



By FOREST LI

REVIEW OF YOUR TAX RETURN BY CRA

After filing your income tax return with Canada Revenue Agency (CRA), you will receive a notice of assessment; you may also receive a letter of review, asking you to send in documents to support your claims of deductions or credits.

Receiving a letter of review does not necessarily mean that something is wrong in your return. Canada's tax system is a self-assessment system, the post-filing review has been integrated as an important part of it, and paper and electronic returns are subject to the same chance of being reviewed.

If you are a student, CRA may review your education credits. Normally you just need to send in the T2202A – Tuition, Education and Textbook Amount Certificate, which can be downloaded from the website of your school. If the school is not in Canada and you do not have a formal T2202A, you may provide your formal enrolment with a record of tuition payment. If you have transferred your unused education credits to your spouse or parents, it is very possible that CRA asks to see the transferring statement, with the name and relationship of the transferee, the amounts transferred, and your SIN and signature on the statement.

CRA frequently reviews the claims of the rent. The rent paid to a landlord is classified as a property tax credit, and used to determine your Ontario Trillium Benefits. There are many ways to prove that you have paid the rent: the returned cheques, bank statements and online transfer

records. But the best and easiest way is to provide a rent receipt. It is important to have complete information on the receipt, including your name, the address, postal code, number of months, total amount paid, name and signature of the landlord, and the issuing date.

CRA may also want to see your donation and medical documents. Donations can be claimed within five years including the year of contribution. Make sure not to claim the same donation more than once. Medical expenses cover a large range of treatments, drugs, and travel costs. Travel costs are subject to close review by CRA, and a complete doctor appointment log is very useful to justify your claims.

There is a timeframe to reply to the review, normally 30 days. The supporting documents can be faxed, mailed or emailed to CRA. Do not forget to put down your name, SIN, and the reference number on your reply. The reference number is located at the upper right corner of the review letter. You should keep all receipts for at least six years. If the receipts or documents are not available, you shall write a letter to or phone CRA to explain your situation.

If CRA does not receive your reply within the timeframe, it will change the amount of your claim under the review to nil, and you will not get the full deductions or credits, then you may not obtain the maximum tax benefits you may deserve. Take the CRA review seriously and ask for help if you need. ■

FOREST LI is a certified income-tax consultant.