

## Estate Administration Tax

Learn about the Estate Administration Tax including who pays the tax and at what rate.

Beginning January 1, 2020, the Estate Administration Tax has been eliminated for taxable estates with assets of \$50,000 or less and reduced by \$250 for larger taxable estates.

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### About the Estate Administration Tax

The Estate Administration Tax is charged on the value of the estate of a deceased person if an estate certificate is applied for and is issued.

The tax is paid as a deposit when applying for an estate certificate from the Superior Court of Justice. Once the estate certificate is issued, that deposit becomes the Estate Administration Tax.

If an estate certificate is neither applied for, nor issued, no Estate Administration Tax is due. If you've applied for an estate certificate, but no estate certificate is issued, your deposit will be refunded.

### Applying for a Certificate of Appointment of Estate Trustee (estate certificate)

When someone dies, depending on the type and nature of the estate assets, you may need an estate certificate to collect and manage the deceased's estate. Contact a lawyer for legal advice about whether you need to apply for an estate certificate.

You can file an [application](#) for an estate certificate (previously called "letters probate" or "letters of administration") at a local [Superior Court of Justice](#). If the deceased had no permanent residence in Ontario, you must file the application at the Superior Court of Justice in the county or district where the deceased's property is located.

You do not need to pay the Estate Administration Tax if any of the following certificates are issued:

- Certificate of Appointment of Succeeding Estate Trustee with a Will
- Certificate of Appointment of Succeeding Estate Trustee with a Will Limited to the Assets Referred to in the Will
- Certificate of Appointment of Succeeding Estate Trustee without a Will
- Certificate of Appointment of Estate Trustee During Litigation

### Determining the value of an estate

The Estate Administration Tax is based on the value of the estate, which is the value of all assets owned by the deceased at the time of death.

## Assets to include

- real estate in Ontario, less encumbrances (such as a mortgage, collateral mortgage or lien) on the real estate. Note: use the appraised value at the date of death even if the property sells for less or more shortly after the death.
- bank accounts (includes foreign banks)
- investments (for example, stocks, bonds, trust units, options, mutual funds, TFSAs, RRSPs, RRIFs, part of the RESP that the deceased subscriber was entitled to, RDSPs for which the deceased was a beneficiary)
- vehicles and vessels (for example, cars, trucks, boats, ATVs, motorcycles, trailers, etc., situated in or outside Ontario)
- all property of the deceased that was held in another person's name
- all other property, wherever situated, including:
  - goods
  - intangible property
  - business interests
  - insurance, if proceeds are left to the estate

## Assets not to include

- assets that the deceased had before death but not at the time of death, such as insurance that will be paid to a named beneficiary
- assets where there is joint ownership that automatically become assets of the other owner(s)
- real estate outside of Ontario
- CPP Death Benefit
- RPPs, RRSPs, RRIFs and TFSAs with a beneficiary designation or beneficiary declaration
- RDSPs to which the deceased subscribed to but was not a beneficiary
- debts owing by the deceased, such as credit card debts, car loans, lines of credit, etc.

## Ineligible expenses, debts and payments

The following expenses, debts and payments cannot be deducted to reduce the total value of the estate:

- funeral expenses
- lawyer's fee
- loans and interest payments
- debt owed on a vehicle
- credit card debts
- real estate commissions
- unregistered loans
- line of credit

An encumbrance (such as a mortgage, collateral mortgage or lien) can be deducted from the value of real property, for example your land or real estate, if the property is included in your estate assets.

## Exceptions

*When the value of the estate is based on assets limited to a will*

If the deceased had multiple wills and the court issues a Certificate of Appointment of Estate Trustee with a Will Limited to the Assets Referred to in the Will, only assets included in that specific will can be included in the value of the estate.

### *When the value of the estate is based only on assets in Ontario*

If the court issues a Confirmation by Resealing of Appointment of Estate Trustee, a Certificate of Ancillary Appointment of an Estate Trustee with a Will or a Certificate of Appointment of Foreign Estate Trustee's Nominee as Estate Trustee without a Will, only assets located in Ontario can be used in the calculation of the Estate Administration Tax.

### *Assets located on a Reserve*

Certain property situated on a Reserve may be exempt from taxation.

For questions about whether First Nations people are exempt from the Estate Administration Tax, please contact:

Ministry of Finance, Compliance Branch  
33 King Street West  
PO Box 625  
Oshawa, ON L1H 8H9  
[1-866-ONTTAXS \(6688297\)](tel:1-866-ONTTAXS)

## **Determining the value of assets**

Estate representatives must be able to demonstrate the values of the assets through supporting documents, such as statements, an opinion of value from an appraiser, etc.

