



LEARNING ABOUT TAXES WITH  
INTUIT PROFILE: 2016 TY  
Chapter 3 - Roles and responsibilities

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## Chapter 3 - Roles and responsibilities



### Topics

- Introduction
- Taxpayers' responsibilities
- Taxpayers' rights
- Taxpayer relief provisions
- Compliance with tax laws
- What we learned
- Quiz 3

### Introduction to Chapter 3



#### Estimated time

About 10-14 minutes

In this chapter, you will learn about:

- your responsibilities as a taxpayer;
- your rights as a taxpayer;
- making changes to your tax return;
- compliance with tax laws; and

Paul and Anya were talking on the phone a few nights later. Once again, the subject of taxes came up.

"I don't understand why you think you have to file a tax return," says Anya. "Shouldn't the government figure things out for you?"

"I don't think so," Paul answers. "They told me that it is my responsibility to complete a tax return to report my income and deductions, and calculate whether I have tax owing or I am entitled to a refund."

### Taxpayers' responsibilities

As a taxpayer you have certain obligations. You are responsible for:

- filing an income tax and benefit return by the deadline;
- paying the correct amount of tax;
- giving the CRA the necessary information to assess your return;
- giving the CRA up-to-date information, in order to receive accurate benefits, and to avoid unnecessary delays in sending the benefits; and
- getting help when necessary.

## Self-assessment

In Chapter 1, we learned that Canada has a self-assessment tax system. This means that taxpayers complete their tax return to report their annual income and to calculate whether they owe tax or are entitled to receive a refund.

Under the self-assessment system, Canadian residents and non-residents with Canadian income are responsible for making sure they have paid their taxes according to the *Income Tax Act* (the Act). Income and deductions are listed on the income tax and benefit return so both the taxpayer and the CRA can calculate the taxes the taxpayer has to pay.

In this way, taxpayers can check to make sure they are receiving fair and equal treatment under the Act. At the same time, the CRA can properly administer the tax laws.

"What if I don't pay tax, then I'm not a taxpayer right?" wonders Anya. "Does any of this apply to me?"

Anya has a common question, but actually the term **taxpayer** is used for ease of reference. It applies to every person or organization who is required to comply with the legislation administered by the CRA, including individuals, businesses, benefit recipients, and charities.

## How the CRA gets information

The CRA not only gets information from your tax return, but from other sources as well. Other individuals and organizations have a responsibility to report payments and send deductions to the CRA. They include:

- employers;
- financial institutions;
- organizations that pay interest or dividends; and
- those making payments to non-residents of Canada.

## Compliance with tax laws

The CRA is responsible for collecting taxes owed and for discouraging tax avoidance. To do this, CRA may carry out a more detailed post review after your return has been assessed.

### **Review of your tax return**

Each year, the CRA conducts a number of review activities that promote awareness of and compliance with the laws it administers. These reviews are an important part of maintaining the integrity of and Canadians' confidence in the Canadian tax system.

Three of CRA review programs are the:

1. Pre-assessment review program;
2. Processing review program; and
3. Matching program.

Under these programs, CRA compare the information on a tax return to that provided by employers or financial institutions. By reviewing a number of deductions and credits on the return, CRA ensure that various income amounts have been correctly reported.

If the CRA makes changes to your return after a notice of assessment has been sent, they will send you a notice of reassessment that explains any changes.

## Chapter 3 - What we learned

Congratulations! You have completed Chapter 3. In this chapter, we have learned about:

- the responsibilities of the taxpayer;
- making changes and filing objections after your assessment;
- how the CRA promotes compliance with tax laws; and

Before proceeding to Chapter 4, continue to the next page to complete the quiz for Chapter 3.

## Chapter 3 Quiz

Take a few minutes to complete the following quiz to see how much you have learned and how much you remember from chapter 3.

The following statements are either **True** or **False**.

### Quiz

1. Both the CRA and the taxpayer have tax-related responsibilities.  
**True False**
2. Taxpayers have rights, which are documented in the CRA publication Taxpayer Bill of Rights.  
**True False**
3. If you feel that the CRA has not applied the law correctly regarding your assessment or reassessment, you can object.  
**True False**
4. There is nothing you can do if you could not file your tax return on time because you were hospitalized.  
**True False**

Great work! Please go to Chapter 4.

## Answers

### Chapter 3 Quiz

Question 1: True

Question 2: True

Question 3: True

Question 4: False