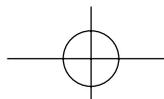
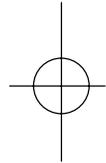
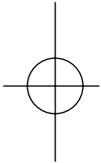
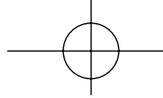


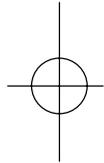
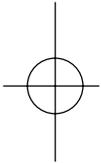
Your Appeal Rights Under the *Income Tax Act*



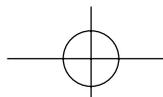


Visually impaired persons can get information on services available to them, and can order publications in braille or large print, or on audio cassette or computer diskette, by calling **1-800-267-1267** weekdays between 8:15 a.m. and 5:00 p.m. (Eastern Time).

The information in this brochure was accurate when it was published. 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 *Vos droits d'appel selon la Loi de l'impôt sur le revenu.*



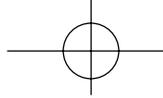
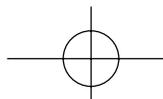
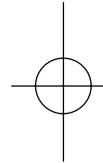
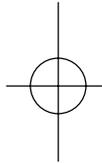
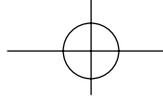


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Is this brochure for you?

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 dispute an income tax assessment. Our *Declaration of Taxpayer Rights* affirms this right. More information about fairness and your rights is available on our fairness Web page at www.ccr-a-drc.gc.ca/fairness.

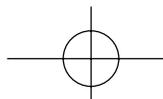
In this brochure, we outline what you can do if you do not understand or agree with your income tax assessment and would like to dispute it.

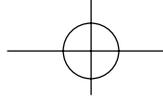
This brochure deals only with objections and appeals under the *Income Tax Act*. You can find information on objections and appeals under Part IX, goods and services tax/harmonized sales tax (GST/HST), of the *Excise Tax Act* in Chapter 31 of the GST/HST Memoranda Series, *Objections and Appeals*. You 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*. These publications are available from your tax services office.

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 Court 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.





Preliminary enquiries

If you do not understand or agree with an assessment, call or visit the Client Services Section of your tax services office or write to the tax centre that processed your return. We resolve many problems with assessments in this way.

Filing an objection

Why do you file?

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

- you are not satisfied with our explanations of your assessment;
- we have denied your request for an adjustment; or
- there is a dispute over how we have interpreted the income tax law.

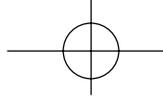
Filing an objection is the first step in the formal process of resolving a dispute. After you file an objection, the Appeals Division will impartially review it.

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 writing to the chief of Appeals at your tax services office or tax centre (see sample letter in Appendix A). 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.

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;
- any documents that support your objection; and
- the name and address of your authorized representative (if applicable).

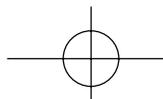
Sign and date your objection. An authorized officer must sign for a corporation or trust.

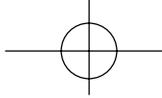
Note

If you include a copy of your *Notice of Assessment*, it will help us process your objection.

Limits 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 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 offer the documents related to the issues in dispute to you at the start of the review. In addition, we inform you of any discussions we have had with the assessing area about your disputed assessment.

Our leaflet *Resolving your dispute – a more open, transparent process* outlines the type of information that is available to you and your representative during your dispute with us.

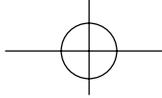
After considering all the facts, the chief of Appeals or another authorized officer will make the final decision about your assessment. If the officer agrees with you in whole or in part, we will adjust your tax return and send you a notice of reassessment. However, if the officer disagrees, we will send you a notice to confirm the assessment was correct.

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 the chief of Appeals at your tax services office or tax centre. 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

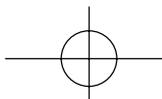
If we refuse to extend the time, you can apply to the Tax Court of Canada for further consideration. The Court has to receive your application within 90 days of the day we mailed you our refusal notice.

