



eNews – January 8, 2026

STEP Canada Tax Technical Committee

**RE: Support for Comfort Letter Request – Extension of 212.1(6)
(b) Exception to Life Interest Trusts**

STEP Canada has expressed its strong support for a comfort letter request submitted by Doane Grant Thornton LLP seeking to extend the graduated rate estate exception to certain life interest trusts in post-mortem planning involving non-resident beneficiaries. STEP Canada agrees that the current rules can result in unintended double taxation and lack a clear policy rationale.

STEP Canada has further recommended that the relief be expanded to include spousal trusts, with a 36-month limitation following death to align with the graduated rate estate framework. The Tax Technical Committee and Public Policy Committee continue to review broader inconsistencies in the Income Tax Act that result in significantly harsher post-death tax treatment for life interest trusts compared to graduated rate estates.

Many thanks to the members of the committee, including Kenneth Keung (Chair) and Sébastien Desmarais (Deputy Chair), for their thoughtful review and contributions.

The STEP Canada Tax Technical Committee is pleased to share this submission with its members [here](#) and in the "Resources" Section in your MY STEP profile on step.ca.

Tax Technical Committee
STEP Canada

About STEP: The Society of Trust and Estate Practitioners is the leading international organization for trust and estates professionals. Headquartered in London, England, it has more than 22,000 members worldwide in over 100 countries.

STEP Canada, founded in 1998, has over 4,000 members with branches in the following cities and regions: Atlantic, Montreal, Ottawa, Toronto, Winnipeg, Saskatchewan, Calgary, Edmonton, and Vancouver, with chapters in Okanagan Valley, and Southwestern Ontario. STEP is a multidisciplinary organization with the most experienced and senior practitioners in the field, including lawyers, accountants, financial planners, insurance advisors, and trust professionals. They provide domestic and international advice on trust and estates, including planning, administration, and related taxes.

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STEP Canada
45 Sheppard Avenue East
Suite 510
Toronto, ON M2N 5W9 - Canada
Telephone: 416-491-4949