



July 2025

No. 93

A dreadful and stressful tax season

That was a dreadful and stressful tax season, with the late issuance of tax slips, missing and/or duplicate tax slips in AFR, the flip-flop on changes to the capital gains inclusion rate, delayed tax forms, and the removal of your ability to add the direct deposit option for clients.

And going forward, the burden on tax preparers will further increase with the changes to the client authorization process for T1 clients starting on July 15th. This change will add to the time needed for client management, particularly new clients.

The messy tax season and ongoing changes make it more important than ever to provide feedback directly to the CRA. That's why it is imperative to stay in the loop and have your voice heard.

Make certain to take the time to participate in our Annual Survey of Tax Preparers that will be available to members at the end of July via email.

The survey responses are aggregated and delivered to CRA and form part of our discussion at the Efiler's Conference with senior management of the CRA in September. Your voice will be heard. ★

Upcoming changes to protocols for Authorizing a Representative

Beginning July 15, 2025, the method to Authorize a Representative to obtain access to client data via RAC will change.

Efilers will no longer be able to obtain online access to individual clients' tax information by

using the Authorize a Representative function via tax software and the EFILE service. Instead, clients who want to provide you with access to their CRA account must take additional steps to authenticate you.

This is a significant change as it adds steps and greater client interaction to the authorization process. However, the new protocols are driven by privacy and security concerns. It's a by-product of our time. As tax preparers we play an important role in ensuring client information is protected, and CRA is obliged to obtain informed consent from the taxpayer before granting a representative access to their tax information.

Note that your current authorizations will not change. The new process applies only to new T1 authorization requests.

Listed below is an overview of the new protocols for authorization requests through RAC. The full CRA script of authorization options will be posted in the library section of our website.

STEP 1 – Log into RAC.

STEP 2 – Select “Authorization request” from menu on left hand side.

Then select “Representative identifier” and then “Add authorization request” and follow the prompts to add the taxpayer's name and SIN. The name you enter must exactly match what CRA has on file for the client. If you are unable to correct a name mismatch, you will need to contact CRA via the General Enquiries line.

You will also be prompted to “Select authorization level” and to enter an “Authorization expiry date”.

STEP 3 – Taxpayer validation enhancement (client validation of the request)

Options available for your client to confirm and finalize the authorization process are listed below.

Option A: Client will confirm in My Account

Select “Client will confirm in My Account” and follow prompts to “Review and submit”.

Then ask your client to confirm your pending authorization request in their My Account to complete the authorization process.

In the “Authorized representative(s)” section in My Account your client will see “Confirm pending authorizations” and they should follow the prompts. Once confirmed by your client, you will be given instant access to the account.

Note: your client has 10 business days to complete this process, or the request will be cancelled.

Your client will receive an email advising them that the representative has been successfully authorized. Unfortunately, the tax preparer is not advised that the client has completed the process. Your client will need to advise you, or you will need to check if you have authorization in RAC. This is highly inefficient, and we have asked CRA to develop a protocol to notify the tax preparer that the authorization has been processed.

Option B: Representative to provide tax information

Select “Representative to provide tax information”. This process has a few additional steps.

You will be required to enter a dollar value from a previous NOA, for a specific tax field (e.g. line 15000). For security reasons, the information must be from a NOA that was sent to the client at least six months ago.

A signature page will be displayed on your screen, select “Proceed to signature page” (at the bottom of the page) to print a copy of the document for your client to sign.

Submit the signed copy of this page in Authorization request using the Submit button, in your Pending authorization requests table, within 30 business days. Once submitted, you will be given instant access to the account. ★

Document Verification Service (DVS) provides instant access to My Account

The fastest way for individuals to register and gain access to My Account is to use the document verification service (DVS).

Individuals must register for online access to get access to My Account. As part of the process to gain online access, individuals must verify their identity to complete the My Account registration process. DVS is a method to verify an individual’s identity in real-time. It provides immediate access without the need to wait 10 days for a security code sent by mail.

Individuals who select the DVS process to verify their identity will be prompted to use a mobile device to take a real-time picture of themselves and their government issued photo ID.

Ensure the photos are unobstructed (for example, the ID is fully visible and there is no glare). The system will analyze the images and verify your identity.

To be eligible to use this service, individuals must meet all of the following criteria:

- Be 16 years of age or older;
- Have an accepted government-issued photo ID;
- Have a mobile device with a working camera.

The following original government-issued identification documents are accepted:

- Canadian passport;
- Canadian driver's license;
- Provincial or territorial photo ID card.

CRA does not accept:

- Provincial health cards;

- Documents that have been reported as lost or stolen;
- Expired or damaged documents;
- Photocopies of documents;
- Pictures of yourself that were not taken in real time.

If an individual cannot use the DVS, CRA will send your security code to the address they have on file.

According to the CRA, more than 561,000 individuals have registered for a CRA account this year and more than 280,000 of the individuals used the DVS to verify their identity. ★

Low use of ReFILE

Notwithstanding that 95% of all tax returns this year were filed online, in 2024, over 2 million change requests for T1 returns were submitted in paper format. This represented 80% of all change requests received by CRA.

