



CLIMATE ACTION INCENTIVE (CAI) NO LONGER CLAIMED ON T1 RETURNS

On December 3, 2021, the federal government released a background and draft legislation that changes how CAI payments are delivered. For 2021 and later tax years, the amount will no longer be claimed annually as a refundable credit on personal income tax returns. Instead, taxpayers will receive quarterly payments through the benefits system.

Individuals would still need to file a tax return in order to receive quarterly CAI payments for April 2022 to March 2023 (i.e., the next fuel charge year). Returns are also required for taxpayers to indicate that they live outside a census metropolitan area and qualify for the rural supplement for the upcoming fuel charge year.

To give the CRA enough time to develop the new system, payments would start in July 2022 with a double-up payment covering the two quarters beginning April and July 2022.