2026 U.S.–Canada Tax Planning Summary

Prepared for John Daniel—preliminaryplanning guide basedon the facts provided

Important: This is planning/research information, not a tax opinion or legal advice. Your facts create a cross-border residency question, so a U.S.–Canada tax professional should make the final residency/treaty determination before filing.

1. Executive conclusion

Your 2026 situation is not simply “Canada for three months and the U.S. for nine months.” For U.S. federal tax purposes, you are very likely a resident alien for 2026 because you were physically present in the U.S. for well over 183 days. The U.S. generally taxes resident aliens on worldwide income.

Canada and Québec are different: residency depends heavily on whether you severed Canadian residential ties. Because your family and fiancé remain in Québec and you plan a return visit, your Canadian/Québec residency position should be analyzed rather than assumed. If both countries treat you as resident under domestic law, the U.S.–Canada treaty contains residency tie-breaker rules. If you are treated as a Canadian emigrant, Canada generally taxes worldwide income only for the Canadian-resident portion and Canadian-source income after departure, with possible departure tax on certain property.

2. U.S. reporting requirements

Item	Preliminary treatment
Federal Form 1040	Likely required. U.S. resident aliens generally report worldwide income.
NY State return	Likely required if you are a NY resident or part-year resident; exact form depends on domicile/residency fa
NYC return	Possible if your actual residence/domicile creates NYC tax residency.
Form 1116	Likely important for Canadian income taxes paid on income also taxed by the U.S.
FBAR / FinCEN 114	Required if aggregate foreign financial accounts exceeded $10,000 at any time in 2026.
Form 8938	Possible if specified foreign financial assets exceeded $50,000 year-end or $75,000 at any time for an unm
Form 8833	Only if a treaty-based return position requiring disclosure is taken; do not file automatically.

3. Canada and Québec reporting requirements

If you ceased Canadian residency in 2026, you will generally file a Canadian T1 for the year of departure, enter your departure date, report worldwide income for the Canadian-resident period, and report applicable Canadian-source income after departure. Certain property can be subject to a deemed disposition (“departure tax”). If the fair market value of property at departure exceeds CAD $25,000, Form T1161 may be required; Form T1243 calculates deemed-disposition gains, and Form T1244 can be used to elect a deferral in appropriate cases.

Québec has its own residency analysis. Revenu Québec states that residential ties, the regularity/length of visits, and anticipated return are relevant. If you became a Québec non-resident, you generally file for the period of Québec residence and are taxed under non-resident rules afterward. If you remained a Québec resident, worldwide income can remain taxable in Québec.

4. The payroll issue I would investigate immediately

Your temporary assignment is particularly important for Social Security/Medicare. The U.S.–Canada Totalization Agreement can keep a worker temporarily assigned by a Canadian employer under Canadian/Québec social-security coverage for up to 60 months, if the conditions are met, with a certificate of coverage serving as evidence. This is separate from income-tax residency. Ask Rothford's payroll/HR team whether a Canadian or Québec certificate of coverage was obtained and whether U.S. Social Security/Medicare withholding is correct. Do not assume the amount withheld is automatically the final liability.

5. Credits and deductions most worth reviewing

Item	Assessment
U.S. Foreign Tax Credit	High priority. Form 1116 may prevent double taxation of Canadian income taxes that qualify.
Canadian/Québec foreign tax credits	Possible if Canadian/Québec tax remains payable on income also taxed in the U.S.
Standard deduction	$16,100 for a single filer in 2026.
SALT itemized deduction	2026 limit is $40,400 for single filers, subject to income limitations; compare itemizing with the standard de
401(k)	2026 employee deferral limit is $24,500 if an eligible employer plan is available.
IRA	2026 combined traditional/Roth IRA limit is $7,500, but deductibility/Roth eligibility can be limited by incom
TFSA/RRSP	Cross-border treatment is complex; do not make new contributions solely for tax reasons without advice.

6. Cost-effective tax preparation strategy

Forafirst-year U.S.–Canada movewith a Canadianemployer, U.S. employment income, NY filing, possible FBAR/Form 8938, and possible Canadian departure-tax work, I would budget approximately **$1,000–$2,500** for a relatively clean preparation engagement and **$2,500–$4,000+** where residency/treaty analysis, departure tax, multiple information returns, or substantial planning is required. Published low-cost services can be far below this, but they may not include the Canadian and Québec returns or a detailed treaty-residency opinion.