Given all the benefits of using ReFILE, we at the EFile Association are flummoxed why so many returns are being filed (mailed in) in paper format.

The development of ReFILE was a feature that tax preparers asked the Association to pursue, and we did.

We would like to hear from members about their experience in using ReFILE. If the system needs adjusting to facilitate its use, we want to know. Feel free to email me directly (swatson@efile.ca) with your insights on recommendations for ReFILE or reasons that impede its use. We will take it up with CRA and improve the system.

We remind Efilers that you do not need to be the original Efiler to use ReFILE. As long as the original return was electronically filed, you can use ReFILE.

Benefits of ReFILE include significantly faster processing time. The processing standard for ReFILE is 2 weeks versus up to 30 weeks for paper filed adjustments. We can also ReFILE previous years: ReFILE can be submitted for tax years 2021

to 2024. ReFILE is set as current year + 3 prior years.

ReFILE criteria

You can use ReFILE if the following conditions apply:

- you are an EFILE service provider in good standing with the CRA;
- you use certified EFILE tax software with ReFILE;
- your client has already filed their return online and received a notice of assessment;
- you are not discounting on the ReFILE submission.

ReFILE uses:

- You can carry-back amounts such as capital or non-capital losses;
- You can split pension income. Note that both the transferring spouse or common-law partner and the receiving spouse or common-law partner must ask for an adjustment if the elected split-pension amount was not previously claimed, before a request can be allowed. ★

Recommendations from the Office of the Taxpayers' Ombudsperson (OTO)

In its 2025 Annual Report, the Taxpayers' Ombudsperson provided two recommendations for CRA. Both impact tax preparers.

Recommendation 1

That the CRA perform a comprehensive review of its content on Canada.ca, including its web page architecture and content, to remove redundant information and to make sure the information it provides is relevant, clear, concise and easy to find.

CRA should complete this review by spring 2026 and start implementing changes by fall 2026.

Recommendation 2

That the CRA provide a permanently funded grant program for organizations participating in the Community Volunteer Income Tax Program (CVITP) and the Income Tax Assistance –

Volunteer Program (ITAVP) to support their free tax clinics for eligible taxpayers and help them offset their operating costs.

This follows last year's recommendation that the CRA define the eligibility criteria for the CVITP and the ITAVP in Quebec to allow self-employed individuals with a modest income and simple expenses to access free tax clinics where such a service can be made available.

The CRA indicated it would make changes to the published eligibility criteria to include certain self-employed individuals in February 2025. The CVITP website was last updated in October 2024 and has not yet been updated to reflect the change in eligibility. ★

Applications now accepted for the new Canada Disability Benefit (CDB)

The new federal Canada Disability Benefit came into effect on May 15.

The CDB provides financial support for lower-income working-aged individuals with disabilities. The tax-free benefit is intended to provide financial security for people with disabilities aged 18-64 and assist in addressing poverty as a social determinant of health.

The maximum annual benefit amount is \$2,400, or \$200 per month and is indexed to inflation. The actual benefit amount will vary depending on the individual's adjusted family net income and marital status.

The first payments are scheduled to begin in July 2025. Eligible applicants may receive back payments for up to 24 months from the date their application is received, but not for months prior to July 2025.

There are multiple ways to apply for the benefit: online, by phone, in person at a Services Canada office or by completing a CDB application form. Some eligible individuals will receive a letter from

Services Canada that contains a unique 6 digit application code that can be used to apply for the CDB.

Otherwise, applicants will need to provide their SIN, mailing address, status in Canada, net income (line 23600) from the 2024 notice of assessment and direct deposit information.

To be eligible for the CDB, applicants must first be approved for the Disability Tax Credit (DTC).

However, to apply for the DTC, applicants must have their disability or impairment certified by a physician through the online DTC form or the paper version of the form.

The CRA estimates that an additional 766,000 DTC applications will be submitted by the end of the decade, triple the current number. ★

2025 AGM set for September 17 in Ottawa, Ontario

Official notice is hereby given of the 32nd *Annual General Meeting of the EFILE Association of Canada/Association de TED du Canada*. It will be held at 1:30PM on Wednesday, September 17, 2025, at the ARC Hotel, 140 Slater Street, Ottawa, Ontario.

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.

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 end of this newsletter.

Nominations must be received before end of day Friday, August 15th, 2025. ★

Current CRA issues

Every year, at the end of tax season, 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. An email survey will be sent to all EAC/ATC members in late July.

The deadline for responses to this year's survey is August 22nd.

Member feedback through the survey forms the basis of the EAC/ATC Annual Submission to the CRA and subsequent meetings with senior management of the CRA. ★

EAC Marketing

On your letterhead, website and social media advertising, include the EAC logo.

To obtain a digital copy of the logo, or an EAC door decal, please email info@efile.ca and specify your request. ★



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 form and email to swatson@efile.ca by Friday August 15, 2025)