

Taxpayer Alert

The Canada Revenue Agency debunks common tax myths!

A small number of unscrupulous individuals and groups are propagating falsehoods about Canada's tax system, many of them claiming that you can lawfully refuse to pay taxes or file a tax return.

Be wary of such claims because they are based on faulty arguments and are not supported by law. Accepting them as fact could have serious legal implications for you, including fines, penalties and even jail time, plus any taxes and interest owed.

Here are some of the most common **tax myths** out there today:

- **Myth** - Federal income tax is unconstitutional and you can therefore refuse to pay income tax to the federal government, as confirmed by the Supreme Court of Canada in a decision in 1950.
- **Myth** - The income tax system is based on voluntary compliance because the government knows tax laws are unconstitutional and cannot be enforced.
- **Myth** - Some individuals claim that they have not filed a tax return in years and that the government has not been capable of forcing them to file a tax return because the *Income Tax Act* is unconstitutional and unenforceable.
- **Myth** - You can force the CRA to lower or even eliminate taxes by refusing to cooperate with its employees.
- **Myth** - The *Income Tax Act* applies only to corporate entities and not to "natural" persons or human beings. The Common Law rights dating back to the Magna Carta make all taxes on individuals voluntary.
- **Myth** - Some individuals claim to be exempt from GST/HST. Some carry a card to "prove" their claim.
- **Myth** - You can make tax-free withdrawals from your self-directed RRSP.
- **Myth** - The CRA uses email to conduct "e-audits".
- **Myth** - Winners of sweepstakes and lotteries in Canada have to pay fees and taxes to the CRA before claiming their prize.

To find out the truth about taxes, visit www.cra.gc.ca/alert or call 1-800-959-8281 (toll-free).

The Canada Revenue Agency recommends that you seek advice from a trusted and independent professional before responding to any kind of advertisement offering you unconventional tax arrangements or advice.



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