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CCA for Computers and Furniture: What You Can Deduct

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Published by 2727 Coworking · 2026-10-29 · capital cost allowance computers canada · cca class 50 · immediate expensing small business canada

Original article: <https://2727coworking.com/articles/capital-cost-allowance-computers-furniture-immediate-expensing-small-business>



In this article

1. Deduct now or depreciate: the basic idea of CCA
 2. Which class is my purchase? Classes 8, 10, 12, 50 and 54
 3. Computers and systems software: Class 50 at 55%
 4. Furniture and equipment: Class 8 at 20% and the \$500 tool line
 5. Software, phones and small items
 6. The half-year rule and the accelerated investment incentive
 7. Budget 2025 and the proposed "Productivity Mega Deduction"
 8. Worked example: a \$2,400 laptop and an \$1,800 desk
 9. Vehicles: Class 10, 10.1 and zero-emission Class 54
 10. Quebec: same first-year rates in 2026, no extra deduction
 11. Self-employed versus corporation: where the claim is made
 12. Records and mistakes to avoid
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Deduct now or depreciate: the basic idea of CCA

When you buy a laptop, a desk or a camera for your business, the first question is usually "can I deduct it this year?" The default answer from the CRA is no: "You cannot deduct the full cost of depreciable property when you calculate your net business or professional income for the year in which you acquired the property."

Instead, you deduct the cost over several years through a yearly deduction called **capital cost allowance (CCA)** (CRA, [Claiming CCA](#)).

In practice, purchases fall into three bins:

1. **Written off in the year:** small tools under \$500 and similar items in Class 12, plus everyday supplies that are not capital property at all (paper, toner, a \$20 cable). These are covered in our guide to [freelancer expenses and deductions](#).
2. **Depreciated on a declining balance:** furniture, phones, vehicles and most equipment. You deduct a percentage of the remaining balance every year.
3. **Depreciated, but faster for now:** almost all new equipment bought after 2024 gets an enhanced first-year deduction, and computers available for use in 2026 can be written off in full.

Two rules apply to all of them:

- **CCA is optional.** "You do not have to claim the maximum amount of CCA in any given year. You can claim any amount you like, from zero to the maximum allowed for the year" (CRA, [Basic information about CCA](#)). In a low-income year, skipping the claim keeps the balance available for later.
- **Selling the asset matters.** If you claim CCA and later dispose of the property, you may have to add a recapture to income or may be able to deduct a terminal loss (same CRA page).

This article is general information, not tax advice. Rules and rates are as of October 28, 2026.

Which class is my purchase? Classes 8, 10, 12, 50 and 54

The CRA groups depreciable property into classes, each with a rate. These are the ones a small office deals with ([CRA, Classes of depreciable property](#)):

Purchase	Class	Rate	Notes
Laptop, desktop, monitor, server, printer attached to a computer	50	55 %	General-purpose electronic data processing equipment and systems software acquired after March 18, 2007
Operating system bought with the computer	50	55 %	"Systems software" goes with the hardware
Applications (accounting, design, editing software you own)	12	100 %	Half-year rule lifted for new software acquired after 2024, so 100% in year one
Desk, chair, shelving, filing cabinet	8	20 %	Furniture and appliances
Photocopier, phone system	8	20 %	Electronic communications equipment is listed in Class 8
Hand tools under \$500 each	12	100 %	Most are not subject to the half-year rule
Tools \$500 or more each	8	20 %	
Car, van, truck	10 or 10.1	30 %	10.1 for passenger vehicles over the cost limit
Eligible zero-emission vehicle	54	30 %	Separate rules

Monthly subscriptions (cloud software, SaaS) are not capital purchases; they are deducted as ordinary expenses. Our [business software guide](#) covers the common tools.

Computers and systems software: Class 50 at 55%

Class 50 covers "general-purpose electronic data processing equipment and systems software for that equipment, including ancillary data processing equipment" acquired after March 18, 2007. It excludes equipment used mainly as electronic process control or monitoring equipment, electronic communications control equipment, and data handling equipment that is not ancillary to a general-purpose computer ([CRA, Classes](#)).

