Canadian Farmers Rejoice as CRA Assessment is Overturned

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Ritchie v. The Queen, 2018 TCC 113, was a lead case for hundreds of farmers across the Canadian Prairies. Jeff Pniowsky of Thompson Dorfman Sweatman LLP successfully argued that the CRA's assessment of the taxpayers was unjustified and incorrect. Mr. Pniowsky established to the Court that an early signing bonus paid to the taxpayers in respect of easements granted for the installation of pipelines on their lands gave rise to a capital gain and not, as the CRA insisted, business income. The decision will result in a reduction of over $20 million in taxable income for Canadian taxpayers.
