



Canada Revenue
Agency

Agence du revenu
du Canada

Guide for Discounters

2015

Available electronically only

Is this guide for you?

If you offer a tax discounting service to your clients, this guide provides you with information about how the Canada Revenue Agency (CRA) administers the *Tax Rebate Discounting Act*, which regulates the practice of tax discounting.

If you are blind or partially sighted, you can get our publications in braille, large print, etext, or MP3 by going to www.cra.gc.ca/alternate. You can also get our publications and your personalized correspondence in these formats by calling **1-800-959-8281**.

La version française de ce guide est intitulée *Guide de l'escompteur*.

What's new?

System for the Electronic Notification of Debt, Client Data Enquiry, and Auto-fill my return services

Effective February 11, 2016, the System for the Electronic Notification of Debt (SEND) will be permanently discontinued.

You may obtain, almost instantly, information about your clients' account from the Client Data Enquiry (CDE) and the Auto-fill my return services.

CDE is a secure service, available year-round to authorized representatives that allows view access to various data elements of a client's account. CDE provides a detailed summary of a client's account including amounts, where applicable.

To access the CDE service, you must log in to Represent a Client. The CDE service will be available for the 2015 tax year on January 1, 2016. See Chapter 5 of this guide for more information on CDE.

Auto-fill my return is a secure service that allows authorized representatives to automatically fill in parts of the client's income tax and benefit return with information that is available with the CRA. This service will also deliver available CDE-related information directly to the EFILE software.

The Auto-fill my return service is available beginning February 15, 2016.

For information on Auto-fill my return and more, see Chapter 5 of this guide.

Since October 2015, discounters are able to electronically submit their Form RC76, *Application and Agreement to Obtain a Discounter Code / Discounter Direct Deposit Enrolment* through the Represent a Client portal at www.cra.gc.ca/representatives.

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Chapter 1 – General information

What is a discounter?

A discounter is a registered EFILER that prepares tax returns and provides their clients with an immediate discounted tax refund before filing the returns.

Discounters keep part of the expected refund as a fee and pay the rest immediately to their clients. Fees charged are limited by the *Tax Rebate Discounting Act*.

What is the *Tax Rebate Discounting Act*?

The *Tax Rebate Discounting Act* regulates the practice of tax discounting. Its purpose is to protect the rights and interests of individuals who use discounting services to get their income tax refunds.

Subsection 2(1) defines the term “client” to mean a person from whom a discounter acquires a right to a refund of tax to which that person is entitled. The term “client” used in this guide and on the forms relating to discounters also has the same meaning.

The *Tax Rebate Discounting Act* requires that you, as a discounter, pay the client (at the time the discounting transaction took place) at least:

- 85% of the estimated refund, if it is \$300 or less; or
- \$255 plus 95% of the amount over \$300, if the estimated refund is more than \$300.

The discount includes any fees that you, or another person or company acting for you, may charge for preparing the client’s return or for any other service related to the discounting transaction.

Discounters who pay their clients less than the above mentioned amounts are guilty of an offence.

A payment to an individual, under a remission order whose purpose it is to provide relief from tax, is not a refund of tax. It cannot be discounted.

Who is responsible for administering the *Tax Rebate Discounting Act*?

The *Tax Rebate Discounting Act* is a federal act that the CRA administers. Manitoba administers corresponding provincial laws governing discounting. In Quebec, it is illegal to discount refunds of Quebec provincial income tax.

Manitoba

The Manitoba Department of Finance administers the regulations governing discounting under the *Manitoba Income Tax Act*. You need proof of provincial registration before we can register you as a new discounter.

Before you start discounting activities in Manitoba, you have to comply with the provincial statutes governing matters such as registration and approval of forms. The required annual registration fee is \$1,000 plus \$200 for each additional discounting location and must be submitted with your annual registration form.

Manitoba discounters must be in good standing with the Province of Manitoba in order to maintain their discounter code with the CRA.

For more information, go to www.gov.mb.ca/finance/personal/discounting.html or contact:

Manitoba Tax Assistance Office
Room 809, 386 Broadway
Winnipeg MB R3C 3R6

Telephone: 204-948-2115
1-800-782-0771

Chapter 2 – How do you become a discounter?

Who can apply?

All firms, organizations, and financial institutions that are registered EFILERS and that want to provide discounting services to members of the public or to their own clientele can apply.

All applications are subject to a review process to ensure the reliability of tax discounters.

We do not issue or reissue a code to a discounter who does not co-operate with us to ensure that the *Tax Rebate Discounting Act*, its *Regulations*, and the administrative procedures are followed. We will suspend or cancel a code because of a discounter's continuous non-compliance, refusal to co-operate or failure to meet the EFILE screening criteria published on the CRA website. For more information, go to www.cra.gc.ca/efile.