For an office user that means the computer, its screen, keyboard, docking station and a printer connected to it. A stand-alone photocopier or fax is Class 8.

The 2026 twist: 100% in year one. Section 1100(2) of the Income Tax Regulations adds a factor of 9/11 to Class 50 property acquired after April 15, 2024 that becomes available for use before 2027 (and, for property acquired after 2024, the same 9/11 under the reaccelerated rules); the factor is nil for property available for

use after 2026 ([Income Tax Regulations, s. 1100\(2\)](#)). With a 55% rate, $55\% \times (1 + 9/11) = 100\%$ of the cost. This is law, not a proposal: the Budget 2024 measure and the reaccelerated incentive were enacted by the *Budget 2025 Implementation Act, No. 1* (Bill C-15, S.C. 2026, c. 3, s. 103), assented to on March 26, 2026 ([LEGISinfo, Bill C-15](#)). Some CRA web pages still call it "proposed"; they predate assent.

In plain language: a new computer bought and put to use for the business before December 31, 2026 can generally be written off in full in 2026.

Furniture and equipment: Class 8 at 20% and the \$500 tool line

Class 8 is the catch-all for property not included in another class: "furniture, appliances, tools costing \$500 or more per tool, some fixtures, machinery, outdoor advertising signs, refrigeration equipment, and other equipment you use in the business." Photocopiers and electronic communications equipment such as fax machines and telephone equipment are also Class 8 ([CRA, Classes](#)).

Two practical points:

- **The \$500 line is for tools, not furniture.** Class 12 includes tools, medical or dental instruments and kitchen utensils costing less than \$500. A \$300 office chair is furniture, so it goes in Class 8, not Class 12.
- **Separate class election.** If a piece of Class 8 equipment costs \$1,000 or more, you can elect to put it in a separate class. The rate does not change, but the CRA explains that it lets you calculate a separate deduction over a five-year period, which helps when the equipment becomes obsolete quickly (same CRA page).

Software, phones and small items

- **Application software** (not systems software) goes in Class 12 at 100%. The CRA notes that "software in Class 12 is subject to the half-year rule" ([CRA, Classes](#)), but the half-year rule (element F of s. 1100(2)) does not apply to reaccelerated investment incentive property, so new software acquired after 2024 is deductible 100% in the year it becomes available for use. Software bought from a related person stays at 50% then 50%.
- **Class 12 excludes electronic communication devices and electronic data processing equipment**, so a \$400 phone or a \$350 monitor does not qualify for the small-tool rule even though it costs under \$500. Phones go in Class 8, which lists "electronic communications equipment, such as fax machines and electronic telephone equipment"; the monitor goes with the computer in Class 50.
- **Most small tools in Class 12 are fully deductible in the year of purchase.** The exceptions listed by the CRA (dies, jigs, patterns, moulds, lasts and the cutting part of a machine) remain under the half-year rule.

The half-year rule and the accelerated investment incentive

The **half-year rule** is the basic brake: "In the year you acquire a depreciable property, you can usually claim CCA only on one-half of your net additions to a class" (CRA, [Basic information about CCA](#)). Property also has to be available for use before you can claim.

The **accelerated investment incentive (AII)**, introduced in 2018, overrides that brake. For property that would normally be subject to the half-year rule, the CRA describes the original incentive as an enhanced first-year allowance equal to three times the normal first-year deduction. For property available for use during the 2024 to 2027 phase-out period, it falls to two times the normal deduction, and "the incentive continues to effectively suspend the half-year rule" (CRA, [Accelerated investment incentive](#)). That version, and its phase-out, now covers only property acquired before 2025 ([Income Tax Regulations, s. 1104\(4\)](#)).

