



# THE Tax Tipper

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We take your taxes personally!

Volume 12

## Inside

What's Happening	2
Just Asking ... Just Answering	3
It's a Photo Finish	4

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## Dear Clients and Friends,

Summer's finally here, so let those long days of the great outdoors begin! I just got back from my annual retreat at Osoyoos Lake, B.C., where I make it a first day of summer ritual to float on the water while drinking in the mountain and desert scenery (with a cool bevy in hand, of course!). We Canadians have a limited amount of time for this type of enjoyment, so soak it up while you can. If this is your first **Tax Tipper**, welcome, and remember you can always download [previous editions](#) from our website.

This was a record tax season. Thanks to many who took advantage of our no-contact services, we were able to get most of you under the wire. Today, over 90% of clients are online, and 60% of returns are completed through e-mail, fax, phone, or courier without any appointments. For those who have been with me since day one, I'm sure you can appreciate some of the features available on your desktop compared to a few years ago. Congratulations to all of you who have switched over, as the convenience is hard to beat. As a result, we were able to service a variety of clientele all over the world, in many cases the same day. Our [website](#) offers so much free information, why not take full advantage of it?

I would like to take a moment to thank all of you for your good wishes for my vacation to Israel last month. I enjoyed a fascinating two weeks in the Holy Land, and it's a place I would definitely recommend. If you are on Facebook, look me up and, voilà, all 200+ pictures are there. Your feedback is most appreciated.

On a final note, I hope you are enjoying the new **Tipper**. The shorter version is an easier read yet just as informative, and of course we haven't lost our sense of humour. One of my clients works in a mailroom, and I paid him a visit on the job. Most of us have seen workplace posters like "Gawd, I love this place," or "The dead come back to life at quitting time," but the one on his wall made me chuckle. It said:

**"When I die, I want to go like my grandfather did, peacefully in his sleep, not screaming like the passengers in his car!"**

It takes a moment, but you eventually get it. (He fell asleep at the wheel!) Now seriously folks, enjoy the latest **Tax Tipper**!

Neel Roberts  
President and Editor

### Tax Filing Deadline Come and Gone

The deadline for filing personal returns was April 30, and if you're self-employed it was June 15. This year there was an extension to Tuesday, May 6, for technical reasons. As both these dates are long gone, your return is technically late if you owe money. If you are expecting a tax refund or Personal GST Credits, you will not receive interest. Keep in mind that certain benefits like Child Tax Credits have a shelf life of eleven months, so if you have several years to file you may be out of luck on the older ones. If you need to get caught up, call CRA at **1-800-959-8281** and find out how many years need to be filed. Sometimes, if you're really behind, like twenty years, CRA may only need the last ten, so confirm that with them. Also, have them send you all the T4s they have on their database for the appropriate years with carry-overs, RRSP limits, copy of last Notice of Assessment, etc., so you can get up to date properly!



### 2007 Tax Review Notices Are Out

CRA conducts their review (post-assessment) of current tax returns during the summer of the year they are filed. If your return is selected, you will receive a letter requesting the information they require. It is essential that you respond to this letter even if you need time to track down receipts, etc. CRA can usually grant time extensions if the request is reasonable; however, if you do not respond to the letter, CRA will normally reassess you within thirty days, and you will be responsible for newly assessed balances owing plus interest. After that, you can use the appeals process to dispute the balance, but that can be more complicated than responding in the first place.



### April e-Filing Glitch Update

Some of you may remember that back near the deadline of April 30 the CRA computers crashed intermittently for several days. This affected e-file, e-pass, and the processing time for assessments and refunds. The media picked up on this, but the good news is that apart from refunds and Notices of Assessment being delayed 2-3 weeks, it did not affect the quality of returns or confidentiality of taxpayers. Apparently, the system got overloaded due to a record number of last-minute filers. If it's been over a month and you still haven't received your refund or Notice of Assessment, contact CRA at **1-800-959-8281**.