Note

You are required to obtain an EFILE number before applying to obtain a discounter code.

How do you apply?

To get a discounter code, you have to complete Form RC76, *Application and Agreement to Obtain a Discounter Code / Discounter Direct Deposit Enrolment*, and send it to us. This is a one-time application. To determine when a new application or a revised application is required, see "When is a new Form RC76 necessary?" on page 10 or "When is a revised Form RC76 necessary?" on page 10.

If your firm, organization, or financial institution has more than one location, each location has to file a separate form. For example, if you have one head office and four branch offices, you have to complete and file five applications. The permanent mailing address for all locations is the same (head office address), but each location has a different operating address.

We will issue you a discounter code only if your application is complete and you have passed EFILE suitability screening. You must read and understand the "Discounter codes – Terms and conditions" on page 8 of this guide, and then sign and date the agreement at the bottom of Form RC76. An application may take up to 30 days to process. Once we process and accept your application, we will give you an eight digit discounter code.

Form RC76, *Application and Agreement to Obtain a Discounter Code / Discounter Direct Deposit Enrolment*

Each of the following parts corresponds to a section on Form RC76. It is important to complete all sections of this form. Attach a separate page if you need more space to give information or an explanation.

Part A:

Tick the appropriate box to let us know if this is a first request for a discounter code or if you are changing information previously sent to us.

Part B:

If this is a change request, enter the discounter code previously assigned to you to update your new information.

Part C:

Discounter's name

The name does not have to be the official name or registered name of your business. You can use up to 30 characters for this information. You may have to abbreviate your company name. This is the name that the CRA will print on your client's notice of assessment. This name will also be used for consolidated direct deposit purposes.

Part D:

Permanent mailing address

Enter the address where you want us to send correspondence, notices of assessment, and cheques. If you have more than one discounting location with the same mailing address, you may want to include a branch or identification number as part of your discounter's name in part C. The permanent address you give on this form has to be identical to the address you will show on each Form RC71, *Statement of Discounting Transaction*, which you will file with all discounted returns.

Discounting operation address

Enter the address where the discounting operation takes place. We will not issue a discounter code if you do not complete this section.

Telephone number

Enter the telephone number(s) where you can be reached year-round during usual business hours.

Complete parts A to D and parts J to M if this form is only being used to change the direct deposit information.

Part E:**Legal business name**

Enter the official name or registered name of your business.

EFILE number

Enter the EFILE number assigned to you by the EFILE Helpdesk.

Business number

Enter the business number of the company or proprietorship if you have one.

Part F:**Language**

Tell us in which official language you want us to communicate with you.

Part G:**Name(s) and social insurance number(s)**

Enter the names and social insurance numbers of all proprietors, branch managers, partners, directors, officers, controlling shareholders, and any persons having management and control of any of the applicants (for example, a district or regional manager). Attach a separate page if you need more space.

Note

All names listed on the EFILE application must be the same names identified in this part.

Part H:**Type of business**

Indicate the type of business you are operating.

Part I:**Certification and Agreement**

You must read, understand, sign, and date this part of Form RC76.

Notes

It is mandatory that you read and understand the following terms and conditions before you sign Form RC76.

Once you have completed the form, you may submit it electronically through the Represent a Client portal or you may send the original Form RC76 to the following address. We do not accept photocopies.

Discounter Services
Canada Revenue Agency
750 Heron Road
Ottawa ON K1A 0L5

Discounter codes – Terms and conditions

A discounter code is not transferrable to any other person, firm, organization, financial institution or company.

As a discounter, it is your obligation to comply with all provisions of the *Tax Rebate Discounting Act*, the most current version of the CRA procedures and policies contained in this guide, and the Information for discounters' webpage on the CRA website at www.cra.gc.ca/discounters. To view the *Tax Rebate Discounting Act*, go to www.laws-lois.justice.gc.ca/eng/acts/T-3.

To keep informed of the latest information, go to our webpage on a quarterly basis.

