CHARITABLE BEQUESTS AND ESTATE PLANNING

D. Bruce Ball*** and Brenda R. Dietrich**

The Canada Revenue Agency (CRA) has set many administrative policies relating to charitable bequests. In a previous article on this subject (in issue no. 4, 1999, of this journal), we pointed out that many of the initial interpretations applied a strict approach in determining whether a gift made under the terms of a will qualified as a charitable bequest. Since then, the CRA has relaxed some of its earlier administrative positions, and several income tax rules have also changed.

This article presents a summary of the important rules, CRA interpretations, and possible tax strategies. Although the CRA’s views are not law, individuals planning to make large donations at death will want to keep these views in mind.

KEYWORDS: BEQUESTS ■ CHARITABLE DONATIONS ■ ESTATE PLANNING ■ WILLS ■ TRUSTS