Raymond Chabot Grant Thornton

Federal Budget 2026 – Goods and Services Tax (GST) and Harmonized Sales Tax (HST) Measures

November 2026

Online Tax Strategies

The Minister of Finance and National Revenue, François-Philippe Champagne, presented the 2026 Federal Budget on November 5. Here is a summary of the measures that affect the application of the GST/HST.

2027 Canada Groceries and Essentials Benefit (CGEB) top-up

To provide additional support to Canadian households, the 2026 federal budget proposes to provide a **one-time CGEB top-up** in early 2027.

The CGEB, formerly known as the GST Credit, is a tax-free benefit for low- and modest-income individuals and families. It is intended to offset a portion of the cost of the GST paid on everyday consumer goods and to help households cope with the rising cost of living.

The government is proposing that this one-time payment be equal to **50% of the maximum annual amounts of the CGEB** for the 2026-2027 benefit year. As a result, beneficiaries could receive up to:

- $223 per adult;
- $117 per child;
- $117 for the single person supplement.

To determine eligibility, the government will use essentially the same criteria as those already in place for the CGEB. However, technical adjustments to the income-tested reduction mechanisms are planned to ensure that the supplement is provided to the same households that are currently eligible for the regular benefit.

Massage Therapy Services Exemption

Prior to the budget, the services of a massage therapist were subject to the GST/HST.

Effective November 6, 2026, the budget proposes to add eligible massage therapists to the list of health professionals whose services are exempt from the GST/HST. As a result, professional massage therapy services rendered by practitioners who meet the prescribed criteria will no longer be subject to the GST/HST.

This measure will reduce the cost of treatment for patients, but it will also have certain tax consequences for professionals providing massage therapy services, in particular by generally cancelling the possibility for them to recover input tax credits. Professionals concerned may also be required to remit certain taxes on tax credits and refunds previously claimed, including on capital assets.

Zero-rating of alternative electric field therapy devices

Certain medical devices and assistive devices that are specially designed to assist a person in treating or coping with a chronic disease, disease or physical impairment are zero-rated for GST/HST purposes.

The 2026 Budget proposes to add to the list of medical devices eligible for zero-rating for GST/HST purposes devices that are specifically designed for alternative electric field therapy for use by a person with cancer. An alternative electric field therapy device for the treatment of glioblastoma multiforme, an aggressive form of brain cancer, is approved by Health Canada for use in Canada.

The measure applies to devices acquired on or after November 6, 2026.

Amendments to the Preliminary Approval Regime for Methods of Allocating GST/HST Input Tax Credits of Financial Institutions

The budget proposes to provide flexibility in the pre-approval regime for the allocation methods used by certain large financial institutions to determine their input tax credits.

Currently, the pre-approval of an allocation method must generally be renewed annually. The government proposes to allow certain eligible financial institutions to obtain approval for three consecutive fiscal years.

The measure would apply to fiscal periods of a financial institution that begin after June 30, 2027.

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Harmonization of the QST

Finance Québec announced, in Information Bulletin 2026-7, that the *Sales Tax Act* will be amended to harmonize the QST with the GST measures announced as part of the November 5, 2026 Federal Budget.

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