We issue discounter codes if all of the following conditions are met:

- the discounter has a valid EFILE number and meets the EFILE applicant and suitability screening criteria. For more information, go to www.cra.gc.ca/efile;
- the discounter acknowledges having read, understood, and has agreed to be bound by the requirements and obligations set out in this guide and the information for discounters webpage on the CRA website by signing the certification and agreement on the front of Form RC76;
- the discounter gives us all telephone numbers where the discounter can be reached year-round during regular business hours;
- the discounter agrees to notify us if any of the information on Form RC76 changes within 15 days of the change(s);
- the discounter agrees to use authorized forms for each discounting transaction;
- the discounter gets a code for each location at which the discounter operates;

- the discounter fills in part G of the Form RC76 application with the names and social insurance numbers of all proprietors, branch managers, partners, directors, officers, controlling shareholders and any persons having management and control of any of the applicants (if more space is required, attach a separate sheet of paper);
- the discounter pays any fines and restitution to victims and fulfills any probation terms a court orders for any previous convictions under the *Tax Rebate Discounting Act* before the discounter can receive a discounter code; and
- the discounter complies with any discounter registration requirements of a province or territory in Canada.

We suspend or cancel discounter codes under the following conditions:

- the discounter does not meet or continue to meet the electronic filers definition of an applicant and the suitability screening criteria;
- we have reasonable grounds to believe that a discounter has not complied with the provisions of the *Tax Rebate Discounting Act*, with any term or condition outlined in this section or the procedures and policies contained in this guide, and the information for discounters webpage on the CRA website;
- we have reason to believe that a discounter did not conform with the regulations in the *Tax Rebate Discounting Act* or did not conform to one of the conditions listed in this guide;
- the discounter does not reply within a reasonable time to our requests for information about discounting activities;
- a court judgment against a discounter forbids the discounter from operating for a specified period;
- for outstanding matters relating to any codes assigned to the discounter, franchise, or company agent are not resolved to our satisfaction;
- the discounter has not paid fines and restitution to victims, and has not fulfilled the probation terms a court ordered for a previous conviction under the *Tax Rebate Discounting Act*;
- the discounter has used discounter codes for any purpose other than discounting;
- the discounter has not complied with any law of a province or territory of Canada that relates to discounting; or
- we have reasonable grounds to believe that the discounter has committed an offence under subsection 239(2.21) of the *Income Tax Act*.

If we suspend or cancel the code, we will notify, by registered mail, the discounter and the headquarters of any franchise or agent office associated with the discounter. We will suspend, without notice, any code that was not used during the last two tax years. Contact Discounter Services to re-activate the code. You can find their contact information on page 25.

Discounter Direct Deposit Enrolment Request

Have your discounted refunds deposited directly to your account at any financial institution in Canada.

To start using direct deposit or to change the direct deposit banking information we already have on file for your discounter code, you have to complete parts A to D and parts J to M of Form RC76. You must file a separate form for each of your discounter codes.

If you are requesting a change to direct deposit banking information we already have on file for your discounter code, do not close your old account before we start depositing payments into your new account.

Part J:

Tick the appropriate box to let us know if this is a first request for direct deposit or if you are changing information previously sent to us.

Part K:

Complete the banking information boxes and attach a void personalized cheque or deposit slip to confirm the banking information, otherwise the enrolment request will not be accepted.

Part L:

There are two direct deposit options available: consolidated payments and individual payments.

Consolidated payments option

If you choose this option, refund amounts from all tax returns that you discounted and that are included in the same processing cycle are credited to your banking account in one total amount.

Individual payments option

If you did not choose the option above, each client's refund is credited to your account as a separate payment.

Part M:

You must read, understand, sign, and date this part of Form RC76. The enrolment request will not be accepted if this part is not completed.

When is a new Form RC76 necessary?

You must submit a new application and identify it as a first request if any of the following situations apply:

- a change of ownership has occurred;
- a business was sold, (the new owner will send a new Form RC76 to us, and the seller will send a letter to us requesting their discounter code be cancelled);
- a business's organizational structure, partnership composition, or controlling interest changed; or
- a branch site or managing office was added.

When is a revised Form RC76 necessary?

You must submit a revised application to inform us of the change if any of the following situations apply:

- discounter direct deposit enrolment is added;
- a new name should be added or an existing name should be removed from part G;
- the discounter's name or legal name of the company changes, but there is no change of ownership;
- the name of proprietorship, partnership, or corporation changes, but there is no change of ownership; and
- your banking information is changing.

Note

Changes related to your address, telephone number, and language of preference can be made by either submitting a revised application or by contacting Discounter Services. You can find their contact information on page 25. To ensure that the notices of assessment you receive for your clients are sent to the correct address, please also notify Canada Post of the change of address.

Chapter 3 – Forms and documents

For each discounting transaction, you must complete the following forms:

- Form RC71, *Statement of Discounting Transaction*; and
- Form RC72, *Notice of the Actual Amount of the Refund of Tax*.

