



Veterinary Webinar

February 26th, 2026



Small town values. Downtown expertise.

Your Trusted Advisors

Rita Cole, CPA, CGA

Partner
Business & Veterinary Advisory

Rita works primarily with veterinary professionals with a focus on compliance work including financial statements, corporate and personal tax returns, government filings, cash flow projections, industry benchmarking and practice buys and sells.

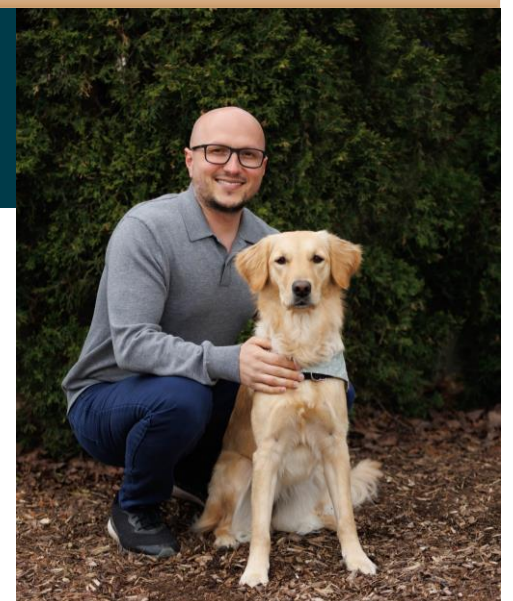


RitaC@w-u.on.ca
(519) 291-3040 ext. 2156

Jeff Sulemanovski, MAcc, CPA, CA

Partner
Tax

Jeff draws on over 15 years of tax-focused experience to assist with corporate reorganizations, buy-sell transactions, estate and succession planning, and Canadian income tax compliance.



JeffS@w-u.on.ca
(519) 291-3040 ext. 2151

Your Trusted Advisors

Jon Soltys, CPA, CA

Partner
Business & Veterinary Advisory

Jon serves mainly small to mid-size businesses, with expertise in the veterinary industry, assisting with tax, accounting, and business transitions.

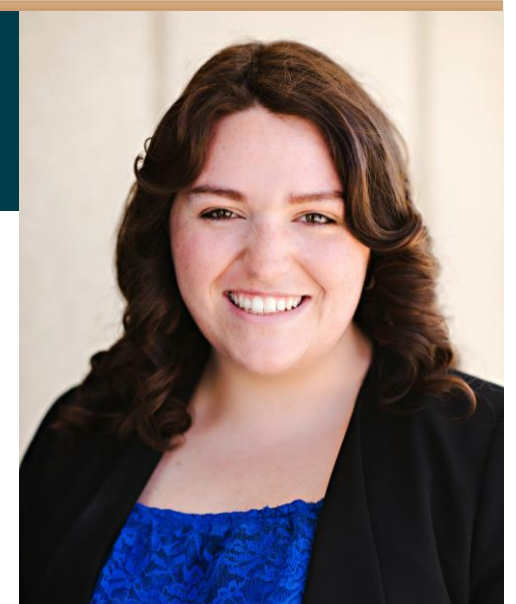


JonS@w-u.on.ca
(519) 291-3040 ext. 2152

Tamara Campbell, CFP®

Wealth Management Advisor
Ward & Uptigrove Wealth Management

Tamara works with individuals, families, and incorporated professionals to assess their financial needs, manage risk, and build structured long-term plans. She provides comprehensive financial planning and insurance strategies, with expertise supporting business owners and veterinary professionals. Tamara collaborates closely with accountants to help optimize corporate tax strategies and ensure personal and corporate planning decisions are aligned with long-term goals.



TamaraC@w-u.on.ca
(519) 291-3040 ext. 2707

Industry Update



Small town values. Downtown expertise.

