



Changes to T7DRA Payment Voucher Form

The CRA has implemented changes to T7DRA form effective for the 2017 tax year. The new system will run as a pilot for the period Feb – July 2018 and then be assessed for permanent adoption.

EFILERS who have tried to order a stockpile of the T7DRA forms for the upcoming tax year have been told by the CRA that they are no longer printing or distributing the forms. The manual paper T7DRA form we ordered in the past has been “retired”. At least for now.

The replacement is a fillable PDF form (the new T7DRA). The PDF is for EFILERS to complete and print for their clients.

One of the major changes is that there is no longer MICR ink on the voucher, and no requirement to print with MICR ink.

MICR stands for Magnetic Ink Character Recognition. It is used by financial institutions to facilitate payment processing. As a cheque travels through the cheque clearing system, it passes through reader-sorters which send a magnetic charge to the cheque, allowing the machine to read the information contained within the MICR line.

Instead of MICR ink, the PDF form will create an OCR line and a QR code. The OCR line (Optical Character Recognition) and QR code are designed to be read by computer.

The QR code is basically a barcode that is a machine-readable label containing the client information on the form.

Your client can take the completed PDF form to the bank for payment (bank systems will read the OCR line or they will forward to CRA for their system to read the OCR line).

Alternatively, the PDF form can be taken to a Canada Post outlet where the taxpayer can make their payment in-person using cash or debit. Canada Post systems will read the QR code to process the payment.

Why the change?

In part it is modernizing the way payments can be made (the push is for PADs and other digital methods).

It is also a cost saving measure.

Last year EFILERS ordered over 2 million T7DRA forms from the CRA, with only 30% (600,000) being eventually used (down 39% from the previous year). That is a lot of additional production and shipping costs (as well as negative environmental footprint).

Where do you get the new fillable T7DRA form in PDF format?

The EAC/ATC will have a link on our home page (available in early February 2018) with a copy of the PDF. CRA will also have a dedicated URL that will direct the user to the fillable PDF.

What about your current stockpiles of old style T7DRA?

You can continue to use the existing forms, but no additional forms will be available. Only the PDF form will be available going forward.

What if your client does not want to use the T7DRA form to pay at a bank or Canada Post outlet? Not a problem.

Your client can send the form into the CRA (at the address on the PDF form) along with a cheque.

The PDF form currently is a stand-alone form (not tied to any tax software, therefore not auto populated by the tax software). We are certain software providers will incorporate the PDF form into the tax software sooner than later.

Below is a sample of the Fillable PDF format T7DRA.

The image shows a sample of the T7DRA form, which is a remittance voucher for tax payments. It is divided into two main sections: "How do you pay?" and "Tax return remittance voucher".

How do you pay? This section provides instructions on how to make a payment, including online, by phone, or by mail. It includes a QR code and a note about the QR code. Below this, there is a "Tax return remittance voucher" section with a "Taxpayer's stamp" area and a "Convert to electronic payment" button.

Tax return remittance voucher This section contains the taxpayer's information, including the name, address, and tax return number. It also includes a "Pay your records" section with a "Date remittance number" field (111 111) and an "Amount paid" field (\$25.00). The form includes a QR code and a "Convert to electronic payment" button.

The form is titled "Canada Revenue Agency" and "Agence des revenus du Canada". It includes the CRA logo and the text "Protect your information when completed".

Note that the EAC/ATC was successful in convincing the CRA to make it a one page form (the original version was 2 pages).

A minor change, but one that will certainly reduce the hassle factor for EFILERS when dealing with the new T7DRA. ★

EAC Webinars now Online

The EAC/ATC has produced a number of brief educational webinars, available to members, on topics related to the use of the EFILE system.

The webinars are developed in conjunction with the CRA and are available in the Library section of our website (www.efile.ca).

The webinar series, called "2 Minutes to Know", instructs users on services provided through the RAC system. Sample webinars include "PADs for EFILE" and "ReFile". ★

Pre - Authorized Debits (PADs)

As of July 2016, EFILERS have the option to submit a PAD agreement along with a tax return.

A reminder to EFILERS that the PAD authorization does not go through automatically with the e filing of the client tax return. It is a two-step process.

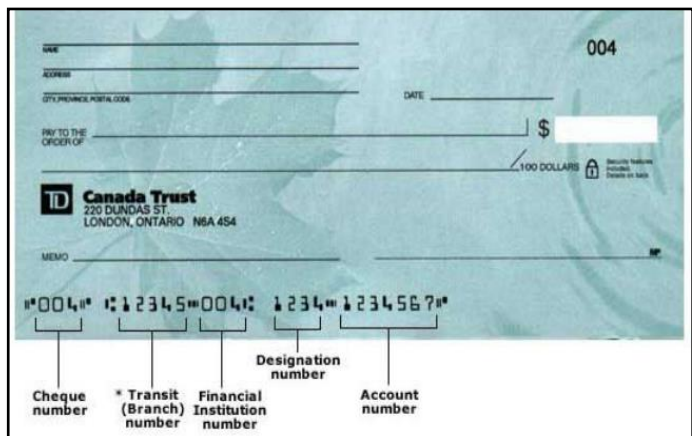
The EFILER must also file "EFILE Pre-authorized debit for this tax payer" along with the EFILE of the tax return as a separate transaction.