To avoid delays and prevent refund cheques from being sent to the clients, make sure you use the proper forms and that they are complete, signed, and legible. Original forms are required. A faxed copy is not considered an original form. You must keep a copy of these forms for three years.

Since we revise our forms and publications periodically, make sure you use the latest versions.

To get our forms and publications, go to www.cra.gc.ca/forms.

If you use a software package to prepare and transmit returns by EFILE, the software package may produce the discounting forms required. Make sure that the electronic forms include all of the information shown on the front and back of the CRA forms.

Form RC71, *Statement of Discounting Transaction*

Form RC71 provides details of each discounting transaction. There are three copies of the form to be distributed as follows:

- Copy 1 is the CRA's copy. Attach copy 1 to the client's return if you file a paper return. If you EFILE your client's return, keep copy 1 in case we ask to see it. Original signatures of the client and the discounter are required on copy 1.
- Give copy 2 to the client. The client and the discounter must sign it.
- Keep copy 3 for your files. This is optional. If you retain only copy 1 in your files, you are responsible for making a copy of it for your files prior to giving it to us if we request it.

Note

If you use tax preparation software to prepare your client's return, and you file your client's return on paper, complete the electronic version of Form RC71 before printing the return. The electronic version of Form RC71 must be an exact copy of the paper version of Form RC71, which has been signed and dated by the discounter and the client. If you request adjustments on paper, attach copy 1 of Form RC71.

Electronic filing (EFILE) of discounted returns

Tax preparers who prepare more than 10 returns are required to file them electronically. Mandatory electronic filing applies to the filing of both T1 General income tax and benefit returns and T2 Corporation income tax returns for the 2012 and later tax years. For more information, go to Mandatory electronic filing for tax preparers at www.cra.gc.ca/mandatoryelectronicfiling.

When using EFILE to file discounted returns, ensure that the electronic version of the Form RC71 transmitted to the CRA is an exact copy of the paper version, which has been signed and dated by the discounter and the client.

Some discrepancies may occur between the two versions. The following situations are the most likely to occur:

- The estimated refund is reduced by a debt to be collected by the CRA. Some tax preparation software packages automatically transcribe the calculated refund, from line 484 of the client's tax return, to box A of Form RC71. If the client has a debt to be collected by the CRA, the refund shown on line 484 should be reduced by that amount. You must enter the actual amount to be discounted in box A of the electronic version of Form RC71.
- The date in box 14 is different from the date on the electronic version of Form RC71. This can happen when you prepare the EFILE return on a date that is different from the date you print Form RC71. Make sure that the date on the electronic version is the same as the date on the paper version of Form RC71.

You may have to manually override and lock these fields in your software before electronically transmitting the form to us to ensure the EFILE version matches the paper version.

How to complete Form RC71

When completing Form RC71, make sure that all copies, including your file copy, are legible and that you enter the correct figures in the appropriate boxes. Each of the boxes in the discounter identification section below corresponds to a section of Form RC71.

The discounter and the client must sign and date the copy of Form RC71 provided to the client, the copy filed with the paper return, and the copy you keep on the client's file. You must give the client a copy of the front and the back of the form.

Enter the tax year of the return being discounted in the top right corner of the form.

Discounter identification

Box 1 – Discounter's name

Enter the discounter's name as shown in Part C of Form RC76, *Application and Agreement to Obtain a Discounter Code / Discounter Direct Deposit Enrolment*.

Box 2 – Discounter code

Enter the eight digit discounter code issued to you. The code must be the one issued to the actual discounting location.

If applicable, the code on the electronic version must be the same code shown on the paper version.

Box 3 – Permanent mailing address

Enter your permanent mailing address as shown on Form RC76. Do not enter any temporary address you may have.

Box 4 – Proprietor's name

Enter the name of the proprietor, franchise owner, operator, manager, or agent who is responsible for carrying out the discounting transaction at this location. This must be the name of an individual, not the name of the business.

Box 5 – Telephone number

Enter the area code and the telephone number of the business address where your client can reach the management of the discounting operation year-round during the usual business hours.

Client identification

Box 6 – First name and initial / Last name

Enter the client's name as it appears on their tax return.

Box 7 – Social insurance number

Enter the client's social insurance number.

Box 8 – Current address

Enter the client's full mailing address. Give us the client's address at the time of filing the tax return. The address must not be that of the discounter. Your clients have to give you their address valid at the time you are preparing their return to ensure they receive their copy of Form RC72, *Notice of the Actual Amount of the Refund of Tax*, and their notice of assessment or notice of reassessment. You may also need to locate them if they become entitled to any additional amount.

Box 9 – Telephone number

Enter the client’s telephone number. If a client has no telephone number, enter **000-0000** and have the client initial this information.