What applies to 2026 purchases: the reaccelerated incentive. "Reaccelerated investment incentive property" is property (other than Classes 54 to 56) acquired after 2024 and available for use before 2034, excluding most property previously owned by you or a non-arm's-length person ([s. 1104\(4.01\)](#)). For ordinary classes such as Class 8, [s. 1100\(2\)](#) adds a factor of 1/2 for such property available for use before 2030, and the half-year rule does not apply to it ([s. 1100\(2\)](#)). A Class 8 desk bought new in 2026 therefore gets 1.5 times the class rate in year one: 30% of cost instead of 10%. From 2030 to 2033 the extra factor disappears but the half-year rule stays suspended. These rules are in force from January 1, 2025 (S.C. 2026, c. 3, s. 103).

Immediate expensing for CCPCs has ended. The \$1.5 million immediate expensing of "designated immediate expensing property" required a CCPC's property to become available for use before 2024 ([s. 1104\(3.1\)](#)), so it does not apply to 2026 purchases.

Budget 2025 and the proposed "Productivity Mega Deduction"

Budget 2025, tabled November 4, 2025, grouped these measures as a "Productivity Super-Deduction": the reinstated accelerated investment incentive and "immediate expensing of productivity-enhancing assets, including patents, data network infrastructure, and computers" ([Budget 2025, Chapter 1](#)). The parts covering ordinary equipment are now law, through Bill C-15 as described above.

On September 15, 2026, the Department of Finance went further and released draft legislation for a **Productivity Mega Deduction**: "immediate expensing for a broad-based range of depreciable property on a permanent basis" for property acquired on or after September 15, 2026, deductible in full in the year it becomes available for use, with no \$1.5 million cap and no CCPC-only condition. Buildings, goodwill and licences (Classes 14 and 14.1), certain vehicles in Classes 10 and 10.1 and used property from a non-arm's-length person are excluded, and individuals and partnerships of individuals can claim it only up to their income from the business ([Finance Canada, September 15, 2026; draft legislation](#)). As of October 28, 2026 it is a draft for consultation, not a bill, and Quebec has not announced whether it will follow. Purchases made before September 15, 2026 are not covered by it in any case.

Worked example: a \$2,400 laptop and an \$1,800 desk

Illustrative only. Assumptions: a GST/QST-registered freelancer buys both items new from an arm's-length store in March 2026 and starts using them right away for business only; the prices are before tax and the GST/QST is recovered as input tax credits, so it is not part of the cost; the tax year is the calendar year.

Scenario A: the incentives apply (2026 purchase, as the Regulations read in October 2026)

	Laptop (Class 50)	Desk (Class 8)
Cost	\$2,400	\$1,800
2026 CCA	$\$2,400 \times 55\% \times (1 + 9/11) = \mathbf{\$2,400}$	$\$1,800 \times 20\% \times 1.5 = \mathbf{\$540}$
Balance after 2026	\$0	\$1,260
2027 CCA	\$0	$\$1,260 \times 20\% = \mathbf{\$252}$
Total deducted over two years	\$2,400	\$792

Scenario B: the basic rules (half-year rule, no incentive)

This is what applies to property that does not qualify, for example a used laptop bought from your own corporation or a relative.

	Laptop (Class 50)	Desk (Class 8)
2026 CCA	$\$2,400 \times 50\% \times 55\% = \mathbf{\$660}$	$\$1,800 \times 50\% \times 20\% = \mathbf{\$180}$
Balance after 2026	\$1,740	\$1,620
2027 CCA	$\$1,740 \times 55\% = \mathbf{\$957}$	$\$1,620 \times 20\% = \mathbf{\$324}$
Total deducted over two years	\$1,617	\$504

The incentives do not change the total you can eventually deduct; they move it forward. For a laptop that is \$2,400 of deduction in 2026 instead of \$660. At a combined marginal tax rate of, say, 35%, that is about \$610 of tax saved a year earlier ($\$1,740 \times 35\%$), illustrative only.

If the same laptop becomes available for use only in **2027**, there is no CCA for 2026, the Class 50 factor drops to nil, and the half-year rule stays suspended: 2027 CCA is $\$2,400 \times 55\% = \$1,320$, then $\$1,080 \times 55\% = \$594$ in 2028. Under enacted law, setting the computer up in December 2026 rather than January 2027 moves \$1,080 of deduction forward. A laptop acquired on or after September 15, 2026 would be fully deductible in 2027 too if the proposed Mega Deduction is enacted as drafted.

