



Canada Revenue  
Agency

Agence du revenu  
du Canada

# Resolving Your Dispute: Objection and Appeal Rights under the *Income Tax Act*

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The information in this brochure was accurate when it was released in December 2009. However, legislative provisions and requirements could change at any time. We make every effort to provide updates in a timely manner.

La version française de cette publication est intitulée *Régler votre différend : Vos droits d'opposition et d'appel selon la Loi de l'impôt sur le revenu*.

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## Is this brochure for you?

You are entitled to fair treatment in all your dealings with us. One of the most important features of this fair treatment is the right to a formal review of your income tax assessment. Our declaration called *Taxpayer Bill of Rights* affirms this right. More information about fairness and your rights is available on our fairness Web page at [www.cra.gc.ca/fairness](http://www.cra.gc.ca/fairness).

In this brochure, we outline what you can do if you do not understand or agree with your income tax assessment and would like to dispute it.

This brochure deals only with objections and appeals under the *Income Tax Act*. You can find information on objections and appeals under Part IX, goods and services tax/harmonized sales tax (GST/HST), of the *Excise Tax Act* in Chapter 31 of the GST/HST Memoranda Series, *Objections and Appeals*. You can also find information on appeals under the *Employment Insurance Act* and the *Canada Pension Plan* in the pamphlet called *Your Appeal Rights: Employment Insurance and Canada Pension Plan Coverage*. You can get these documents on our Web site at [www.cra.gc.ca](http://www.cra.gc.ca), or by calling us at 1-800-959-2221.

This brochure is only a guide. For more detailed and technical information, please see the *Income Tax Act*, the *Tax Court of Canada Act*, and the *Federal Courts Act*.

### Note

In this brochure, any reference to assessments also includes reassessments. In addition, rights of objection and appeal that apply to assessments and reassessments also apply to determinations and redeterminations we issue, such as child tax benefit and GST credit notices.

## Our mandate

The mandate of the Appeals Branch is to provide a fair and impartial process to resolve disputes, service complaints and requests for relief arising from decisions made under the legislation and programs administered, and services provided, by the Canada Revenue Agency.

Our highly skilled workforce will conduct these fair and impartial reviews by actively engaging in dialogue and utilizing alternative processes when appropriate.

In cases where litigation becomes necessary, we will collaborate with the Department of Justice in the conduct of court cases.

A responsive redress process promotes voluntary compliance and fosters trust in the integrity of the CRA.

## Before filing an objection

Many misunderstandings arise from miscommunication or a lack of information. That's why we say: Talk to us.

If you disagree with your assessment, we strongly recommend that you first call or write to the tax centre that processed your return to discuss the matter. Many disputes are resolved this way.

# Filing an objection

## Why do you file?

You can file an objection for many reasons, such as:

- you disagree with an assessment you have received indicating taxes are owed; or
- there is a dispute over how we have interpreted the income tax law.

Filing an objection is the first step in the formal process of resolving a dispute. After you file an objection, the Appeals Division will impartially review it.

## Time limits

If you are an individual (other than a trust), or filing for a testamentary trust, the time limit for filing an objection is whichever of the following two dates is later:

- one year after the date of the return's filing deadline; or
- 90 days after the day we mailed the notice of assessment.

In every other case, you have to file an objection within 90 days of the day we mailed the notice of assessment.

## How do you file?

You can file an objection by using the My Account feature on the CRA Internet site or by writing to the Chief of Appeals at your Appeals Intake Centre. (see sample letter in Appendix A). You can find a list of the Appeals Intake Centres in Appendix B. If you prefer, you can use Form T400A, *Objection – Income Tax Act*. We have provided a copy of the form in the middle of this brochure.

## Representation

Anyone can file an objection on your behalf such as a family member or a friend, if they are authorized.

If you would like to authorize the CRA to deal with another person (such as your spouse or common-law partner, other family member, tax practitioner, or accountant) as your representative for income tax matters you must complete and submit form T1013, *Authorizing or Cancelling a Representative*.

