



July 2018

No. 72

File My Return (FMR) - Update

This tax-season, the CRA introduced a number of new services to allow taxpayers to file online, over the phone, or on paper.

Of note to the EFILER community was the phone service, File My Return (FMR). It allowed eligible Canadians to file returns over the phone, for free. It is essentially a reboot of the old Telefile system.

As we noted in the November 2017 IMPACT Newsletter (Issue 70), politics appeared to be the driving force behind the initiative. You may recall the Ministerial Mandate Letter issued by the Liberal government shortly after taking office that stated the mandate was to *make CRA a client-focused agency*.

To that end, the CRA identified 1 million tax filers who fit the eligibility criteria for the FMR service. Of those selected, 30% filed paper returns last year and 70% had their return EFILED.

CRA subsequently advised them by letter that they were eligible to use the FMR system and provided instructions on how to use the system. Use of the service was optional and offered free of charge.

The EAC/ATC continues to object to the CRA embarking on this initiative for a number of reasons. We made our position on this initiative very clear during our meetings with Sr. Managers of the CRA in September 2017.

(continued on page 2)

AGM set for Calgary, Alberta

Official notice is hereby given of the 25th Annual General Meeting of the *EFILE Association of Canada/Association de TED du Canada*. It is to be held at 1:30PM on **Thursday, September 20, 2018 in Calgary, AB** at the Calgary Marriott Hotel, 110 9th Avenue SE, Calgary, Alberta.

Registration for the meeting is not required and there is no cost to attend. Senior CRA managers are expected to take questions after the meeting, so this is your chance to share your views and get some answers.

A special room rate (\$216/night) is available to EAC/ATC members at the Calgary Marriott Hotel. The number of rooms available is limited and rooms will be allocated on a first come first served basis.

To book transportation to the AGM or to book a room at the Calgary Marriott Hotel, contact Linda McGregor at 1-800-817-1198.

In addition to the regular business of the meeting, there will be an election of Directors, with five vacancies to be filled.

If you would like to run, or would like to nominate someone else, please complete the nomination form at the bottom of page 4.

Nominations must be received at the EAC/ATC office before end of day Tuesday, July 31, 2018. ★

FMR – (cont'd)

Our concerns are many, but can be distilled into the following:

1. The FMR initiative is a direct encroachment by government on business carried out by the private sector;
2. CRA should not be both tax preparer and tax adjudicator. CRA wearing both hats is terribly flawed and dangerous. The taxpayer remains ultimately responsible for their tax return and CRA should not be party to both ends of the process;
3. The abysmal track record of government successfully implementing large scale technology initiatives. Think Phoenix Pay System, a billion dollar fiasco; and
4. It will be a waste of public funds. The CRA gave up on Telefile in 2012 because it was not cost effective and take up was very low (and dwindling). Empirical evidence shows that historical take up for such programs ranges from 3 to 5 percent.

During the past tax season, of the one million tax filers who received a letter from the CRA offering free tax filing through the FMR service, 47,196 tax filers took them up on the offer.

This represents 0.2 percent of total T1 tax filings last year. ★

Dedicated Telephone System (DTS) for EFILERS Now Available (but not for all ...)

At our 2016 EAC/ATC Tax Conference (held in Victoria, BC) the CRA provided an update on their plans to introduce a dedicated telephone service (DTS) for income tax service providers.

This was welcome news, as the EAC/ATC has for years been advocating for a form of DTS, similar

to the system offered through the US IRS Practitioners Priority Service.

The CRA's Income Tax Rulings Directorate introduced the DTS in July 2017 under a three year pilot program. The DTS is currently available only to efilers in Ontario, Quebec, New Brunswick and Manitoba. If the project is successful, the DTS may be expanded nationwide on a permanent basis.

The DTS gives service providers access to experienced CRA staff, who can help with more complex income tax issues than those typically dealt with by staff under the CRA's general enquiries phone service.

The DTS can assist with interpretive income tax questions on any area of the Income Tax Act (ITA), and provides efilers with materials that can help answer their questions. The DTS is intended to be a technical resource for efilers rather than a problem resolution service for specific taxpayer accounts.

DTS Officers do not have access to taxpayer accounts. Further, DTS Officers do not issue new rulings or interpretations.

The DTS is not intended for specialized tax professionals, whose services focus on complex tax planning and whose issues should continue to be addressed by seeking advance income tax rulings or technical interpretations.

