balance sheet — and CRA expects consistency.

ACTION

Have your bookkeeper run year-end inventory at the chosen method. Document the count, the per-unit cost, and the method used.

MOVE 15

Meet with your CPA before December — not after.

Every move on this list has to happen before your fiscal year-end. A CPA who shows up in March can file your return — but they can't change what already happened.

ACTION

Book a 30-minute year-end planning call before Q4 closes. At EverStone it's free and includes a written 3-point opportunity summary.

ONE LAST THING

Want a precise number — *not* a checklist?