Values should be based on the fair market value of the assets as at the time of death.

Depending on the type of asset, valuation (determining the value) may be complicated. A professional appraiser with expertise in a particular area may assist in recommending a value.

## **Calculating the tax**

If you apply for an estate certificate on or after January 1, 2020:

- You do not need to pay Estate Administration Tax if the value of the estate is \$50,000 or less. However, you must still file an [Estate Information Return](#) within 180 calendar days after the estate certificate has been issued.
- For estates valued over \$50,000, the Estate Administration Tax will be calculated as \$15 for every \$1,000 (or part thereof) of the value of the estate.

The estate value is rounded up to the nearest thousand. So, for an estate valued at \$239,250, the tax rate would be calculated on \$240,000.

The Estate Administration Tax is calculated on the total value of the estate. For example, for an estate valued at \$240,000, the tax would be calculated as follows:

- \$0 per \$1,000 for the first \$50,000 of the estate
- \$15 per \$1,000 for the remaining \$190,000 of the estate
  - $\$240,000 - \$50,000 = \$190,000$
  - $\$190,000 \div \$1,000 = 190$
  - $190 \times \$15 = \$2,850$
- The total of \$2,850 payable to the Minister of Finance.

To calculate the amount of Estate Administration Tax the estate owes, use the [tax calculator](#).

If you applied for an estate certificate before January 1, 2020, the tax rates are:

- \$5 for each \$1,000, or part thereof, of the first \$50,000 of the value of the estate
- \$15 for each \$1,000, or part thereof, of the value of the estate exceeding \$50,000

You do not need to pay Estate Administration Tax if the value of the estate is \$1,000 or less.

### Paying the tax

The tax is paid as a deposit when the estate representative applies for an estate certificate with the Superior Court of Justice. The tax is paid by the estate, not by the estate representative.

Cheques should be made payable to the Minister of Finance.

### Additional Estate Administration Tax

If the estate owes additional Estate Administration Tax when filing the Estate Information Return, it must be paid at the Superior Court of Justice where the estate certificate was issued.

Submit your payment to the court with:

- an [affidavit](#) attesting to the revised values of the estate at the time of death
- the reason for the difference

### Filing an Estate Information Return

Beginning January 1, 2020, an estate representative must file an [Estate Information Return](#) with the Ministry of Finance within 180 calendar days after the estate certificate has been issued. A guide is available to help you complete the return.

If the due date falls on a weekend or a holiday, the due date will be extended to the next business day.

An Estate Information Return is not required if the court has issued any of the following:

- Certificate of Appointment of Succeeding Estate Trustee with a Will
- Certificate of Appointment of Succeeding Estate Trustee with a Will Limited to the Assets Referred to in the Will
- Certificate of Appointment of Succeeding Estate Trustee without a Will
- Certificate of Appointment of Estate Trustee During Litigation

### How to file the return

You can file the return online, by mail, courier or in person, or by fax.

**You will only receive a confirmation of receipt if you submit online or in person.**

### *Online*

File the Estate Information Return [online](#).

You will receive an **immediate email confirmation of submission**. You can also save a copy of the return.

### *By mail, courier or in person*

Print and submit your return by mail or courier to:

Ministry of Finance, Compliance Branch

33 King Street West, PO Box 625

Oshawa, ON

L1H 8H9

8:30 a.m. to 5 p.m., Monday to Friday

You may also submit in person to select [ServiceOntario locations](#).

### *By fax*

Print and fax your return to: [1-866-888-3850](tel:1-866-888-3850)

## **Signing the return**

The estate representative needs to sign the return.

If there are two or more estate representatives, **each representative must sign** the certification section attesting that the information provided in the return is true, correct and complete.

For more information on how to complete the return, please read the [Estate Information Return Guide](#)

## **Supporting documents and record keeping**

Supporting documents are to be provided only where indicated on the Estate Information Return.

Records and books of account in support of all entries on the Estate Information Return must be kept at the estate representative's principal place of business or residence for **four years**.

## **Filing an amended return**

To file an amended return, the estate representative must complete an Estate Information Return and check the box "Is this an Amended Return?"

The estate representative must also provide an explanation as to why the return is being amended. In certain circumstances [listed in the guide](#), the estate representative may send a

letter setting out the corrected information, together with an explanation, rather than filing an amended return.

An amended Estate Information Return may be required if:

*A certificate is applied for using an estimated estate value*

If an estate representative applied for an estate certificate using an estimated value, they must promise the court to return with the actual estate value.

