



2024 CANADA/U.S. CROSS-BORDER TAX REFERENCE CARD



Clients living in Canada may have tax and information filing obligations to the U.S., particularly when they are U.S. persons (U.S. citizens or green card holders), or spend extended periods of time in the U.S. This Tax Reference Card summarizes the key U.S. federal tax figures and filing requirements for Canadians who are also, or may be considered, U.S. persons and/or own U.S. situs assets.

The Canada/U.S. Tax Treaty extends certain relief measures from double taxation to those who must file a tax return for both countries.

Note that there may also be a requirement to file U.S. state and city tax and information returns if income from employment, business or the sale of real property is sourced from that jurisdiction.

Lifetime Estate and Gift Tax Exemption (US Dollar)

\$13,610,000

Single U.S. persons and Canadians owning U.S. situs assets are permitted an indexed lifetime exemption from U.S. gift and estate tax on assets up to this value.¹ This amount may double for married persons.

Estate Tax (US Dollar)

\$60,000

Threshold value of U.S. situs assets where a U.S. estate tax return must be filed by a non-U.S. person²

\$13,610,000

Threshold value of worldwide assets where a U.S. estate tax return must be filed by a U.S. person³

Gift Tax⁴ (US Dollar)

\$18,000

Annual exclusion for gifts from a U.S. person to a non-spouse⁵

\$185,000

Annual exclusion for gifts from a U.S. person to a non-U.S. spouse⁶

Unlimited

Annual exclusion for gifts between spouses that are both U.S. persons

Income Tax (US Dollar)

Standard deduction: Similar in scope to the basic personal amount in Canada, the U.S. standard deduction provides a minimal level of income that may be received tax-free. The amount of the standard deduction varies and is based on the choice of U.S. filing status.

\$14,600

Single or Married filing separately

\$29,200

Married filing jointly

\$21,900

Head of household

Foreign earned income exclusion: Qualifying U.S. persons who live and work abroad in foreign jurisdictions may be able to exclude from their income all or part of their foreign salary or wages, or amounts received as compensation for their personal services.

\$126,500

1. For non-U.S. persons, the exemption amount is pro-rated for their U.S. situs assets relative to their worldwide wealth in USD.

2. Canadians owning U.S. situs assets are not required to file a U.S. estate tax return if the value of their U.S. situs assets is below this threshold. U.S. situs assets for estate tax purposes include U.S. securities, debt and real property such as houses, condominiums and deeded timeshare properties.

3. A U.S. estate tax return must be filed where a U.S. person's estate value exceeds the lifetime estate and gift tax exemption, or their portion remaining. For non-U.S. persons, the exemption amount is pro-rated for their U.S. situs assets relative to their worldwide wealth in USD.

4. Annual exclusions are per individual gift recipient.

5. Threshold value of a gift that may be made to a non-spouse that triggers the need to file a gift tax return and possibly incur U.S. gift tax. A married U.S. couple could gift up to \$36,000 to any child, grandchild, or other person.

6. Threshold value of a gift by a U.S. person to a non-U.S. spouse that triggers the need to file a gift tax return and possibly incur U.S. gift tax.



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S = Single **MFS** = Married Filing Separately
MFJ = Married Filing Jointly **HoH** = Head of Household

U.S. Federal Tax Brackets and Rates

Taxable Income				Marginal Tax Rate
S	MFS	MFJ	HoH	
First \$11,600	First \$11,600	First \$23,200	First \$16,550	10%
\$11,601 - \$47,150	\$11,601 - \$47,150	\$23,201 - \$94,300	\$16,551 - \$63,100	12%
\$47,151 - \$100,525	\$47,151 - \$100,525	\$94,301 - \$201,050	\$63,101 - \$100,500	22%
\$100,526 - \$191,950	\$100,526 - \$191,950	\$201,051 - \$383,900	\$100,501 - \$191,950	24%
\$191,951 - \$243,725	\$191,951 - \$243,725	\$383,901 - \$487,450	\$191,951 - \$243,700	32%
\$243,726 - \$609,350	\$243,726 - \$365,600	\$487,451 - \$731,200	\$243,701 - \$609,350	35%
\$609,351 or more	\$365,601 or more	\$731,201 or more	\$609,351 or more	37%