## What information should you include?

Give the following information when you file an objection:

- your name and address;
- a telephone number where we can reach you during the day;
- the date of your notice of assessment;
- the taxation year (if applicable);
- your social insurance number or Business Number;
- the facts and reasons for your objection;
- all documents that support your objection; and
- the name and address of your authorized representative (if applicable).

Sign and date your objection. An authorized officer must sign for a corporation or trust.

### Note

If you include a copy of your notice of assessment, it will help us process your objection.

## **Limitations on your right to object**

In most cases, you can object to any item in a reassessment. However, in a few situations, you can only object to the matter that caused the reassessment. The Appeals Division will tell you if limitations apply.

## **Reviewing your objection**

We will review your objection and if necessary contact you or your representative to discuss the matter.

To ensure that you or your representative understand the reasons for the assessment and to provide an open exchange of information, we can provide you with the documents related to the issues in dispute. In addition, we inform you of any discussions we have had with assessing area representatives about your disputed assessment. After considering all the facts, the Chief of Appeals or another authorized officer will make the final decision about your assessment. If the officer agrees with you in whole or in part, we will adjust your tax return and send you a notice of reassessment. However, if the officer disagrees, we will send you a notice to confirm the assessment was correct.

## **What is available to you**

The following list indicates the type of information that is generally available to you. This list is not exhaustive, as information in each file may vary.

- Copies of your tax returns;
- Reports prepared by an auditor to support your assessment;
- Working papers prepared by an auditor that are relevant to the issues in your dispute;
- Records of discussions between an appeals officer and an auditor regarding your assessment;



- Copies of court decisions and relevant sections of legislation relied on by an auditor to support your assessment;
- Scientific, appraisal, and valuation reports relied on by an auditor to determine your assessment; and
- Information obtained from a third party with whom you are doing business, such as sales invoices, purchase orders, cancelled cheques.

## **What is not available to you**

Your right to have information held in confidence is one of the underlying principles of the Canadian tax system. We guard that right stringently.

To protect sensitive information regarding other individuals and businesses and to maintain the integrity of the tax system, the following information must remain confidential and cannot be provided to you:

- Personal information relating to another person;
- Information from a third party obtained on the expectation that the information would remain confidential;
- Information subject to solicitor/client privilege, such as legal opinions and referrals for legal opinions, including the submissions made in support of the referral;
- Documentation related to an on-going investigation;
- Confidential information obtained from other federal departments, provincial or municipal governments, and treaty partners; and
- Our audit techniques, limits, tolerances, and specific tests, the disclosure of which would prejudice the results or future use.

## **Time extension**

If you did not file your objection **on time because of circumstances beyond your control**, you can apply for a time extension. You can apply by writing to your Appeals Intake Centre or by using the My Account feature on the CRA Internet site. You can find a list of the Appeals Intake Centres in Appendix B. You have to explain why you did not file your objection on time, and enclose your objection.

### **Time limit**

Apply as soon as possible, but no later than one year after the date you had to file the objection.

### **Conditions for an extension**

To get an extension, you have to show that:

- within the objection period:
  - you could not object or have someone else object for you; or
  - you intended to object;
- it would be fair to grant your application; and
- you applied as soon as you could.

The Chief of Appeals or another authorized officer can grant or refuse an extension. We will notify you in writing of the decision.

If we grant you an extension, your objection is considered to be filed on the day we mail you the decision notice.

### **Applying to the Tax Court of Canada**

If we refuse to extend the time, you can apply to the Tax Court of Canada for further consideration. The Court has to receive your application within 90 days of the day we mailed you our refusal notice.

You can also apply to the Court if we do not give you a decision within 90 days of the day you filed your application for extension.

To apply, you must provide three copies of each of the following documents:

- the application sent to the Chief of Appeals;
- the objection; and
- our refusal notice (if we issued one).