Beginning January 1, 2020, an Estate Information Return **must be received** by the Ministry of Finance **within 180 calendar days** of the date the estate certificate was issued (using the estimate).

An amended Estate Information Return showing the actual value of the estate must be received by the ministry **within 60 calendar days** of the actual value being shared with the court to fulfil the undertaking (a sworn promise to the court to return with the complete information).

*There is incorrect or incomplete information*

An amended Estate Information Return must be filed with the Ministry of Finance if an estate representative becomes aware of incorrect or incomplete information within four years of an estate certificate being issued.

Effective January 1, 2020, the amended return must be received by the Ministry of Finance **within 60 calendar days** of the estate representative becoming aware that the information is incomplete or inaccurate.

*There is newly discovered asset*

If property is discovered after the value of the estate was originally determined and the return process was completed, an amended Estate Information Return setting out the newly discovered property and its fair market value (as of the date of death) must be received by the Ministry of Finance **within 60 calendar days** after the statement is delivered to the court.

## Refunds

### Deposits

A refund of the deposit paid at the time an estate certificate application was submitted needs to be requested at the Superior Court of Justice where the application was submitted.

If you receive a full or partial refund of your deposit after delivering an Estate Information Return, you must submit an amended Estate Information Return setting out the details of the refund to the Ministry of Finance **within 60 calendar days** of receiving the refund.

The refund would have been paid by the Superior Court of Justice in Ontario where your deposit of Estate Administration Tax was paid.

## Tax

Once a Certificate of Appointment of Estate Trustee is issued, the deposit paid becomes the Estate Administration Tax.

At this point, requests for a tax refund must be made to the Ministry of Finance, and not at a courthouse.

A request for a refund of any overpayment of Estate Administration Tax will be processed if the estate representative filed an Estate Information Return **within four years** of the estate certificate being issued, and the Ministry of Finance receives a written request for the refund either:

- within 12 years after the date the estate certificate was issued
- within two years of the date a Notice of Assessment was issued

Requests for a refund of the Estate Administration Tax, together with an amended Estate Information Return, must be sent to:

Ministry of Finance  
Compliance Branch  
33 King Street West  
Oshawa ON L1H 8H9

## Penalties, assessment and appeals

### Penalties

Estate representatives who do not file an Estate Information Return as required, or who make false or misleading statements on the return, may be fined at least \$1,000 and up to twice the tax payable by the estate, imprisoned up to two years, or both.

### Assessments

The Ministry of Finance may assess or reassess an estate for the amount of Estate Administration Tax owing by the estate (the tax payable) within four years after the day the tax was due.

**The tax is due on the day the estate certificate is issued.**

The Ministry of Finance may also, at any time, assess or reassess an estate's tax payable upon establishing that any person has either:

- not filed the required information with the Ministry of Finance by the deadline
- made a misrepresentation through neglect, carelessness or willful default, or committed fraud in supplying or omitting information about the estate

### Appeals

If the estate representative disagrees with the assessment or reassessment, they may file a Notice of Objection with the Ministry of Finance. This will result in an independent, informal review of the assessment.

Before filing a Notice of Objection, the estate representative may contact the Ministry of Finance's Compliance Branch at [1-866-ONTTAXS \(6688297\)](tel:1-866-ONTTAXS) to discuss any concerns and determine whether they can be resolved at that level.

A Notice of Objection must be filed within 180 days from the day the Notice of Assessment was mailed out.

You can download a Notice of Objection form at [ontario.ca/taxappeals](http://ontario.ca/taxappeals) or pick one up from any Ministry of Finance Tax Office.

Submit completed [forms online](#) or send them to:

Ministry of Finance  
Advisory, Objections, Appeals and Services Branch  
33 King Street West  
PO Box 699, Stn A  
Oshawa ON L1H 8S6

*For questions about objections*

Toll free: [1-866-ONTTAXS \(6688297\)](tel:1-866-ONTTAXS)  
Teletypewriter (TTY): [1-800-263-7776](tel:1-800-263-7776)

## Contact us

If you have questions about the Estate Administration Tax, contact the ministry:

### In writing

Ministry of Finance  
Compliance Branch  
33 King Street West PO Box 625  
Oshawa, ON  
L1H 8H9


### Online

[ontario.ca/finance](http://ontario.ca/finance)

### By phone

Toll free: [1-866-ONTTAXS \(6688297\)](tel:1-866-ONTTAXS)  
Teletypewriter (TTY): [1-800-263-7776](tel:1-800-263-7776)

### By fax

905-436-4471 

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