Who can register for the DTS?

You can register for the DTS if you are an EFILER and you meet the following conditions:

- You work in Ontario, Quebec, Manitoba or New Brunswick; and
- You are a sole proprietor or a partner or shareholder of a firm with up to three partners or shareholders.

There is no cost to register and use the service.

Eligible EFILERS can register for the DTS by emailing dts-str@cra-arc.gc.ca.

DTS - (cont'd)

Are there questions the DTS will not answer?

Yes, the DTS does not answer questions relating to:

- specific taxpayer accounts;
- GST / HST and TPS / TVQ;
- CPP / EI / QPP;
- factual/legal determinations;
- matters that are already with a TSO, under audit, objection or in court;
- EFILE issues (these should go through the efile help desk).

When is the DTS open to take calls?

DTS Officers are available Monday to Friday (except holidays) from 9 a.m. to 5 p.m. (Eastern Time).

How does the DTS work?

When you call the DTS, you will be prompted to select your language of choice and then to enter your assigned Telephone Access Code (TAC) that you received when you registered to use the DTS. You will then be connected to a DTS Officer who will:

- Record your question, verify your contact information and arrange a time to call you back;
- Research the CRA's public positions to find relevant information; and
- Send you an email with information that is intended to assist you in answering your particular income tax questions, such as Rulings Technical Interpretations, guides, references to supporting legislation and regulations, Department of Finance explanatory notes, etc.

Once you have had time to review the information, the DTS Officer will call you to discuss the references and guidance provided.

When will I receive an answer to my question?

The DTS system does not provide real time answers to questions. According to the CRA, a DTS Officer will contact you within a few business days.

Can other members of the firm use my Telephone Access Code (TAC)?

Yes, but if a registered participant permits another individual in the firm to use their TAC, that individual must follow the rules that would otherwise apply to the registered participant. The registered participant remains, at all times, responsible for the use of the TAC issued to them.

If a firm has one EFILE number but many tax preparers at the firm, can they all register for DTS? Do they all use the same EFILE number on the form?

Yes one EFILE number can obtain more than one TAC.

Why can't I ask my question by email instead of over the phone?

The DTS system is not able to route incoming emails to Officers in the same manner as telephone calls. The DTS is therefore only accepting questions via telephone at this time.

Why is the service limited to EFILERS in New Brunswick, Quebec, Ontario and Manitoba?

The participating provinces were selected based on the CRA's capacity to respond to calls during regular business hours in those time zones. Note that this is a pilot project. The DTS may be expanded nationwide on a permanent basis.

What kinds of questions can the DTS help me with?

The DTS specializes in responding to questions regarding the interpretation of the ITA. Examples include:

- How can I determine whether a foreign exchange gain/loss is on account of income or capital?
- Can I still request a reassessment for a statute barred taxation year?

- Is a taxi licence plate eligible capital property?
- How do I determine whether an incorporated employee would be viewed as an officer or employee of the entity to whom the services were provided? ★

EAC/ATC Webinars Online

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

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

If you have a suggestion for a specific webinar topic, please let us know. Send your suggestions to members@efile.ca ★

EAC/ATC Marketing

In your advertising, include the EAC/ATC logo. To obtain a digital copy or an EAC/ATC door decal, email members@efile.ca ★

Current CRA Issues

In June every year, we send our EAC/ATC Annual Survey of Issues and Irritants to all our members and request feedback on issues and irritants that hindered their work during the past tax season.

The email asking for feedback from members was sent to all EAC/ATC members on June 1st. The deadline for responses to this year's survey is July 15th.

This information forms the basis of the EAC/ATC Annual Submission to the CRA and subsequent meetings with senior management of the CRA.

The survey process is one of the ways you have a voice with the CRA through your EAC/ATC membership.

Thank you to the many EAC/ATC members who have responded to the survey.

If you have not already provided feedback to us, it's not too late. Please email your comments to swatson@efile.ca ★

----- ✂ ----- ✂ -----

NOMINATION TO EAC/ATC BOARD OF DIRECTORS

As a member in good standing, I wish to nominate for election to the Board of Directors of the *EFILE Association of Canada / Association de TED du Canada*:

Nominee Name (please print) _____

Nominee Phone: _____ (We will call the nominee with information.)

Member Signature: _____ Membership Number: _____

(Please scan completed nomination form and email to swatson@efile.ca by Tuesday July 31, 2018)