Box A – Estimated refund amount

Enter the estimated refund from line 484 of the client’s return. If the client has an amount owing that is to be collected by the CRA, enter the amount from line 484 minus the amount owing. For more information, see “Client debts” on page 20. If applicable, make sure the amount in box A of the electronic version of Form RC71 is the same as the amount shown in box A of the paper version of the form.

You must discount the full estimated refund amount. You cannot discount on a portion of this amount.

Box B – Minimum amount to be paid to the client by the discounter

On or before the date of the discounting transaction, you must pay the client at least the minimum amount **minus** the tax in box D. If you pay the client by cheque, it must be dated and given to the client no later than the day of the discounting transaction. The minimum amount has to be at least:

- 85% of the estimated refund, if it is \$300 or less; or
- \$255 plus 95% of the amount over \$300, if the estimated refund is more than \$300.

Enter the following amounts on the corresponding lines in box B of Form RC71:

- i) the payment owed to the client on the first \$300 of the refund;
- ii) the payment owed to the client on the remaining part of the refund; and
- iii) the minimum amount that you must pay to the client—total of lines i) and ii).

Box C – Amount owed to the client by the discounter

Enter the amount you owe the client. The payment could be greater than the amount in box B on line iii) if you choose to pay more than the minimum amount required.

Note

The amount entered in box C is the amount before the calculation of any goods and services tax (GST), harmonized sales tax (HST), provincial sales tax (PST), Quebec sales tax (QST), or retail sales tax (RST). The amount in box C must be the amount you owe to the client before you deduct the GST, HST, PST, QST, or RST.

Box D – Goods and services tax (GST), harmonized sales tax (HST), provincial sales tax (PST), Quebec sales tax (QST) or retail sales tax (RST)

The types and/or rates of tax to be applied to discounting transactions vary by province as outlined in the chart below. The GST is a standard 5% in the five provinces where it applies as well as the Yukon, Northwest Territories (NT), and Nunavut. The combined GST and PST rates, called the HST, vary from 13% to 15% in the five provinces where it applies. In the three provinces where either the PST, QST, or RST applies, the rates vary from 5% to 9.975%. There is no PST or territorial tax in Alberta, Yukon, Northwest Territories, and Nunavut. There is no PST on discounting services in British Columbia.

Note

Discounters in all provinces should check with their provincial revenue or finance department regarding legislative changes, such as those announced in a budget, which could result in changes to provincial tax rates and in how these apply to discounting services.

Chart of GST, HST, and PST rates

The following chart lists the current GST, HST, and PST rates on discounting services.

Province	YK, NT, and NU	BC	AB	SK	MB	ON	QC	NB	NS	PE	NL
GST	5%	5%	5%	5%	5%		5%				
HST						13%		13%	15%	14%	15%
PST (including QST and RST)				5%	RST 8%		QST 9.975%				

We have included examples of the various taxes and rates below and in the following pages. Please see these examples for the maximum allowable GST, HST, and PST rates for the province or territory where you carry on business.

Goods and services tax (GST)

The GST rate is 5%.

You must collect from your clients the GST on the amount considered as being paid by them for a taxable supply of a service. The amount subject to GST is the lesser of:

- $2/3 \times$ (the estimated refund minus the amount you pay to the client); or
- \$30.

The maximum GST that can be charged on a discounting transaction is \$1.50 ($\$45 \times 2/3 \times 0.05$). If the estimated refund minus the amount you pay to the client is \$45 or more, enter \$1.50 on the GST line of box D.

If the estimated refund minus the amount you pay to the client is less than \$45, multiply $2/3$ of the difference by 0.05. Enter the result on the GST line of box D.

Example 1

Estimated refund	\$500
Minus: payment to the client	<u>445</u>
Difference	\$ 55

Since the difference is more than \$45, enter \$1.50 on the GST line of box D.

Example 2

Estimated refund	\$200
Minus: payment to the client	<u>170</u>
Difference	\$ 30

Since the difference is less than \$45, calculate the GST as follows:

$$(\$30 \times 2/3) \times 0.05 = \$1.00$$

Enter \$1.00 on the GST line of box D.

All provinces

Discounters in all provinces should check with their provincial revenue or finance department regarding legislative changes, such as those announced in a budget, which could result in changes to sales tax rates and in how these apply to discounting services.

Harmonized sales tax (HST)

New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, and Prince Edward Island have harmonized their provincial retail sales tax with the GST. The combined tax is called the harmonized sales tax (HST).

The HST rate varies by province—13% in New Brunswick and Ontario, 15% in Nova Scotia and Newfoundland and Labrador, and 14% in Prince Edward Island.