Revenues

- In Ontario, companion animal clinics saw a 1% increase in revenue for the last 12 months
- Mixed and large animal practices saw a 0% increase in revenue for the last 12 months
- Decrease in client visits and reduced spending
- Pre-booking and appointment reminders
- Annual or semi-annual fee increases remain important
- Inflation has levelled off but need to keep monitoring increasing costs and make sure fees are increasing at the same rate

Staffing

- Minimum wage increased October 1, 2025 from \$17.20/hour to \$17.60/hour
- Minimum wage is set to increase again October 1, 2026 – amount to be announced in April 2026
- Median salary for associate DVMs increased 8% in 2025 to \$140,000

Interest Rates

- Prime interest rate saw four rate cuts in 2025
- Prime rate decreased from 5.45% in December 2024 to the current rate of 4.45%
- Expectations are that the prime rate will remain stable for most of 2026

Employer Health Tax Returns

- EHT is a provincial payroll tax that employers pay on gross annual wages
- 2025 EHT returns are due to be filed March 15, 2026
- Currently, the first \$1 million of company's annual payroll is exempt from EHT
- Exemption not available if total payroll is \$5 million or more
- Associated employers must share the \$1 million exemption and one employer in the group must complete form to allocate the exemption amongst the group
- If total Ontario remuneration is greater than \$1.2 million, then monthly instalments are required



2026 Federal & Ontario Tax Update

For Veterinarians



Small town values. Downtown expertise.

Agenda

- Key Federal & Provincial Tax Numbers for 2026
- Capital Asset Tax Deductions & Incentives
- Ontario Regional Opportunities Investment Tax Credit (OROITC)
- Clean Technology Investment Tax Credit (Clean Tech ITC)
- CRA Audit, Compliance, and Administrative Trends

Personal & Corporate Tax Overview

- **No changes** to federal or Ontario personal income tax rates
- **No changes** to federal or Ontario corporate income tax rates
- Tax planning focus remains on timing, integration, and use of exemptions

Lifetime Capital Gains Exemption (LCGE)

- LCGE increased to \$1,275,000
 - Tax savings of approximately \$341,000
- Applies to:
 - Qualified Small Business Corporation (QSBC) shares
 - Qualified farm and fishing property
- Indexed increase enhances succession and exit planning

Registered & Senior Focused Amounts (2026)

- TFSA annual contribution limit: \$7,000
- Old Age Security (OAS) Repayment Threshold: \$95,323
- Increased importance of income smoothing for retirees

CRA Mileage & Vehicle Limits (2026)

- Automobile allowance rates:
 - First 5,000 km: \$0.73 per km
 - Additional km: \$0.67 per km
- Passenger vehicle purchase limit: \$39,000 (before tax)
- Common audit focus on class 10 vs. class 10.1 classification

CRA Interest & Capital Asset Purchases

- CRA interest on overdue taxes: 7% (compounds daily)
 - Reinforces importance of timely filing, payment, and instalment planning
- Capital asset incentives (overview):
 - Immediate expensing:
 - Computer equipment to December 31, 2026
 - Zero-emission vehicles & equipment to December 31, 2029
 - Enhanced first-year tax deduction (known as “CCA”):
 - Most other assets eligible for **3 x normal CCA**
 - Applies to assets acquired January 1, 2025 to December 31, 2029

CRA Interest & Capital Asset Purchases

- CRA interest on overdue taxes: 7% (compounds daily)
 - Reinforces importance of timely filing, payment, and instalment planning
- Capital asset incentives (overview):
 - Immediate expensing:
 - Computer equipment to December 31, 2026
 - Zero-emission vehicles & equipment to December 31, 2029
 - Enhanced first-year tax deduction (known as “CCA”):
 - Most other assets eligible for **3 x normal CCA**
 - Applies to assets acquired January 1, 2025 to December 31, 2029

Ontario Regional Opportunities Investment Tax Credit (OROITC)

- Refundable Ontario tax credit equal to 10% of eligible costs
- Applies to acquisition, addition, or renovation of non-residential buildings
- Maximum credit: \$45,000 (at \$500,000 of eligible costs)
- Designated regions include:
 - County of Perth (incl. Stratford & St. Marys)
 - County of Huron, Bruce, Elgin, and others (34 total regions)
- Current CRA approach:
 - Increased CRA review activity on OROITC claims



Source: Ontario Ministry of Finance.

