



## EFILE Opening Date – Feb 24, 2020

The EFILE and ReFILE services are open for transmissions until Friday January 24, 2020. The system will then shut down for annual maintenance and will re-open on Monday February 24, 2020 for the electronic filing of 2016, 2017, 2018 and 2019 T1 returns.

The 2020 opening date is one week later than the previous year: not good news for EFILERS. The upside is we gain one day in February as 2020 is a leap year. Nonetheless, the “tax season” for T1s is being compressed. The number of days available to efile from opening date to the April 30<sup>th</sup>, 2020 deadline is 67 (down from 72 days in 2019).

One of the reasons for the additional week of shutdown may be related to the change of 908 different field codes. More info on the new field codes is provided below. ★

## New 5 Digit Field Codes (Line Numbers) for February 2020

The CRA advised us that the field codes (line numbers) for 908 different entries will change effective for 2020. They will all now be 5 digit numbers.

(continued on page 3)

## AGM set for St John’s, Newfoundland

Official notice is hereby given of the 26th 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 19, 2019 in St. John’s, NL** at the Courtyard Marriott St. John's, 131 Duckworth Street, St. John's, Newfoundland.

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 (\$179/night) is available to EAC/ATC members at the Courtyard Marriott Hotel. The number of rooms available is limited and rooms will be allocated on a first come first served basis.

To book a room at the Courtyard Marriott Hotel call 1-866-727-6636.

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 2.

**Nominations must be received at the EAC/ATC office before end of day Friday, August 9, 2019. ★**

# 2019 Federal Budget Impacts on CRA

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Outlined below is an excerpt from the 2019 Federal Budget as it relates to the CRA. In effect, more money dedicated to improving compliance and client services.

## Improving Tax Compliance

Investments have been made in recent years to strengthen the CRA's ability to unravel complex tax schemes, increase collaboration with international partners, and ultimately bring any offenders to justice.

The budget proposes to invest an additional \$150.8 million over five years, to allow the CRA to fund new initiatives and extend existing programs, including:

- hiring additional auditors, conducting outreach and building technical expertise to target non-compliance associated with cryptocurrency transactions and the digital economy.
- creating a new data quality examination team to ensure proper withholding, remitting and reporting of income earned by non-residents.
- extending programs aimed at combatting offshore non-compliance

The budget also proposes to invest \$65.8 million over five years to improve the CRA's information technology systems, including replacing legacy systems, so that the infrastructure used to fight tax evasion and aggressive tax avoidance continues to evolve.

## Improving Client Services at the CRA

As a result of a CRA departmental review, CRA resources will be reallocated internally to improve service delivery, including:

- improved digital services allowing taxpayers to be notified promptly as progress is made on their file, and to be able to view this progress online.
- timely resolution to taxpayers' objections — disputes with the CRA will be resolved in a more timely manner. The current service standard is 6 to 12 months.
- additional liaison officers to guide new businesses with the tax assessment process before they file their tax returns.

The budget also provides an additional \$50 million over five years, in two key initiatives:

- hiring additional staff to process personal income tax return adjustments more quickly.
- making permanent the Dedicated Telephone Service pilot program, staffed with more experienced CRA officers.

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## 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](mailto:swatson@efile.ca) by Friday August 9, 2019)



## New Field Codes (Line Numbers) for February 2020 (Con't)

The CRA advised the EAC/ATC that field codes (line numbers) for 908 different entries will change effective 2020 (for the 2019 tax year).

Some field codes are being eliminated (a housekeeping of sorts), while the remaining field codes will all be converted to 5 digit numbers (from their current 3 or 4 digit numbers) while a number of new field codes will be introduced for the 2019 tax year (all are 5 digit).

For example, line 101 (employment income) from the T1 General will now be line 10100, and line 150 (total income) becomes 15000 etc. While most (56%) are straightforward and simply need to have a zero or two added at the end of the old field code, not all are that way.

Change	Total Number of Field Codes Affected	Percentage of total
2 zeros added at end of current Field Code (moving from 3 to 5 digits)	168	18%
1 zero added at end of current Field Code (moving from 4 to 5 digits)	346	38%
Field Code changed to a completely new number	187	21%
Field Code eliminated	155	17%
New Field Code created	57	6%
<b>TOTAL</b>	<b>908</b>	<b>100%</b>

The changes include some housekeeping (17% are removing codes that are no longer used). Many you likely have not seen for a few years, but they are on the books at the CRA, so this will clean it up.

Some field codes are changing completely (21% of the field codes are being replaced by new field codes). For example line 162 (from page 2 of the T1) is now line 13499. Those are going to be a little tricky for tax preparers going forward.

Why the new field codes? One reason is to standardize a system that has had different field codes added to it over decades (some 3 digit and some 4 digit etc). The other reason is that the new field code structure will enhance the field code flexibility for additions (and deletions) going forward for the CRA.

Fortunately, one very common form, the T2125, Statement of Business or Professional Activities, remains unchanged, as the field codes in the 8000 and 9000 range are not changing.

Obviously these changes are a big project for the CRA. All guides, slips and the website must be changed or transitioned to the new field code structure. Not to mention training of CRA staff (all call center and DTS agents must also be up to speed on the changes).

Software developers are also wincing at the work this creates for them.

But these changes are also a very big undertaking for us, tax preparers. We need to adjust our processes and operation manuals to incorporate the new field code structure.

We also need to have easy access to a table of concordance to allow us to reference back between old field codes and new field codes. To that end, the EAC/ATC will post a line by line listing of the changes to the field codes in August on our website ([www.efile.ca](http://www.efile.ca)).

A complete table of concordance will also be mailed to all EAC/ATC members as part of our January 2020 mailing. ★

## Current CRA Issues

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Every year, at the end of June, 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 24th.

The deadline for responses to this year's survey is July 19. If you have not already provided feedback to us, it's not too late (we do accept late submissions!). Please email your comment to [swatson@efile.ca](mailto:swatson@efile.ca)

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. ★

## Dedicated Telephone System (DTS) Pilot Ends: DTS Now Permanent

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The most recent Federal Budget made the DTS permanent. While it is great news that the pilot program has been made permanent, it is far from what is truly needed by tax preparers.

One of the most frequent complaints we receive is that it is very difficult to get through to CRA General Enquiries. The problem has persisted for years but really became acute when CRA moved away from TSO 'drop in' counter service to only 'phone in' service.

We have for a long time lobbied that the EFILE Help Desk system be expanded to allow for general enquiries from registered EFILERS: a system similar to the current IRS Practitioner Priority Service.

The IRS Practitioner Priority Service is a toll-free, accounts-related service. It is the tax preparers' first point of contact for assistance regarding taxpayers' account-related issues.

A similar system would provide an excellent return on investment for the CRA.

What EFILERS need is direct access to experienced tier two agents. When calling General Enquiries, tax preparers should be permitted to ask to be transferred directly to a tier two agent, without the delay of having tier one agents gather in all the information, do some initial research and then realize that the query must go through to a tier two agent after all.

So while the DTS is a good start, it is by no means perfect as DTS agents cannot assist with specific client enquiries.

We have always advocated, and continue to advocate that a direct access to tier two agents be available to all EFILERS. It would provide a strong return on investment for the CRA and ultimately taxpayers. ★

## EAC/ATC Marketing

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On your letterhead, website and in your advertising, please include the EAC/ATC logo. To obtain a digital copy or an EAC/ATC door decal, email [swatson@efile.ca](mailto:swatson@efile.ca) to request a copy. ★

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**MEMBER**



**EFILE Association of Canada /  
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