

Canada Revenue Agency

Qualified Donee Status

1. What is a Registered Journalism Organization (RJO)?

A Qualifying Journalism Organization (QJO) may apply to the Minister of National Revenue, in prescribed form, for registration as a RJO. Upon registration, a RJO is a qualified donee. It is a tax-exempt entity and can issue donation receipts for gifts that it receives, as long as it has not had its qualified donee status revoked or suspended.

2. What is a Qualifying Journalism Organization for the purposes of the qualified donee status?

Budget 2019 proposes that a QJO means a corporation or trust that meets the following conditions:

1. it is a [Qualifying Canadian Journalism Organization \(QCJO\)](#),
2. it is constituted and operated exclusively for journalism-related purposes,
3. any business activities it carries on are related to its purposes,
4. its board of directors or trustees operate at arm's length from each other,
5. it is not controlled, either directly or indirectly in any manner whatever, by a person or group of persons that do not deal with each other at arm's length,
6. except in specific situations, in any one taxation year, it cannot accept gifts from any one source that represent more than 20% of its total revenues (including donations), and
7. no part of its income is payable to, or otherwise available for the personal benefit of, a proprietor, member, shareholder, director, trustee, settlor or like individual.

3. Who can contribute to a RJO?

While it will be possible for anyone to make a donation to a RJO, a donation receipt can only be issued to an individual or corporation that is the true donor of the gift. A registered charity can also make a gift to a RJO.

In any given taxation year, a RJO may not receive gifts from any one source that represent more than 20% of its total revenues (including donations) for the year, other than a gift:

1. made by way of bequest,
2. made within 12 months after the time the organization is first registered, or
3. approved, on a case-by-case basis, by the Minister of National Revenue.

4. Can a RJO issue donation receipts?

Yes, a RJO can issue official donation receipts.

5. How does a journalism organization apply to be a RJO, i.e. for qualified donee status?

Budget 2019 proposes that a QJO may apply to the Minister of National Revenue, in prescribed form, for registration as a RJO. Further details will be made available on the exact steps, forms and other requirements for an application for registration.

6. Can a RJO lose its qualified donee status?

Yes. RJOs will be required to comply with the requirements of the *Income Tax Act*, such as:

- keeping reliable and complete records and books and providing them upon request to the Canada Revenue Agency (CRA);
- issuing complete and accurate donation receipts; and
- filing an annual information return.

Where a RJO no longer meets the requirements for registration as a qualified donee, including if it fails to qualify as a QCJO, the Minister of National Revenue may revoke its registration.

Where the Minister proposes to revoke the registration of a RJO, the RJO will be able to file an objection with the Appeals Branch of the CRA. In the event that it disagrees with the decision of the Appeals Branch, it will be entitled to appeal the decision to the Federal Court of Appeal.

7. What are the advantages of being a RJO?

A RJO has qualified donee status under the *Income Tax Act* and is therefore able to issue official donation receipts, is a tax-exempt entity, and registered charities can also make gifts to a RJO.

8. What are the obligations associated with being a RJO?

A RJO is required to comply with its obligations under the *Income Tax Act*. This includes:

- ensuring that it at all times meets the requirements for registration;
- keeping reliable and complete records and books and providing them upon request to the Canada Revenue Agency (CRA);
- issuing complete and accurate donation receipts; and
- filing an annual information return.

9. Is a RJO able to claim the refundable labour tax credit?

A RJO may be able to claim the refundable labour tax credit. Please see [Refundable Labour Tax Credit](#) for further information.

10. Can an individual claim the non-refundable tax credit for digital news subscription offered by a RJO?

A RJO may offer a digital news subscription that qualifies for the subscription expense. Please see [Digital News Subscription Tax Credit](#) for further information.

11. Where can I get more information?

The CRA provides the latest information on the proposed changes on [Canada.ca](#). Taxpayers should check online regularly for updated forms, policies, guidelines, questions and answers, and guidance.

In the meantime, please consult the [Department of Finance Canada's Budget 2019 documents](#) for details.