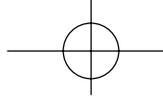
You can also apply to the Court if we do not give you a decision within 90 days of the day you filed your application for extension.

To apply, you need three copies of:

- 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 or by email. If you send them in either of these ways, 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 B.





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

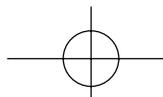
You qualify to use the informal procedure if:

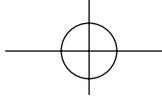
- the disputed amount of federal tax and penalties is not more than \$12,000 per assessment;
- the disputed loss amount is not more than \$24,000 per determination; or
- interest on federal tax and on penalties is the only matter in dispute.

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

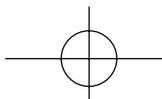
You can file your appeal by delivering or mailing your appeal notice to the Registry of a Tax Court of Canada office, together with the appropriate filing fee. You can also send your notice of appeal by fax or by email. If you send it in either of these ways, you also have to deliver or mail the original of your appeal, together with the filing fee, to the Court at once. You can find a list of the Tax Court of Canada offices in Appendix B.

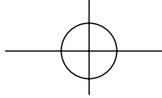
Filing fee

You have to include a filing fee of \$100 with your appeal. Your cheque for the filing fee should be made payable to the Receiver General for Canada.

If you are an individual, the Court may waive this fee if it is satisfied that the payment would cause you severe financial hardship. If you want to ask the Court to waive the filing fee, you have to ask in your written appeal.

If the Court allows your appeal in whole or in part, it will reimburse the filing fee.





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.

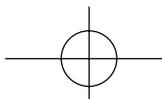
Costs

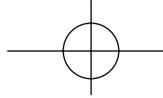
If you are more than 50% successful in your appeal, the judge can order us to pay part of your legal costs. For example, you would be in such a situation if you are disputing \$6,000 of federal tax on disallowed expenses and the judge's decision reduces this amount by more than \$3,000 in tax.

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 B.

Filing fees

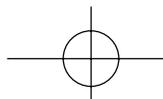
You have to include a filing fee with your appeal. We have listed the rates below:

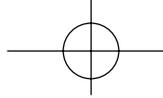
Filing fee	Total federal tax and penalty in dispute	Loss contested
\$250	up to \$49,999	up to \$99,999
\$400	\$50,000 to \$149,999	\$100,000 to \$299,999
\$550	\$150,000 or more	\$300,000 or more

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 appeal notice by fax or by email. 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 B.

Time limit

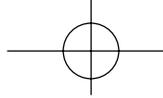
Apply as soon as possible. The Court has to receive your application no later than one year after the date you had to file a notice of appeal.

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

A judgment under the informal procedure can be reviewed by the Federal Court of Appeal. You have to apply for a judicial review within 30 days of the date the Tax Court of Canada communicates its decision to you.

You can also appeal a Tax Court of Canada judgment under the general procedure 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 not included in the 30-day calculation.

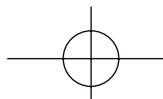
Appealing to the Supreme Court of Canada

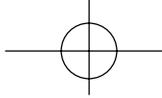
You can appeal a judgment of the Federal Court of Appeal to the Supreme Court of Canada. However, you first have to get the Supreme Court's permission.

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.

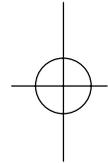
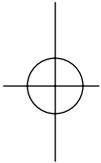
If you lose your appeal to the Tax Court of Canada, we will resume collection action even if you appeal the Court's decision. However, we will accept security for payment while your appeal is outstanding.

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:

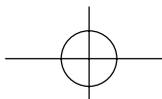
- you have filed an objection and we have not confirmed the assessment or issued a reassessment within 120 days of the date you filed it; or
- you have appealed to the Tax Court of Canada.

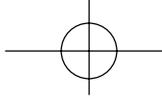


Do you need more information?