### Privacy and the Taxpayer

Taxpayers under investigation wonder what type of protection they have from the CRA under the Canada Privacy Act. Last year, the Minister of National Revenue and Minister of Finance jointly announced two new initiatives, a Taxpayer Bill of Rights and a Taxpayers' Ombudsman, to ensure that the CRA is more accountable to Canadians. Be aware, however, that recent court decisions have given the CRA greater power to access a taxpayer's information, sometimes without letting them know. The average taxpayer who has a good compliance history and keeps careful records shouldn't have to worry about this. But for a taxpayer with a long history of non-compliance (combined with lack of co-operation!), this can become an issue, especially where there is departmental criss-crossing, like family maintenance, EI, etc. In one ruling, the court found that the CRA was in fact overstepping their authority and asked them to back off. If you think this may have happened to you, consult a lawyer to get an explanation of your rights, as this can be a long and complex issue.



### eBay and CRA

Many of us have enjoyed the convenience of buying and selling on [eBay](#). For me, it's been a treat to find rare movies and parts for my muscle cars, and have them delivered right to my door. But, if you are making a living using eBay, be aware that the CRA now has access to the records. In a recent ruling, the Federal Court of Canada did not exempt eBay from disclosing the seller's information to the taxing agency because the company is U.S. based. You can check out [details](#), but be aware that online income and expenses are treated just like storefront or non-virtual activities!



## Just Asking ... Just Answering

### Surveillance — How Far Do You Go?

Real People with Real Questions About Real Situations



Dear Neel,

I have had your articles on my desk for five years and am finally contacting you hoping you can help. In 2006, I signed up for the [CRA e-pass](#) as per your suggestion and

authorized my accountant so that he could look after my tax affairs online. Then in 2007 I moved and have used a different accountant ever since. I never gave the first accountant another thought until I decided to check my account online. To my shock, it turns out that the first accountant has been monitoring my taxes, as the system allows you to track who has been watching you. Naturally I removed him as my representative, but my question is, how could I have prevented this? I honestly don't know everything I'm signing when the job's done and trust the professional's opinion, but I felt my privacy was invaded!

John C.

Dear John,

I get many enquiries about confidentiality, especially about the taxpayer's privacy and their tax professional, and I will do my best to give you practical insight. It

sure seems that the four walls of today are closing in more than at any other time in history. I remind my clients to be astute about who has access to their information (not just in taxes). It's possible that your first accountant was doing a routine quality check of his accounts after the tax season, as many of us do internal audits for compliance purposes. If that was the case, it's understandable why he went online—this is usually part of the standard engagement process. The CRA sends confirmation letters once a [T1013-Authorization form](#) is signed by the client, but after that it's your responsibility whether you want to keep the accountant on. The professional in the meantime can legally see and even change your file at any time for any reason. You should get your own [e-pass](#) and see who has access at least once a year. The bottom line is, it's your responsibility to see who is probing!

**Are You Just Asking tax questions?  
Neel can Just Answer them.**



#### Did You Know...

...why all Canadians say the word "EH?" It's the way we spell our country's name! Now aren't you glad we have one up against all our neighbours!

## It's a Photo Finish! Celebrate Canada Day with a BANG!



Courtesy of [www.youtube.com](http://www.youtube.com)

Have you got fireworks stocked up for the Canada Day long weekend? Ever since I was a kid, I have always looked forward to fireworks on our country's birthday. Not much has changed since then except I have gotten older (a lot older!), and my longing to watch fireworks still burns (oops, is that a pun?). I believe most of you can relate to that. This Canada Day weekend, I anticipate you will be either setting off or viewing many of the fireworks celebrations going on. If you miss it, here's the next best thing—last year's fireworks on Parliament Hill to the tune of our national anthem. Enjoy!

**Send us your fascinating photo or story.**

### Our readers respond!

I just started my own business last year, and your tax booklets took a huge load off my mind this tax season. The information spaces were easy to fill in and follow.

Thanks, Neel!  
Kyle Jones, Owner  
Jones Initiative Inc.



**We welcome your comments on the Tax Tipper!**

**Send us an e-mail.**

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