

2016 Federal Budget Confirms Tax Measures with Respect to Holdings of Charities in Limited Partnerships



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As reported in January, the Canada Revenue Agency had announced at the end of December 2015 that Canadian registered charities are now required to report their limited partnership holdings in their T3010, Registered Charity Information Returns. The 2016 Federal Budget briefly addressed these holdings and their acquisition by confirming that the Federal Government intends to proceed with the tax measures related to them.

By way of background, the 2015 Federal Budget proposed that a registered charity would not be considered to be carrying on a business by virtue of certain investments in limited partnerships. (See our [January newsletter](#) for further details.) However, as a result

of the Fall election, various tax measures from previous budgets, including those dealing with "the acquisition or holding of limited partnership interests by registered charities", were not implemented when Parliament was dissolved.

Notably, while indicating the Government's intentions regarding the listed tax measures that would still be implemented, the 2016 Budget qualified this statement, noting that modifications might be made based on "consultations and deliberations" held since the original announcement of the various tax measures. We will need to wait to see whether any adjustments will in fact be made to the proposal relating to charities' holdings in limited partnerships.