You must collect the HST from your clients on the amount considered as having been paid by them for a taxable supply of a service. The amount subject to HST is the lesser of:

- $2/3 \times$ (the estimated refund minus the amount you pay to the client); or
- \$30.

New Brunswick and Ontario

The maximum HST that can be charged on a discounting transaction in New Brunswick and Ontario is \$3.90 ($\$45 \times 2/3 \times 0.13$). If the estimated refund minus the amount you pay to the client is \$45 or more, enter \$3.90 ($\$45 \times 2/3 \times 0.13$) on the HST line of box D.

If the estimated refund minus the amount you pay to the client is less than \$45, multiply $2/3$ of the difference by 0.13. Enter the result on the HST line of box D.

Example 1

Estimated refund	\$500
Minus: payment to the client	<u>445</u>
Difference	\$ 55

Since the difference is more than \$45, enter \$3.90 on the HST line of box D.

Example 2

Estimated refund	\$200
Minus: payment to the client	<u>170</u>
Difference	\$ 30

Since the difference is less than \$45, calculate the HST as follows:

$$(\$30 \times 2/3) \times 0.13 = \$2.60$$

Enter \$2.60 on the HST line of box D.

Nova Scotia and Newfoundland and Labrador

The maximum HST that can be charged on a discounting transaction in Nova Scotia and Newfoundland and Labrador is \$4.50 ($\$45 \times 2/3 \times 0.15$). If the estimated refund minus the amount you pay to the client is \$45 or more, enter \$4.50 ($\$45 \times 2/3 \times 0.15$) on the HST line of box D.

If the estimated refund minus the amount you pay to the client is less than \$45, multiply 2/3 of the difference by 0.15. Enter the result on the HST line of box D.

Example 1

Estimated refund	\$500
Minus: payment to the client	<u>445</u>
Difference	\$ 55

Since the difference is more than \$45, enter \$4.50 on the HST line of box D.

Example 2

Estimated refund	\$200
Minus: payment to the client	<u>170</u>
Difference	\$ 30

Since the difference is less than \$45, calculate the HST as follows:

$$(\$30 \times 2/3) \times 0.15 = \$3.00$$

Enter \$3.00 on the HST line of box D.

Prince Edward Island

The maximum HST that can be charged on a discounting transaction in Prince Edward Island is \$4.20 ($\$45 \times 2/3 \times 0.14$). If the estimated refund minus the amount you pay to the client is \$45 or more, enter \$4.20 ($\$45 \times 2/3 \times 0.14$) on the HST line of box D.

If the estimated refund minus the amount you pay to the client is less than \$45, multiply 2/3 of the difference by 0.14. Enter the result on the HST line of box D.

Example 1

Estimated refund	\$500
Minus: payment to the client	<u>445</u>
Difference	\$ 55

Since the difference is more than \$45, enter \$4.20 on the HST line of box D.

Example 2

Estimated refund	\$200
Minus: payment to the client	<u>170</u>
Difference	\$ 30

Since the difference is less than \$45, calculate the HST as follows:

$$(\$30 \times 2/3) \times 0.14 = \$2.80$$

Enter \$2.80 on the HST line of box D.

Note

A person who provides financial services by means of discounting income tax refunds and who is a discounter for purposes of the *Tax Rebate Discounting Act* is considered to be a financial institution for GST/HST purposes. As a result, tax discounters are required to follow the special rules provided for financial institutions for GST/HST purposes, including the requirement to complete Form GST111, *Financial Institution GST/HST Annual Information Return*, if the financial institution is a GST/HST registrant and its total annual revenue is more than \$1 million. For more information about Form GST111, see Guide RC4419, *Financial Institution GST/HST Annual Information Return*.

For more information on tax discounters and their GST/HST entitlements and obligations, see GST/HST Memorandum 17.10, *Tax Discounters*, or call 1-800-959-5525.

In Quebec, contact Revenu Québec, which is responsible for administering the GST in that province unless you are a selected listed financial institution. For more information, go to www.cra.gc.ca/slfi.

Quebec sales tax (QST)

In Quebec, the QST applies to discounting services. The QST rate is 9.975% and is applied directly to the price of discounting services.

The maximum QST that can be charged on a discounting transaction is \$2.99 ($\$45 \times 2/3 \times 0.09975$). If the estimated refund minus the amount you pay to the client is \$45 or more, enter \$2.99 on the QST line of box D.

If the estimated refund minus the amount you pay to the client is less than \$45, use the following formula to calculate the QST:

$2/3 \times (\text{the estimated refund minus the amount you pay to the client})$ multiplied by 0.09975.