Clean Technology Investment Tax Credit (Clean Tech ITC)

- Refundable federal tax credit equal to 30% of eligible clean technology costs
- Applies to property purchased and put into use between March 28, 2023 to December 31, 2033
- Examples of qualifying investments:
 - Solar panels and on-site energy generation systems
 - Air-source and ground-source heat pumps (HVAC replacement)
- Secondary tax benefit is that these types of assets also qualify for immediate expensing (Class 43.1)

CRA Administrative Trends & Key Takeaways

- Observed trends:
 - Quantity over quality in reviews and audits
 - Slow progress and extended timelines for objections
 - Increased reviews of tax credits and capital asset additions
- Administrative changes:
 - Continued shift to online CRA mail for businesses
 - Risk of missed notices without regular account monitoring
- Key takeaways for 2026:
 - Generous incentives remain, but with higher review risk
 - Proactive planning, documentation, and monitoring reduce exposure
- Current CRA approach:
 - Increased CRA review activity on OROITC claims

Veterinary Chart of Accounts



Small town values. Downtown expertise.

Veterinary Chart of Accounts

In 2025 OVMA adopted a new chart of accounts for the veterinary industry

What are Chart of Accounts?

- Accounts in your accounting system to track revenue, expenses, assets and liabilities

If these were streamlined across the industry, benefits would be:

- Improved benchmarking with other practices
- More reliable data for economic surveys (OVMA and CVMA)
- Improved analysis of your veterinary clinic

Veterinary Chart of Accounts

Improved Reporting Capabilities

- Main benefits relate to improved Gross Margin and Payroll Analysis of your clinic
- For payroll, improved analysis by job type (RVT, admin, etc)
- For gross margin analysis, improved analysis across different revenue types
 - Can help determine higher or lower margin areas compared to the industry

Parasitic Drugs

- Suggested revenue and costs be segregated for these drugs
- With potential online competition (Chewy), chart of accounts helps track and analyze margins in this area specifically

Veterinary Chart of Accounts

Other Considerations:

- Chart of Accounts are intended to be simplified, not as detailed as other organizations that have standardized chart of accounts
- Clinics can also consider a partial adoption – for example, allocating wages by staff type only
- For a copy of the chart of accounts or questions, please email VetGroup@w-u.on.ca

Drawbacks to Implementation:

- Costs to implement and change
- Additional time for bookkeeping and recording on an ongoing basis
- Data still needs to be reliable for analysis
- Large scale adoption may not occur



Insurance Planning

For Veterinarians



Small town values. Downtown expertise.

Why Insurance Matters

Your risk profile is unique

- Income depends on your ability to work
- High education costs and practice investments
- Many accumulate wealth inside a professional corporation

Health events affect:

- Family lifestyle
- Practice continuity
- Long-term retirement and estate plans

The Three Core Types of Coverage

Each solves a different problem



Life

Premature Death



Disability

Loss of Income



Critical Illness

Liquidity During Major
Illness

Life Insurance



Risk Management



Corporate & Estate
Planning

Life Insurance Risk | Risk Management



Replace Income



Pay off debt



Fund Children's
Education



Support Surviving
Spouse

Life Insurance Risk | Risk Management

Rule of thumb

- 10 – 15 times your income

Can adjust for:

- Debt
- Younger children
- Single income households



Life Insurance | Corporate & Estate Planning

Why corporations use life insurance

- Many veterinarians accumulate surplus cash in their professional corporation
- Withdrawing these funds personally triggers tax
- Corporate-owned life insurance can move wealth to heirs more efficiently
- Acts as both a tax strategy and an estate-planning tool

How Corporate Life Insurance works

A tax-efficient wealth transfer strategy

- Corporation owns and pays for the policy
- Death benefit is received tax-free by the corporation
- Creates a Capital Dividend Account (CDA) credit
- CDA allows tax-free distribution of funds to shareholders/heirs
- Can significantly reduce estate erosion and personal tax burden

Permanent Life Insurance Options

What type fits your corporate strategy?