For comparison, CPAs for Expats publishes a $329 basic U.S. return, $125 state return, $100 FBAR and $100 Form 8938. Expat Tax Center publishes $295 for a U.S. expat federal return, $75 per state, $50 FBAR and $50 FATCA. A cross-border provider found in the research publishes pricing starting at $850 for U.S./Canada cross-border work. These are useful price anchors, not apples-to-apples quotes.

Recommended quote request

• Ask foraflatfee covering:U.S. federalForm 1040, NY return, and NYC return if applicable.

• Ask specifically whether Form 1116, FBAR and Form 8938 are included.

• Ask whether U.S.–Canada treaty residency analysis and Form 8833, if needed, are included.

• Ask whether the firm will prepare the Canadian T1 and Québec TP-1 for the 2026 departure year.

• Ask whether T1161/T1243/T1244 and Québec departure forms are included if required.

• Ask for a separate price for year-round planning so you are not paying an hourly rate for every question.

• Confirm the entire engagement can be completed through secure portal, video conference, electronic signature and online payment.

7. Brooklyn accountant shortlist

Firm	Phone 212-	Remote?	Why consider
Atlantax Group LLC	601-2670	Yes	Excellent — strongest Brooklyn match for a Canadian working in NY on a wor
CPAs for Expats	929-529-6109	Yes	Very good for cost control; confirm Canada departure/T1 and Quebec filing ca
McLan Accounting Services, LLC	718-871-8250	Yes	Excellent — established Brooklyn firm with explicit international tax practice
Expat Tax Center, Inc.	347-770-3442	Yes	Good low-cost option for U.S. side; confirm Canadian/Quebec return and trea
MEI CPA, P.C.	718-975-3363	Likely / confirm	Good Brooklyn alternative; less explicitly Canada-focused than Atlantax/McLa

My first calls would be Atlantax Group, McLan Accounting Services, and CPAs for Expats. Atlantax is the strongest match because it explicitly serves foreign nationals/work-visa holders, Canada-related clients and fully remote engagements. McLan is a strong Brooklyn-based international-tax alternative with a secure portal. CPAs for Expats is the cost-focused option with unusually transparent published pricing.

8. Suggested preparation checklist

- All 2026 Canadian pay statementsand finalCanadian pay stub through March.
- All 2026 U.S. pay stubs and year-end W-2.
- Exact U.S./Canada travel calendar for every entry and departure date.
- Visa/work authorization documents and assignment letter.
- Lease/home information in New York and information about any home/residence retained in Québec.
- Canadian bank, brokerage, RRSP, TFSA and other foreign-account maximum balances for 2026.
- Canadian property/investment cost bases and fair market values as of the departure date if Canada residency ended.
- 2026 Canadian tax withheld and Québec tax withheld/paid.

■ U.S. federal, NY and NYC withholding shown on year-end wage statements.

■ Employer confirmation of whether a Canada/Québec certificate of coverage was obtained under the Totalization Agreement.

■ Any 2026 retirement contributions and health-plan/HSA information.

9. Filing calendar

Now (September 2026): resolve residency/treaty and payroll-social-tax questions; select the accountant. **November–December 2026:** preserve travel records and year-end foreign-account balances; ask employer for final payroll and W-2 information. **January–February 2027:** deliver all Canadian/U.S./Québec documents to the preparer. **April 2027:** U.S. federal return is generally due April 15; Canadian and Québec returns are generally due April 30. A U.S. extension can generally extend filing to October 15, but it does not extend the time to pay tax due.

10. Sources used

IRS—U.S.residencyandsubstantial presence: https://www.irs.gov/individuals/international-taxpayers/introduction-to-residency-under-us-tax-law

IRS — U.S.–Canada treaty / Publication 597: https://www.irs.gov/publications/p597

CRA — Leaving Canada (emigrants): https://www.canada.ca/en/revenue-agency/services/tax/international-non-residents/individuals-leaving-entering-canada-non-residents/leaving-canada-emigrants.html

Revenu Québec — Leaving Québec: https://www.revenuquebec.ca/en/citizens/your-situation/residence-status-and-tax-obligations/leaving-quebec/

IRS — FBAR: https://www.irs.gov/individuals/international-taxpayers/us-citizens-and-residents-abroad-filing-requirements

IRS — Form 8938 thresholds: https://www.irs.gov/businesses/corporations/do-i-need-to-file-form-8938-statement-of-specified-foreign-financial-assets

SSA — U.S.–Canada Totalization Agreement: https://www.ssa.gov/international/Agreement_Pamphlets/canada.html

IRS — 2026 tax adjustments: https://www.irs.gov/newsroom/irs-releases-tax-inflation-adjustments-for-tax-year-2026-including-amendments-from-the-one-big-beautiful-bill