

# CRA T4A PENALTIES HIT TRUCKING-RELATED BUSINESSES FOR 2025 SLIPS: **Are You Compliant?**



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The moratorium on T4A penalties has ended, with penalties applying to the trucking sector in respect of the 2025 calendar year and all subsequent years. The filing deadline for the 2025 calendar year was March 2, 2026 since February 28 fell on a weekend.

This lifting of the penalty moratorium comes after years of advocacy from the transportation industry to federal authorities to crack down on the controversial 'Driver Inc.' phenomenon, where carriers misclassify employees as independent contractors, allowing them to avoid complying with payroll deductions and other employment-related obligations. The Department of Finance acknowledged that "these practices undercut competition in the sector and unevenly punish rule

abiding companies and deprive workers of the benefits and pensions they are owed."

While the 'reporting fees for services' (RFS) rules have been in place for years and apply across all industries, since 2011 there has been an administrative moratorium on assessing penalties for failing to issue T4A Slips and file T4A Summaries. That moratorium is now lifted for all trucking-related businesses paying service fees to other trucking-related businesses that are Canadian-controlled private corporations ("CCPC").

This FAQ walks through the key issues in practical terms, with a focus on risk and what you should do as you prepare to file.

## **Who needs to report?**

Businesses that are 'operating in the trucking industry' that pay certain other

businesses operating in the trucking industry for services will now be assessed a penalty if T4A Slips are not issued as required. See below for more details on who is considered to be 'operating in the trucking industry.'

Reporting businesses can include CCPCs, foreign-controlled corporations, and non-resident corporations.

## **Who should be issued a T4A Slip?**

Starting with the 2025 calendar year, trucking-related businesses must report payments exceeding \$500 for services paid in a calendar year to a CCPC operating in the trucking industry in box 048 of the T4A Slip.

The fee for services does not need to be for applicable trucking activities. All amounts paid by any business operating in the

trucking industry to another business that is a CCPC and operating in the trucking industry will need to be reported on a T4A Slip.

### What types of businesses are 'operating in the trucking industry'?

A business is considered to be operating in the trucking industry if more than 50% of its gross revenue is from trucking activities, such as hauling goods, general freight, or specialized freight, and freight transportation arrangements for trucking.

Examples of businesses that may be caught include:

- Asset based carriers moving general or specialized freight.
- Freight brokers and intermediaries that primarily arrange trucking services.
- Staffing agencies whose primary revenue is from supplying drivers and trucking labour.

If trucking activities are not your primary source of income (less than 50% of gross revenue), you are not considered to be operating in the trucking industry. While you are still subject to the T4A reporting requirement for fees for services, the moratorium on penalties will continue to apply.

### What are 'trucking activities'? What are not 'trucking activities'?

CRA has provided fairly concrete examples of what it considers 'applicable trucking activities' (local and long distance):

- Transportation of goods by truck (carriers, cartage, interlining).
- General freight: consumer goods (food, beverages, clothing), furniture, lumber, machine parts, plants, raw materials, refrigerated goods, roofing materials, windows.
- Specialized freight: livestock, construction materials, hazardous materials, heavy machinery, oversized items.
- Freight transportation arrangement for trucking: brokers and intermediaries

whose main business is arranging trucking between shippers and carriers.

- Trucking focused staffing agencies that supply drivers and trucking labour as their primary business.

By contrast, some transportation related activities are explicitly considered 'non-applicable transportation activities' for these purposes:

- Air transportation.
- Rail transportation.
- Water transportation, including non municipal ferry services transporting trucking loads.
- Transit and ground passenger transportation: charter buses, school and employee buses, taxis and limousines, urban transit systems.
- Pipeline transportation.
- Scenic and sightseeing transportation.
- Support activities for transportation (other than freight transportation arrangement for trucking).
- Postal service, couriers and messengers.
- Warehousing and storage.

### What is the filing deadline?

T4A Slips must be issued to the payees and filed with your T4A Summary by the last day of February of the following calendar year.

This deadline is the same as the deadline to issue T4 Slips to employees and file a T4 Summary.

Because the last day of February 2026 fell on a weekend, the effective deadline for issuing 2025 T4A Slips and filing a T4A Summary was Monday, March 2, 2026.

The penalty for late filing T4A Slips ranges from \$100 to \$7,500. The amount is determined by both the number of Slips filed late and the length of the delay. There are set maximum penalties that apply within specific ranges of the number of Slips filed late.

### What does this mean for you?

In practice, that means:

- If you are a trucking business, you should be issuing T4A Slips to service providers

that are CCPCs and operating in the trucking industry, irrespective of the type of service the payee provided, when the \$500 threshold is met.

- If you cannot determine whether the corporation you paid is a CCPC and/or operating in the trucking industry, issuing a T4A Slip protects you from being assessed penalties.
- The issuing company will need to have a CRA payroll program (RP) account and allocate staff and resources to complete these filings.
- The CRA business number of businesses to whom a T4A Slip will be issued will need to be obtained. A service provider's business number can often be found on their invoices for GST/HST purposes, but many companies are involved in interlining or the international transportation of goods and are not required to charge GST/HST.

You should review your contracts with other trucking businesses to determine if these issues are adequately addressed.

The legal risk here is not just penalties for tax non compliance. It is the way tax rules interact with your contracts, your business model and your commercial relationships.

It is anticipated that with this abundance of information, the CRA will increase its audit activity - income tax, GST/HST, payroll - across the industry.

If your trucking business relies on carriers, brokers, staffing companies or 'Driver Inc.' style service providers, now is the time to get in front of this change.

### Sources:

- <https://www.canada.ca/en/department-finance/news/2025/10/minister-champagne-clamps-down-on-driver-inc-scheme-in-budget-2025.html>
- <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/file-information-returns-slip-summaries/when-to-file.html>