Vehicles: Class 10, 10.1 and zero-emission Class 54

Vehicles have their own rules because of personal use and luxury limits:

- **Class 10 (30%)** includes motor vehicles and some passenger vehicles.

- **Class 10.1 (30%)** is for passenger vehicles above a cost limit; each one goes in its own class. The ceiling is **\$39,000 plus sales taxes for passenger vehicles acquired in 2026** (up from \$38,000 in 2025); the deductible leasing limit stays at \$1,100 a month and the interest limit at \$350 a month (Finance Canada, 2026 automobile deduction limits, January 14, 2026). Quebec uses the same amounts (Finances Québec, Bulletin 2026-1).
- **Class 54 (30%)** is for eligible zero-emission vehicles, with a 2026 ceiling of \$61,000 plus sales taxes (same Finance release); they have their own enhanced rates rather than the general incentive.
- **Personal use** reduces the claim. The CRA's example prorates CCA on a car by business kilometres over total kilometres (CRA, Personal use of property). Keep a logbook.

Quebec: same first-year rates in 2026, no extra deduction

Quebec has its own capital cost allowance rules in the Taxation Act and its regulation, and it adopts federal changes by announcement:

- **Class 50 at 100%.** Quebec announced it would harmonize with the Budget 2024 accelerated CCA for Classes 44, 46 and 50, applicable on the same dates as the federal measure (Finances Québec, Bulletin 2024-6).
- **Reaccelerated incentive.** The 2025-2026 Quebec budget did the same for the reinstated incentive announced in the federal Fall Economic Statement 2024 (Budget 2025-2026, Renseignements additionnels, pp. A.96-A.97).
- **Revenu Québec applies both.** Its guide to CCA for business and professional income (version 2026-02) gives the 9/11 factor for Class 50 property acquired after April 15, 2024 and available before 2027, a 50% increase for incentive property acquired after 2024 and available before 2030, and suspends the half-year rule for such property until the end of 2033 (Revenu Québec, TPW-130.G). Corporations use form CO-130.A.

So the worked example gives the same Quebec figures: \$2,400 on the laptop and \$540 on the desk for 2026. Two Quebec-only measures that older articles mention do not apply to 2026 purchases: the **additional 30% CCA** (Taxation Act s. 156.7.6) covers property acquired after December 3, 2018 and before January 1, 2024, and Quebec's **immediate expensing** required property available for use before January 1, 2024. Federal and Quebec balances can still diverge for other reasons (a Quebec-only adjustment, a different claim choice), so keep a separate Quebec CCA schedule.

Self-employed versus corporation: where the claim is made

- **Sole proprietors and partners** report CCA on Form T2125, Statement of Business or Professional Activities (CRA, T2125). Partners do not claim CCA separately on partnership property; the partnership deducts it and allocates the result (CRA, Basic information about CCA).
- **Corporations** use T2 Schedule 8, which "is used by corporations to calculate capital cost allowances (CCA), recapture of CCA, and terminal losses" (CRA, T2SCH8).

Because CCA is optional, the choice of how much to claim interacts with your income level and, for a corporation, with the small business rate. If you are weighing whether to incorporate, see [when a Quebec freelancer should incorporate](#).

Records and mistakes to avoid

Keep for each asset: the invoice, date of purchase, date it was put into use, the class, the business-use percentage and, later, the sale price or disposal date.

Common mistakes:

- **Expensing a \$2,000 desk as "office supplies."** It is Class 8 property.
- **Putting a monitor or phone in Class 12** because it costs under \$500. Class 12 excludes electronic communication and data processing equipment.
- **Claiming CCA on equipment bought but not yet in use** at year-end.
- **Forgetting personal use.** A laptop used half for family is half a business asset.
- **Claiming CCA on a home computer you also deduct as a home-office cost.** Home-office rules are separate; see our [home office deduction guide](#).
- **Mixing federal and Quebec balances** instead of keeping a separate Quebec schedule.

Source links

Links cited in this article, in order of first appearance. Full addresses are provided for readers using extracted text.

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