Whole Life Insurance

Guaranteed cash value growth

Stable long-term premiums

Strong fit for conservative planning

Low maintenance & predictable performance

Universal Life Insurance

Flexible premium structure

Investment component inside the policy

Greater customization for corporate surplus

Requires active monitoring and risk tolerance

Corporate Life Insurance

Why this matters for Veterinarians

- Many vets retain large retained earnings inside their corporation
- Practice owners often face large future tax liabilities
- Insurance can turn taxable corporate dollars into tax-free estate value
- Helps preserve family wealth and ensure business continuity

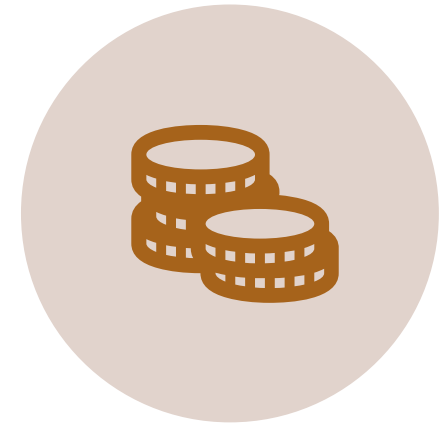
Disability Insurance



Unable to work due to injury
or illness



Pays a monthly benefit



Personally owned policies
benefit is tax free

Disability Insurance

What you need to know

- Your income is the engine that funds your lifestyle, family, and practice
- High physical demands make vets more vulnerable to injury and strain
- Disability claims are more often due to illness than accidents

Disability Insurance

Key Features

- Own-occupation definition — you're covered if you can't perform your specialty
- Benefit period to age 65 — long-term protection
- Cost-of-living adjustment (COLA) — keeps benefits aligned with inflation
- Future insurability option — increase coverage as your income grows

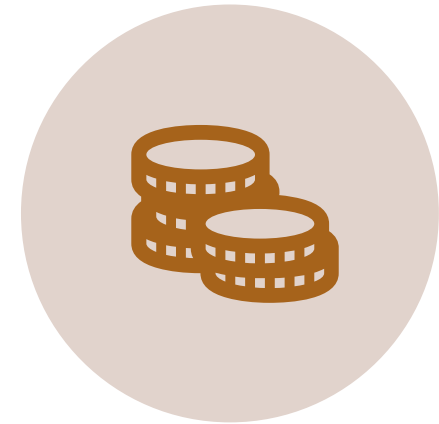
Critical Insurance



Diagnosed with an eligible illness



Pays a tax-free lump sum benefit



Creates liquidity when your equity is tied up in the practice.

Critical Illness Insurance

Liquidity when life gets complicated

- Major illnesses often create time away from work, even if you recover
- Helps cover costs not included in disability insurance, such as:
 - Travel and accommodation for specialized treatment
 - Private medical care
 - Temporary help at home or at the clinic
 - Debt payments or practice expenses during recovery

Critical Illness Insurance

What It Covers

- Common conditions such as:
 - Cancer
 - Heart attack
 - Stroke

Rule of Thumb

- Coverage amount: \$100,000 – \$300,000 depending on income, debt, and family situation

Bringing it all Together

Insurance protects your income, your family, and your practice



Life

Provides for family and ensures tax efficient estate planning



Disability

Protects earning power – most valuable asset



Critical Illness

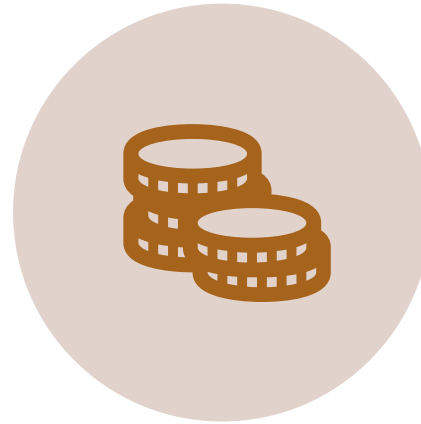
Creates breathing room during recovery

Bringing it all Together

The Outcome



Greater financial certainty



Tax-efficient wealth transfer



Protection aligned with the unique risks of veterinary medicine

Next Steps



Reach out to your
accountant or wealth
advisor



Insurance analysis



Determine the needs pull
quotes



Application process



**Questions?
Thank You!**



Small town values. Downtown expertise.