Example 1

Estimated refund	\$500
Minus: payment to the client	<u>445</u>
Difference	\$ 55

Since the difference is more than \$45, enter \$2.99 on the QST line of box D.

Example 2

Estimated refund	\$200
Minus: payment to the client	<u>170</u>
Difference	\$ 30

Since the difference is less than \$45, calculate the QST as follows:

$$(\$30 \times 2/3) = \$20$$

$$\$20.00 \times 0.09975 = \$1.99$$

Enter \$1.99 on the QST line of box D.

Saskatchewan (PST)

In Saskatchewan, PST applies to discounting services. The PST rate in Saskatchewan is 5% and is applied before the GST is added. The maximum PST that can be charged on a discounting transaction is \$1.50 ($\$45 \times 2/3 \times 0.05$). If the estimated refund minus the amount you pay to the client is \$45 or more, enter \$1.50 on the PST line of box D.

If the estimated refund minus the amount you pay to the client is less than \$45, use the following formula to calculate the Saskatchewan provincial sales tax:

$2/3 \times (\text{the estimated refund minus the amount you pay to the client})$ multiplied by 0.05.

Example 1

Estimated refund	\$500
Minus: payment to the client	<u>445</u>
Difference	\$ 55

Since the difference is more than \$45, enter \$1.50 on the PST line of box D.

Example 2

Estimated refund	\$200
Minus: payment to the client	<u>170</u>
Difference	\$ 30

Since the difference is less than \$45, calculate the PST as follows:

$$\begin{aligned}
 (\$30 \times 2/3) &= \$20 \\
 \$20 \times 0.05 &= \$1.00
 \end{aligned}$$

Enter \$1.00 on the PST line of box D.

Manitoba retail sales tax (RST)

In Manitoba, RST applies to discounting services. The Manitoba RST rate is 8% and is applied before the GST is added.

The maximum RST that can be charged on a discounting transaction is \$2.40.

If the estimated refund minus the amount you pay to the client is \$45 or more, enter \$2.40 ($\$45 \times 2/3 \times 0.08$) on the RST line of box D.

If the estimated refund minus the amount you pay to the client is less than \$45, use the following formula to calculate the Manitoba retail sales tax:

$2/3 \times$ (the estimated refund minus the amount you pay to the client) multiplied by 0.08.

Example 1

Estimated refund	\$500
Minus: payment to the client	<u>445</u>
Difference	\$ 55

Since the difference is more than \$45, enter \$2.40 on the RST line of box D.

Example 2

Estimated refund	\$200
Minus: payment to the client	<u>170</u>
Difference	\$ 30

Since the difference is less than \$45, calculate the RST as follows:

$$\begin{aligned}
 (\$30 \times 2/3) &= \$20 \\
 \$20 \times 0.08 &= \$1.60
 \end{aligned}$$

Enter \$1.60 on the RST line of box D.

Box E – Amount payable to the client

Enter the amount you owe the client from box C minus the total taxes owing from box D.

Box F – Cost to the client of the discounting transaction

The cost to the client of the discounting transaction is called the discount. It is the estimated refund minus the amount owed to the client before taxes (box A minus box C).

The discount must not be more than 15% of the first \$300 of the estimated refund, plus 5% on the remaining amount.

Box 10 – Discounter's signature

This must be your signature, or the signature of a person you authorized to carry out the discounting transaction.

Box 11 – Discounter's name

Enter the name of the person who signed in box 10.

Box 12 – Location

Enter the name of the municipality where the discounting transaction took place.

Box 13 – Date

Enter the date on which you or an authorized person acquired the right to the refund and paid the minimum amount.

Box 14 – Date

Enter the date the client signs Form RC71 and received the required amount. This date must be the same on both the paper and electronic versions of Form RC71.

Line 15 – Client’s signature

Unless you have a valid power of attorney authorizing someone else to act on your client’s behalf, Form RC71 must be signed by the client. Do not ask the client to sign until you pay the required amount and give the client a copy of Form RC71. A client’s signature on this line is not considered a proof of payment.

Line 16 – Client’s name

The client must print their full name on this line.

Line 17 – Location

Enter the name of the municipality where the discounting transaction took place.

What if the client provides new information before their tax return is filed?

If the client provides new information that changes their return before it is filed, you will have to prepare another Form RC71 to discount this additional information and pay the client. The amount in box A must reflect only the additional refund amount. However, you have to consider the initial discounted refund when you calculate the discount on the additional refund, since they are both for the same tax year. If the initial discounted refund was \$300 or more, you must pay the client 95% of the additional refund. When electronically filing Form RC71, ensure that you send the total of the two RC71 forms and keep them on file for your records.