A PAD can be created for an individual taxpayer's current tax year's amount owing. The PAD system is not available for instalments or T2 returns.

The following PAD details must be captured on the T183:

- The amount of the PAD (must be between \$2.00 and \$10 million);
- The start date (the date that the money is to be withdrawn from the taxpayer's financial institution); and
- The taxpayer's signature agreeing to the PAD, and the date of signing.

The banking information as indicated on the bottom of a cheque (see sample below) - account



number, financial institution and branch number must be entered in the PAD portion of the EFILE certified software.

The CRA advises that the information should not be retained on the T183 (for taxpayer confidentiality reasons).

The taxpayer's selected payment date must be at least five business days from the date the PAD agreement is created. It takes 5 business days for a PAD to be processed.

The PAD service in EFILE is available to accept payments from the start of the Individual tax filing season until December 31st of each calendar year. Both the tax preparer and the taxpayer must keep a copy of the completed and signed T183.

Once a PAD is successfully transmitted, you will receive a web message containing a confirmation number, payment amount and date of processing. You should retain the confirmation number for your records.

Note that the PAD confirmation number is different from the confirmation number you receive when you transmit a tax return.

The confirmation number for a PAD contains 14 characters in the following format: a letter (A-Z) followed by the tax year, and then 9 numeric digits.

Message from Elections Canada

Elections Canada approached the EAC/ATC again this year and kindly requested that we remind tax preparers of the benefits of answering "yes" to the "Provide information to Elections Canada" question on page 1 of the T1 Return.

Answering "yes" authorizes the CRA to transfer a client's name, address, date of birth and citizenship to Elections Canada to update the National Register of Electors.

The Register is used to create a voters list for federal elections, ensuring your client is registered to vote and that your client will receive information cards showing them where and when to vote in a federal election.

Important stuff in a democracy. ★

Elections Canada questions on T1

A) Do you have Canadian citizenship? Yes 1 No 2

B) As a Canadian citizen, do you authorize the Canada Revenue Agency to give your name, address, date of birth, and citizenship to Elections Canada to update the National Register of Electors? Yes 1 No 2

20.5M Canadian taxfilers have agreed to share their information with Elections Canada (81.5%)

EAC/ATC Marketing – Door Decal

The decal is an additional way to proudly advertise your membership of this professional association, displaying your commitment to excellence in tax preparation. To obtain a copy email swatson@efile.ca. ★

Welcome New Members to the EAC/ATC

We dedicate this section to all our new members. Welcome to the EAC/ATC!

Outlined below is an overview of the lobbying work the EAC/ATC completes on your behalf and how it is reported back to you.

The EAC/ATC has been representing tax professionals from all regions of Canada to senior management of the CRA for 25 years.

Formed in 1993, the EAC/ATC is a federally registered non-profit corporation with a membership that fully represents the EFILE industry: from sole proprietors to large nationwide firms.

One of the primary goals of the EAC/ATC is to facilitate the operation of a tax practice. Running a successful tax practice takes more than strong management and excellent technical skills - it requires coordination between the CRA and front line administrators of Canadian tax policy.

The EAC/ATC is governed by a **national 15 member Board of Directors** elected by the membership of the EAC/ATC at the Annual General Meeting (AGM). Members of the Board of Directors serve renewable 3-year terms.

The AGM is held during the 3rd week of September. The location of the AGM alternates east and west across Canada to facilitate our membership in attending the AGM. **Guest speakers** present after our AGM (recent guest speakers include CRA Ombudsman Sherra Profit).

Our primary methods of communication to the membership are through our **IMPACT Newsletter**.

The **newsletter is published 3 times a year** in January, July and November, and provides important updates on developments within the tax and EFILE service industry.

The January newsletter includes the annual **EAC/ATC Membership Certificate** ready for framing and displaying to your clients.

Membership to the EAC/ATC shows your commitment to excellence in tax preparation.

It certifies that as a member in good standing, you subscribe to the principles and objects of the EFILE Association of Canada.

The **Principles and Objects** of the EAC are to further and promote honesty, truthfulness, and integrity in the preparation and filing of tax returns and other financial information, and to discourage misleading and deceptive practices and thereby increase public confidence in the services offered by members.

The January newsletter also includes a copy of the **EAC/ATC Desktop Calendar**, your annual **Membership Certificate** and the indispensable **EAC/ATC Tax Reference Manual**.

In June of every year we survey our members and document the issues and irritants that hinder their work.

This information forms the basis of the **EAC/ATC Annual Submission** to the CRA and subsequent meetings with senior management of the CRA. Through the EAC/ATC, **you have a voice** with the CRA.

The July newsletter includes a summary of the issues and irritants submitted to the CRA. It also contains official notice of the upcoming AGM as well as the **EAC/ATC Nomination form for the election of Directors** at the upcoming AGM. At every AGM five vacancies are filled.

Our November newsletter provides a detailed summary of our AGM and subsequent meetings with senior management of the CRA. This includes a **summary of new enhancements to the EFILE system for the upcoming tax season**. You will have advance notice of the changes to come. ★