Deliver or send these copies by mail to the Registry of a Tax Court of Canada office. You can also send a copy of these documents by fax. If you send them this way, you also have to deliver or mail three copies to the Court at once. You can find a list of the Tax Court of Canada offices in Appendix C.

## Appealing to the Tax Court of Canada

If you do not agree with our decision on your objection, you can appeal to the Tax Court of Canada.

The Tax Court of Canada is an independent court of law that regularly conducts hearings in major centres across Canada. It follows two procedures: the informal procedure and the general procedure.

### Time limit

The Tax Court of Canada has to receive your appeal notice within 90 days of the date we mail our decision (a notice of reassessment or a notice of confirmation) on your objection.

You can also appeal to the Court if we do not give you a decision on your objection within 90 days of the day you filed it.

## **Informal procedure**

You qualify to use the informal procedure if:

- the disputed amount of federal tax and penalties is not more than \$12,000 per assessment;
- the disputed loss amount is not more than \$24,000 per determination; or
- interest on federal tax and on penalties is the only matter in dispute.

### **Note**

If the disputed amounts are more than the informal procedure limits, you can restrict your appeal to those limits. You have to state this in your appeal.

To resolve appeals as quickly and informally as possible, the Court does not have to follow legal or technical rules of evidence. A judgment issued under the informal procedure will not be treated as a precedent for other cases.

### **Appeal notice**

You do not need a form to file an appeal. However, you have to appeal in writing and state the reasons for your appeal and the relevant facts.

## **Election**

If you would like to have the Court hear your appeal under the informal procedure, you must clearly indicate this in your appeal notice or in a letter to the Court no later than 90 days after the date we reply to your appeal.

## **Filing**

You can file your appeal by delivering or mailing your notice of appeal to the Registry of a Tax Court of Canada office. You can also send your notice of appeal by fax or by using the Tax Court of Canada's online document-filing facility accessible through its Web site. If you file by fax or electronic filing, you will not be required to send paper copies unless requested. You can find a list of the Tax Court of Canada offices in Appendix C.

## **Representation**

You can either represent yourself or have another person act for you.

## **Time limits**

To ensure prompt hearings, the informal procedure imposes strict time limits on us and the Court.

Generally, the time limits are as follows:

- We have to reply to your appeal within 60 days of the date the Registry of the Court sends us the appeal.
- The Court must hear the appeal no later than 180 days after the last day we have to file our reply.
- The Court must give its judgment within 90 days of the date the hearing ends.

## **Costs**

If you are more than 50% successful in your appeal, the judge can order us to pay part of your legal costs. For example, you would be in such a situation if you are disputing \$6,000 of federal tax on disallowed expenses and the judge's decision reduces this amount by more than \$3,000 in tax.

However, if you lose your appeal, the informal procedure rules do not allow the judge to order you to pay our costs.

## **General procedure**

Unless you qualify for and choose to follow the informal procedure, the Tax Court of Canada will hear your appeal under the general procedure, regardless of the disputed amount.

The general procedure follows formal court rules, which cover such matters as:

- filing of an appeal;
- rules of evidence;
- examinations for discovery; and
- production of documents.

## Representation

Individuals can either represent themselves or have a lawyer represent them. A lawyer has to represent a corporation, except in special circumstances when the Court may allow one of the corporation's officers to represent it.

### Note

For information on how to file a notice of appeal, contact any of the Tax Court of Canada offices we have listed in Appendix C.

## Filing fees

You have to include a filing fee with your appeal. We have listed the rates below:

Filing fee	Total federal tax and penalty in dispute	Loss contested
\$250	up to \$49,999	up to \$99,999
\$400	\$50,000 to \$149,999	\$100,000 to \$299,999
\$550	\$150,000 or more	\$300,000 or more

If interest is the only matter you are appealing, the filing fee is \$400 regardless of the disputed amount.

## Costs

The Court can order the unsuccessful party to pay some of the other party's legal costs.

## Time extension

If the Tax Court of Canada does not receive your appeal within 90 days of the date we mailed our decision on your objection, you can apply to the Court for a time extension.