We 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 the chief of Appeals of your tax services office or tax centre. For the telephone number of the Appeals Division, see the listings in the government section of your telephone book.

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
Tax Services Office or Tax Centre

Re: Objection to 19__ reassessment
(give your social insurance number)

Dear Sir or Madam,

I object to the reassessment of my 19__ income tax return. Please find enclosed a copy of my January 15, 20__ *Notice of Reassessment*.

In July 19__, I moved from Vancouver to Ottawa to start a new job. I claimed the moving expenses on my 19__ return and attached Form T1-M, *Moving Expenses Deduction*.

As my T1-M form indicates, I drove to Ottawa 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)	\$253.75
lodging	(1 night)	\$120.00
meals	(2 days)	\$165.50

The Canada Customs and Revenue Agency disallowed this part of my claim.

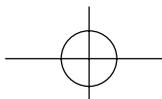
Originally, I intended to take a day trip from Calgary to Banff. However, my car overheated on the way, and I had to stay overnight for radiator repairs. Since I could not control this situation, I think you should allow this cost as a moving expense. At the very least, you should let me claim the \$218.95 car repair.

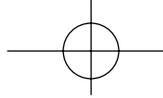
I would be pleased to discuss this matter with you.

Yours truly,

Your name

Enclosure





Appendix B – Tax Court of Canada offices

Montréal

Tax Court of Canada
18th floor
Suite 1800
500 Place d'Armes
Montréal QC H2Y 2W2

Tel.: (514) 283-9912
1-800-927-5499
Fax: (514) 496-1996

Ottawa

Tax Court of Canada
2nd floor
200 Kent Street
Ottawa ON K1A 0M1

Tel.: (613) 992-0901
1-800-927-5499
Fax: (613) 957-9034

Toronto

Tax Court of Canada
Suite 902
200 King Street West
P.O. Box 10
Toronto ON M5H 3T4

Tel.: (416) 973-9181
1-800-927-5499
Fax: (416) 973-5944

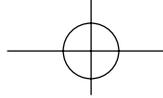
Vancouver

Tax Court of Canada
17th floor
700 West Georgia Street
P.O. Box 10091
Vancouver BC V7Y 1A1

Tel.: (604) 666-7987
1-800-927-5499
Fax: (604) 666-7967

You can send an appeal or an application for
time extension by email at:

Registry.grefe@tcc-cci.gc.ca

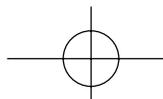
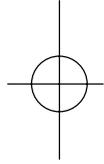
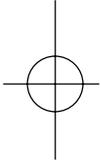


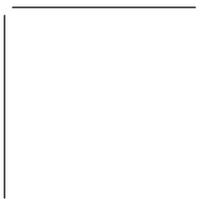
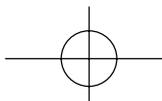
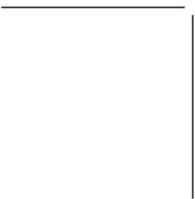
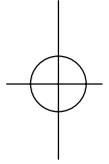
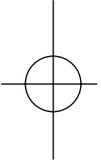
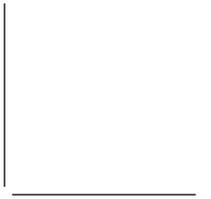
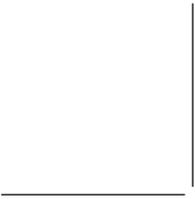
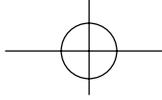
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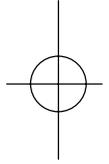
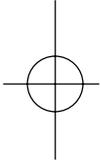
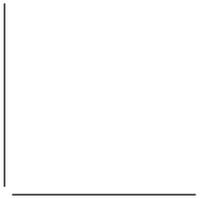
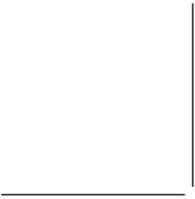
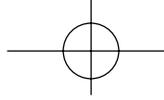
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