THE GLOBE AND MAIL

CESTNICK

TAX MATTERS

Five key deadlines to cut your 2026 tax bill

SPECIAL TO THE GLOBE AND MAIL
PUBLISHED NOVEMBER 19, 2026

It's a miracle that I'm still married, with my tendency to buy some downright bad Christmas gifts for Carolyn. I didn't see the problem with the bathroom scale and anti-aging cream I bought last year, but I evidently missed the mark. This year, I'm going to give her the gift of tax savings by using a couple of year-end ideas early – even before Christmas. She'll love these. Here are five key deadlines between now and Dec. 31, and some strategies to consider.

Nov. 26. This is the last day to start transferring an unrealized capital loss to your spouse so that it can be used in 2026. Here's how: You sell an investment that has dropped in value, and your spouse buys the same investment, with their own money, within 30 days. The superficial loss rules will deny your loss, but it gets added to your spouse's cost base. Your spouse then holds the investment beyond the 30-day mark (from when you sold), sells it and claims the loss. (See my article from 2024 for details.) This makes sense if your spouse has capital gains to shelter this year or in any of the past three years, and you don't. A trade placed on Nov. 26 settles Nov. 27, which leaves enough time for your spouse to wait 30 days then sell the investment in 2026 and claim the capital loss this year.

Dec. 1. Giving Tuesday falls on Dec. 1 this year. The day is intended to inspire generosity. And if you're going to donate appreciated publicly traded securities to charity before year-end – which is a great way to save more tax than simply donating cash – you should start on or around Giving Tuesday to ensure the process is completed and your donation tax credit is available in 2026.

Dec. 15. If you pay quarterly tax installments, your final one for 2026 is due on this date. Estimate your 2026 tax to ensure you've paid enough to avoid interest. And if you were late with installments earlier this year, consider paying the December instalment early – even now. The interest you earn on early payments can offset the interest you've racked up on the late ones. By the way, the 2026 budget proposes to raise the instalment threshold to $7,500 (from $3,000), but not until 2028.

Dec. 30. This is the last day to sell an investment and have the trade settle in 2026. It's the settlement date that counts for tax purposes. Trades now

settle in one business day, so a trade on Dec. 31 won't settle until Jan. 4, making the disposition a 2027 transaction. And keep in mind that if you sell at a loss and plan to buy the investment back, you have to wait more than 30 days or the superficial loss rules will deny your loss.

Dec. 31. This is the deadline for a whole list of payments if you want a deduction or credit in 2026. These include spousal support payments, charitable donations (online gifts count until 11:59 p.m.), medical expenses for you or a family member, child-care expenses, tuition and student loan interest, moving expenses, political contributions, investment counsel fees, legal fees to collect unpaid wages and registered pension plan contributions. A few other Dec. 31 items deserve special mention:

Maturing RRSPs: Did you turn 71 this year? You've got to wind up your RRSP by year-end, usually by converting it to a RRIF. If you'll have earned income in 2026 that creates RRSP room for 2027, consider a final contribution in December before your plan closes. You'll pay a 1-per-cent penalty for the month of December on the overcontribution, but the deduction available next year will be worth much more.

First home savings account: Unlike RRSP contributions, FHSA contributions must be made by Dec. 31 to provide you with a deduction in 2026. Can't contribute right now? Your $8,000 of contribution room for this year can be carried forward and used next year.

TFSA withdrawals: If you plan to withdraw from your TFSA early next year, do it before Dec. 31 instead. You'll get the contribution room back on Jan. 1, rather than waiting until 2028.

Employer vehicles: If you drive a company car more than 50 per cent for work, notify your employer in writing before year-end that you want to use the "alternative method" to calculate your operating cost benefit; it's simpler and could save you tax (especially for cheaper cars, or leased vehicles).

Capital assets: Business owners with a Dec. 31 year-end should buy equipment and have it available for use by the end of the year to claim capital cost allowance for 2026 – which in many cases will mean a full writeoff of the asset in 2026.

Tim Cestnick, FCPA, FCA, CPA(IL), CFP, TEP, is an author, and co-founder and CEO of Our Family Office Inc. He can be reached at tim@ourfamilyoffice.ca