Deliver or send by mail to the Registry of a Tax Court of Canada office three copies of your application, together with three copies of your notice of appeal. You can also send your application and notice of appeal by fax or by using the Tax Court of Canada's online document-filing facility accessible through its Web site. If you send your documents in either of these ways, you also have to deliver or mail three copies to the Court at once. On your application, you have to state why you did not file your appeal on time. You can find a list of the Tax Court of Canada offices in Appendix C.

### **Time limit**

Apply as soon as possible. The Court has to receive your application no later than one year after the date you had to file a notice of appeal.

### **Conditions for an extension**

To get an extension, you have to show the Court that:

- within the appeal period:
  - you could not appeal or have someone else appeal for you; or
  - you intended to appeal;
- it would be fair to grant your application;
- you applied as soon as you could; and
- you have reasonable grounds for appealing.

If the Court grants your application, it will issue an order extending the time to appeal.



## Appealing to the Federal Court of Appeal

You can appeal a judgment of the Tax Court of Canada to the Federal Court of Appeal. You have to file the appeal within 30 days of the date of the Tax Court's judgment. The months of July and August are excluded from the 30-day calculation.

The *Federal Courts Act* restricts the grounds for an appeal from a judgment heard under the Informal Procedure by the Tax Court.

## Appealing to the Supreme Court of Canada

You can appeal a judgment of the Federal Court of Appeal to the Supreme Court of Canada. However, you first have to get the Supreme Court's permission.

## Disputed amounts

### Collection procedures

If you file an objection, we usually postpone collection action on amounts in dispute until 90 days after we mail our decision to you. If you file an appeal to the Tax Court of Canada, we usually postpone collection action on amounts in dispute until the Court mails its decision or you end your appeal. For some situations we will not postpone collection action on disputed amounts, such as for taxes you had to withhold and remit.

**In all cases, interest will continue to accrue on any amount payable. You can pay all or part of the amount, and you will receive a refund with interest if you are successful.**

If you lose your appeal to the Tax Court of Canada, we will resume collection action even if you appeal the Court's decision. However, we will accept security for payment while your appeal is outstanding.

## **Repayment of amounts paid**

If you have already paid the disputed amounts, or if you gave security instead, you can apply in writing to have us repay that amount or release the security we are holding.

We can repay disputed amounts or release the security if:

- you have filed an objection and we have not confirmed the assessment or issued a reassessment within 120 days of the date you filed it; or
- you have appealed to the Tax Court of Canada.

## **Do you need more information?**

**W**e would like to resolve disputes without going to court, especially if factual matters are the only concern. If you would like more information, please contact your Appeals Intake Centre in writing. You can find a list of the Appeals Intake Centres in Appendix B.

If you have a hearing or speech impairment and use a teletypewriter (TTY), you can call our toll-free, bilingual TTY enquiry service at **1-800-665-0354** during regular hours of service.

# Appendix A – Objection letter

Your address  
and telephone number  
Date

Chief of Appeals  
Western Intake Centre  
Burnaby-Fraser Tax Service  
Office  
9737 King George Highway  
PO Box 9070 STN Main  
Surrey BC V3T 5W6

Chief of Appeals  
Eastern Intake Centre  
Sudbury Tax Service Office  
1050 Notre-Dame Avenue  
Sudbury ON P3A 5C1

Re:       Objection to 2008 reassessment  
          (give your social insurance number)

Dear Sir or Madam:

I object to the reassessment of my 2008 income tax return. Please find enclosed a copy of my September 15, 2009, notice of reassessment.

In July 2008, I moved from Vancouver to Edmundston, N.B. to start a new job. I claimed the moving expenses on my 2008 return and attached Form T1-M, *Moving Expenses Deduction*.

As my T1-M form indicates, I drove to Edmundston with my family. In my claim for transportation costs, I included the following costs of a side trip to Banff:

travel costs	(gas + car repair)	\$478.75
lodging	(1 night)	\$175.00
meals	(2 days)	\$205.50

The Canada Revenue Agency disallowed this part of my claim.

