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Office of the
Taxpayers' Ombudsman

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Perspectives

Promoting Service, Fairness, and Accountability

Issue 2, October 2012

Welcome to our second issue of *Perspectives*. This issue highlights the results my Office has been able to achieve for Canadians.

Over the course of the past four years, we have built a credible track record for not only our investigations into systemic issues, as you will see in this article, but also through our examination of individual complaints regarding the service provided by the Canada Revenue Agency (CRA). A broad sample of our work may be found in the [Digest of Taxpayer Service Rights](#).

The existence of our office *is making a difference* for taxpayers and the CRA alike.

J. Paul Dubé
Taxpayers' Ombudsman



“Four years of operation. Six Special Reports. 24 recommendations for improvement to service. All 24 recommendations accepted by the Minister of National Revenue. The Office of the Taxpayers' Ombudsman is making a difference for Canadians.”

The Taxpayers' Ombudsman was appointed in 2008 to ensure that the Canada Revenue Agency (CRA) is more accountable to Canadians and that the service rights outlined in the [Taxpayer Bill of Rights](#) are upheld and respected. To that end, the Ombudsman and his team have worked diligently to help resolve taxpayer complaints and systemic issues surrounding the CRA's service to, and treatment of, taxpayers.

Systemic issues – those that impact large numbers of individuals – are addressed by conducting investigations and publishing Special Reports with recommendations for corrective action by the CRA. The objective is to make recommendations for improvement so that problems are solved and complaints do not recur.

The Taxpayers' Ombudsman's first Special Report, “[The Right to Know](#),” found that the CRA did not meet its commitment to taxpayers' rights to clear and complete information by not providing comprehensive reasons in its Appeals Branch decision letters. In response to the public release of the report, the CRA developed an action

plan to implement the Ombudsman's recommendation.

“We also applaud your recent recommendation as it relates to the right of taxpayers to be provided with reasons for decisions made by the Appeals Branch of the CRA, which was swiftly accepted by Minister Keith Ashfield. This is a good step forward.”

President and CEO of the
Certified General Accountants
Association of Canada,
Anthony Ariganello

After the release of the Ombudsman's second Special Report, “[Proving Your Status](#),” the CRA was directed to implement all five recommendations with respect to the Canada Child Tax Benefit (CCTB). These recommendations called for the CRA to provide more complete, accurate, and timely information about CCTB eligibility in its publications and on its Web site.

“The recommendations made by the Taxpayers' Ombudsman in his report, *Proving Your Status*, are

*fair and appropriate, and
our government has
directed the [CRA] to act
on every one [...]*

*former Minister
of National Revenue,
the Honourable Keith Ashfield*

The Taxpayers' Ombudsman's investigation into the confusion experienced by holders of Tax Free Savings Accounts (TFSA) resulted in a third Special Report. In response to the three recommendations in "[Knowing the Rules](#)," the CRA updated its TFSA-related publications, became more proactive in informing Canadians about how to find the tax rules governing the TFSA, and worked with the financial services sector to ensure that the CRA's information products about the TFSA are widely available.

*"This is an opportunity to
improve the CRA's services
to Canadians."*

*Minister of National Revenue,
the Honourable Gail Shea*

The Taxpayers' Ombudsman has recently published three more Special Reports on service and fairness issues experienced by taxpayers in their dealings with the CRA. In "[Earning Credits](#)," the Ombudsman recommended that the CRA assess claims for the tuition tax credit according to the law and not just internal CRA policies.

In "[Acting on ATIP](#)," the Ombudsman found that many taxpayers face unreasonable delays in obtaining information through Access to Information and Privacy (ATIP) requests to the CRA. The report recommends that the CRA provide adequate resources for the processing of access to information and privacy requests and to reduce its backlog in a timely manner.

The Ombudsman heard many complaints from taxpayers who said

their payments to the CRA were 'misallocated' — meaning the payments were not applied to the intended account. His latest report, "[Getting it Right](#)," makes a number of recommendations to help the CRA reduce payment allocation errors and better educate taxpayers on ways they can avoid making errors when remitting their payments.

This track record attests to the effectiveness of the Office of the

Taxpayers' Ombudsman (OTO) as an agent of positive change. By thoroughly investigating service and fairness issues affecting taxpayers, and by making feasible recommendations to correct problems, the OTO helps the CRA improve its service to, and treatment of, taxpayers.

*All Special Reports mentioned in this article
can be found in the Special Reports section
of the OTO's Web site at www.oto-boc.gc.ca.*

Special Report	Ombudsman's recommendations	Recommendations accepted by Minister
The Right to Know Examination of the sufficiency of information in Decision Letters from the Appeals Branch of the CRA	1	1
Proving Your Status Establishing eligibility for the CCTB	5	5
Knowing the Rules Confusion about the rules governing the TFSA	3	3
Earning Credits Service and fairness issues in the assessment of tuition tax credits for expenses incurred attending educational institutions outside Canada	5	5
Acting on ATIP Service issues in the CRA's ATIP processes	7	7
Getting it Right Investigation of service and fairness issues arising from the misallocation of payments by the CRA	3	3
6 reports	24 recommendations made	24 recommendations accepted

TIP FOR TAXPAYERS: CHARITABLE TAX SCHEMES

Be wary of tax schemes that sound too good to be true! If you are offered the opportunity to receive a charitable donation receipt for an amount greater than your actual donation, it may not comply with the *Income Tax Act*.

Anyone considering entering into a charitable tax arrangement should obtain independent professional advice from a tax advisor before signing any documents. For further information, please consult the [CRA Web site](#).



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