



Crowe Soberman | Canada

Smart Decisions. Lasting Value.

CRA Crackdown on Social Media Influencers

Alana Engelberg, CPA, CA, Manager, Audit & Advisory

Jeffrey Steinberg, BA, CPA, CA

Jeffrey Steinberg CPA Professional Corporation, Partner

Alice Madolciu, CPA, CA, Senior Manager, Tax

Audit / Tax / Advisory
Member Crowe Global

Chartered Professional Accountants
www.crowesoberman.com

Whether on Twitch, Instagram, YouTube, TikTok, or yes – even OnlyFans, Canadian influencers are certainly making a name for themselves on social media, both in rapidly growing follower counts and revenue earned through online platforms.

For example, take body-positivity blogger Sarah Nicole Landry, @thebirdspapaya, who has over 2M Instagram followers (who earns income through paid partnerships with global brands like Old Navy, sponsored affiliate links, and podcasting ad revenue) and Toronto-based YouTubers Yuri Tereshyn and Jakub Wrobel - better known as TheStraightPipes who boast an impressive 1.3M subscribers on their popular car reviewing channel and can bring in a substantial amount of income in just video ad revenue alone.

While the exhilaration of digital fame is certainly worth celebrating, the excitement can also often overlook critical tax responsibilities to the Canada Revenue Agency (“**CRA**”).

The CRA has been keeping a closer eye on influencers across all social media platforms to ensure they are fulfilling their tax obligations through monitoring content to spot any apparent signs of wealth or gifts. For instance, if an influencer declared only \$1,500 CAD in annual earnings on their tax return, but posts an Instagram video showing off their collection of Hermès Birkin bags, the CRA may raise questions.

REVENUE SOURCES

Influencers could be subject to (but not limited to) reporting the following types of income streams:

- **Sponsored Posts:** Income from brands for creating content – usually with a video or photo post.
- **Products:** Value of products received from a brand to review these products on your platform (i.e. nutritional supplements, clothing, promotional PR packages, etc.)
- **Merchandise Sales:** Income from sales of t-shirts, hoodies, baseball hats, and accessories.
- **Channel Subscriptions:** Value of exclusive memberships (i.e. premium YouTube subscriptions, Patreon tiers, OnlyFans channels, etc.)
- **Advertising and Brand Partnerships:** Income from sponsor ads on your podcast, YouTube or Instagram channel.

As such, influencers are often considered to be earning revenue (and would have resulting tax liabilities) from non-monetary compensation (or barter transactions – when there is a reciprocal exchange of goods or services that does not involve the exchange of money).

INCOME TAX

The CRA has the ability to garnish your wages and cash in your bank from other income sources, seize and sell your assets, or use any other means under the law to collect the tax you owe (or they think you owe, if you do not file at all).

The consequences of incorrectly filing or neglecting to file your income tax returns can be dire. Make sure you keep these important filing dates in mind:

Who?	Tax Payment Due Date	Tax Filing Due Date
Individual (Employed)	April 30th	April 30th
Individual (Self-Employed)	April 30th	June 15th
Corporation*	End of February or March 31st	June 30th

* Assuming a December 31st fiscal year-end.

SALES TAX

In addition to income tax, sales tax, known as the Goods and Services Tax or Harmonized Sales Tax (“GST/HST”) in Canada, must be considered on income generated through social media platforms.

- Generally, if you are conducting business in Canada for GST/HST purposes, and you earn more than CAD \$30,000 of revenue, you are required to register for, collect, and remit GST/HST.
- A non-resident of Canada has the same GST/HST obligations as a Canadian resident when conducting business in Canada.
- There are varying GST/HST rates depending on the province/territory where customers are located (ranging between 5% and 15%).
- Depending on your income level, you have either annual, quarterly, or monthly GST/HST filing requirements, with corresponding tax remittances due either three months, or one month after the filing due dates.

ASSEMBLING YOUR TEAM

Consulting with a business management and tax professional **up front** will help you optimize and manage the business-side of your social media career, which will ensure any CRA action is mitigated. Among many things, these advisors can:

- Help you understand the required tax registrations and complete the required filings;
- Identify what receipts and documentation you should collect from your brand partners; and
- Accurately track your income and expenses to make tax time less complicated.

A skilled team of experienced professionals can relieve you of these urgent financial concerns, while you focus on fostering your passion for creating engaging content and strengthen relationships with your audience.

This article has been prepared for the general information of our clients. Specific professional advice should be obtained prior to the implementation of any suggestion contained in this article. Please note that this publication should not be considered a substitute for personalized tax advice related to your particular situation.

Connect with the Author

Alana Engelberg, CPA, CA, Manager, Audit & Advisory

T: 416 963 7212
E: alice.madolciu@crowesoberman.com

Jeffrey Steinberg, BA, CPA, CA

Jeffrey Steinberg CPA Professional Corporation, Partner

T: 416 963 7105
E: jeffrey.steinberg@crowesoberman.com

Alice Madolciu, CPA, CA, Senior Manager, Tax

T: 416 963 7185
E: alana.engelberg@crowesoberman.com

About Crowe Soberman LLP

Based in Toronto, Crowe Soberman is one of the leading public accounting firms in Canada. The firm has been in business over 60 years and has built a strong reputation in the community because of the excellent work our teams of dedicated professionals produce.

Our core services are in Audit, Tax, and Advisory. Along with these, we have professionals who specialize in Business Valuation, Claims Valuation, Corporate Recovery & Turnaround, Forensics, Estates & Trusts, Global Mobility Services, HR Consulting, Commodity Tax (HST), International Transactions & Consulting, International Tax, Litigation Support, M&A Transactions, Management Services, Personal Insolvency and Succession Planning. Members of our various specialty services groups are available when required as a technical resource to assist the client service team.

Crowe Soberman is an independent member of Crowe Global. As a top 10 global accounting network, Crowe Global has over 200 independent accounting and advisory firms in 145 countries. For almost 100 years, Crowe has made smart decisions for multinational clients working across borders. Our leaders work with governments, regulatory bodies and industry groups to shape the future of the profession worldwide. Their exceptional knowledge of business, local laws and customs provide lasting value to clients undertaking international projects. At Crowe Soberman LLP, our professionals share one commitment: to deliver excellence.