Originally, I intended to take a day trip from Calgary to Banff. However, my car overheated on the way, and I had to stay overnight for radiator repairs. Since I could not control this situation, I think you should allow this cost as a moving expense. At the very least, you should let me claim the \$443.75 car repair.

I would be pleased to discuss this matter with you.

Yours truly,

Your name

Enclosure

## **Appendix B – Appeals Intake Centres**

**Western Intake Centre  
Burnaby-Fraser Tax Service  
Office**  
9737 King George Highway  
PO Box 9070, Station Main  
Surrey BC V3T 5W6

**Eastern Intake Centre  
Sudbury Tax Service  
Office**  
1050 Notre-Dame  
Avenue  
Sudbury ON P3A 5C1

### **Note**

Residents with a Postal Code starting with letters A to P may send their objection to the Eastern Intake Centre, and residents with a Postal Code starting with the letters R to Y may send their objection to the Western Intake Centre.

# Appendix C – Tax Court of Canada offices

## Principal Office – Ottawa

200 Kent Street  
Ottawa ON K1A 0M1  
Telephone: 613-992-0901  
or 1-800-927-5499  
TDD: 613-943-0946  
Fax: 613-957-9034

## Calgary

Canadian Occidental Tower  
635 Eighth Avenue S.W.  
3rd Floor, P.O. Box 14  
Calgary AB T2P 3M3  
Telephone: 403-292-5556  
TDD: 403-292-5879  
Fax: 403-292-5329

## Edmonton

Scotia Place  
10060 Jasper Avenue  
Tower 1, Suite 530  
Edmonton AB T5J 3R8  
Telephone: 780-495-2513  
TDD: 780-495-2428  
Fax: 780-495-4681

## Fredericton

Westmorland Place  
82 Westmorland Street  
Suite 100  
Fredericton NB E3B 3L3  
Telephone: 506-452-2424  
TDD: 506-452-3036  
Fax: 506-452-3584

## Halifax

Central Trust Tower  
1801 Hollis Street  
17th Floor, Suite 1720  
Halifax NS B3J 3N4  
Telephone: 902-426-5372  
TDD: 902-426-9776  
Fax: 902-426-5514

## Iqaluit

Nunavut Court of Justice  
Justice Center (Building  
#510)  
P.O. Box 297  
Iqaluit NU X0A 0H0  
Telephone: 867-975-6100  
Fax: 867-979-6168

## Montréal

30 McGill Street  
Montréal QC H2Y 3Z7  
Telephone: 514-283-9912  
Fax: 514-496-1996

## Québec

Palais de Justice  
300 Jean Lesage Blvd  
Room 500A  
Québec QC G1K 8K6  
Telephone: 418-648-7324  
TDD: 418-648-4644  
Fax: 418-648-4051

**Toronto**

180 Queen Street West  
Suite 200  
Toronto ON M5V 3L6  
Telephone: 416-973-9181  
Fax: 416-973-5944

**Vancouver**

Pacific Centre  
P.O. Box 10065  
701 West Georgia Street  
3rd Floor  
Vancouver BC V7Y 1B6  
Telephone: 604-666-7987  
Fax: 604-666-7967

**Winnipeg**

Imperial Broadway Tower  
363 Broadway Street  
4th Floor  
Winnipeg MB R3C 3N9  
Telephone: 204-983-1785  
TDD: 204-984-4440  
Fax: 204-983-7636

You can send an appeal or an application for time extension by using the Tax Court of Canada's online document-filing facility accessible through its Web site at

[www.tcc-cci.gc.ca](http://www.tcc-cci.gc.ca)

**Your opinion counts!**

If you have any comments or suggestions that would help us improve the explanations this brochure contains, we would like to hear from you.

Please send your comments to:

**Appeals Branch  
Canada Revenue Agency  
250 Albert Street  
13th floor  
Ottawa ON K1A 0L5**

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