U.S. Capital Gains Tax Rates

	Taxable Income				Tax Rate
	S	MFS	MFJ	HoH	
Short-Term (held for ≤ 1 year)	Taxed as ordinary income at the U.S. person's marginal tax rate				
Long-term (held for > 1 year)	≤\$47,025	≤\$47,025	≤\$94,050	≤\$63,000	0%
	\$47,026 - \$518,900	\$47,026 - \$291,850	\$94,051 - \$583,750	\$63,001 - \$551,350	15%
	>\$518,900	>\$291,851	>\$583,750	>\$551,350	20%

2024 Tax Dates

Quarterly 2024 estimated personal tax payments due	April 15, 2024	June 17, 2024
	September 16, 2024	January 15, 2025
Individual tax filing deadline/Deadline to request filing extension (Form 4868)	April 15, 2024	
2023 personal tax balance payment	April 15, 2024	
Individual tax filing deadline for US persons living abroad	June 17, 2024	
Extended individual tax filing deadline	October 15, 2024	
Self-employed tax filing deadline	15 th day of the 4 th month after fiscal year-end	
Additional extended individual tax filing deadline with IRS consent	December 16, 2024	
Deadline to make 2023 IRA, Roth IRA and HSA contributions	April 15, 2024	
1 st required minimum distribution (if turned 72 in 2023)	April 1, 2025	
Required minimum distributions (73+)	December 31, 2024	

* Different rates apply to gains from the sale of "qualified small business stock" (section 1202 IRC), collectibles, and certain unrecaptured gains (section 1250 IRC) on the sale of certain real property.

Facts and figures as of March 1, 2024



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U.S. Tax and Information Forms

Form and Description	Filing Due Date
Form 1040, U.S. Individual Income Tax Return – All U.S. persons resident in Canada must file Form 1040 if their income exceeds a certain threshold. The threshold is anchored to the standard deduction and depends on filing status. For 2024, the threshold for single and married separately filing taxpayers under age 65 is \$14,600, and for married people filing jointly with their spouse it is \$29,200.	Individual tax filing deadline
Financial Crimes Enforcement Network Form 114, Report of Foreign Bank and Financial Accounts (FBAR) – U.S. persons who have signing authority on various financial accounts located outside the U.S., such as bank accounts and investment/brokerage accounts with a combined value of \$10,000 at any time during the year are required to file the FBAR form to identify such accounts. Note that this form is filed with the U.S. Department of Treasury.	April 15, 2024 October 15, 2024 (automatic extension)
Form 8938, Statement of Specified Foreign Financial Assets - U.S. persons with foreign (non-U.S.) financial assets beyond a certain value must file Form 8938, in addition to their FBAR filing. For U.S. persons living outside the U.S. who are single or married filing separately, those values are >\$200,000 on the last day of the tax year or >\$300,000 at any time during the tax year. For married U.S. persons who are filing a joint return, those amounts are >\$400,000 at the end of the tax year or >\$600,000 at any time during the tax year.	Filed with Form 1040
Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations – A U.S. person who has an interest of 10% or more in a Canadian corporation (e.g., an operating company or a professional corporation) must file this form. In cases where the U.S. person in Canada does not own the shares directly (e.g., through a family trust), that person may be considered to own the shares indirectly or constructively and would still be required to file.	Filed with Form 1040
Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Corporation or Qualified Electing Fund – A U.S. person who owns a share or unit of a Canadian mutual fund, ETF, or a share of a Canadian holding company must file this form for each fund or corporation owned.	Filed with Form 1040
Form 3520, Annual Return to Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts and Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner – A U.S. person in Canada with an interest in a foreign (non-U.S.) trust must file Form 3520 and 3520-A. Form 3520 is also required if a U.S. person receives a gift (e.g., death benefit from a life insurance policy) exceeding \$100,000 from a foreign person. TFSA's are generally considered foreign trusts by the IRS and may need to be disclosed on Forms 3520/3520-A. The IRS eliminated this reporting requirement for RESPs and RDSPs in 2020. While U.S. persons in Canada may no longer need to file Form 3520 or 3520-A for their RESPs and RDSPs, grants, income and gains realized in RESPs and RDSPs are still subject to U.S. income tax.	Individual tax filing deadline

U.S. persons should confirm their U.S. tax and information reporting requirements with their U.S. tax advisors annually.

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