Form RC72, Notice of the Actual Amount of the Refund of Tax

You have to inform the client of the actual amount of the refund you received from the CRA using Form RC72 as soon as you receive the notice of assessment. If the actual refund, minus any refund interest, is greater than the estimated refund by \$10 or more, you have to pay this amount to the client within 30 days of receiving the refund.

If you have made all reasonable efforts, but cannot locate and pay the refund to the client you must return the excess amount to the tax centre within 30 days of receiving the refund. Make your cheque payable to the Receiver General. Include copy 1 of Form RC72 and write the client’s name on the back of the cheque. Do not write the client’s social insurance number on the cheque. If the client’s copy of Form RC72 and the notice of assessment are returned to you by the post office, keep them and the return envelope in your files in case the client asks for them at a later date; and, as proof of your attempt to provide the form to your client.

You are required to keep all documentation related to a discounting transaction for 3 years.

If, after returning an excess amount to us, you locate the client or the client contacts you, tell the client to call our individual income tax enquiries at **1-800-959-8281**.

Purpose of Form RC72

Form RC72 is used to notify the client of the actual amount of the refund and to help us process excess amounts. Complete this form as soon as you receive a notice of assessment or notice of reassessment, refund cheque, or payment. You have to complete this form for every return you discounted, regardless of the amount of the refund or the difference between the actual and estimated refund. You are required to send Form RC72 to all your clients regardless if there is an excess, a loss or a nil balance.

Form RC72 has three copies to be distributed as follows:

- Copy 1 is the CRA’s copy. Send copy 1 to the CRA when you cannot pay the client any excess amount and you are sending the CRA a cheque made payable to the Receiver General. If you are not sending an excess to the CRA, keep copy 1 in case we ask to see it. If you use software to prepare these forms, an electronic copy instead of a paper copy can be kept. All information on the electronic copy, including the date in box 10, must be identical to copy 2 that is given to the client.
- Send copy 2 to the client to notify them of the actual amount of the refund you received and any excess.
- Keep copy 3 in your files. This is optional. If you use software to prepare these forms, an electronic copy instead of a paper copy can be kept. All information on the electronic copy, including the date in box 10, must be identical to copy 2 that is given to the client.

Excess payments held in trust

Any excess refund owing to the client is considered to be held in trust for the client by you until you pay the client or return it to us. You should inform your financial institution that you will be holding funds in trust from time to time. The institution may have specific requirements for handling trust funds.

How to complete Form RC72

When completing Form RC72, make sure that all copies, including your file copy, are legible. Each of the following steps corresponds to a section on Form RC72.

Box 1 – Client's name

Enter the client's name exactly as shown in box 6 of Form RC71.

Box 2 – Social insurance number

Enter the client's social insurance number as shown in box 7 of Form RC71.

Box 3 – Discounter code

Enter the eight-digit discounter code issued to you for the actual discounting location where the transaction took place. The code must be the same as shown on the paper version and, if applicable, the electronically filed version of Form RC71.

Box 4 – Client's address

Enter the client's address as shown in box 8 of Form RC71, or the new address if the client has moved.

Box 5 – Tax year

Enter the tax year of the discounted return.

Box 6 – Discounter's name

Enter the Discounter's name as shown in box 1 of Form RC71.

Box 7 – Discounter's permanent mailing address

Enter your permanent mailing address as shown in box 3 of Form RC71, or the new address if your business has moved.

Box A

Enter the actual amount of the refund received from the Receiver General.

Box B

Enter the estimated refund from box A of Form RC71.

Note

Complete boxes C, D, and E only if the actual refund is more than the estimated refund.

Box C

Enter the difference between the amount in box A and the amount in box B. This is the difference between the actual and the estimated refund.

Box D

Enter the amount of the refund interest as shown on the notice of assessment or notice of reassessment. In most circumstances, you can keep the refund interest.

Box E

Enter the difference between the amount in box C and the amount in box D. If this amount is \$10 or more, you have to pay it to the client. If the amount is less than \$10, you can keep it or pay it to the client.

Box 8 – Discounter's signature

This must be your signature, or the signature of a person you authorized to carry out the discounting transaction.

Box 9 – Discounter's name

Print the name of the person who signed in box 8.

Box 10 – Date

Enter the date you or your representative signed this form and paid the excess to the client if applicable, and send a copy of it to the client along with the notice of assessment.

Box 11 – Location

Enter the name of the municipality where you or your representative signed this form.

What if you receive an additional refund?

After you have received the first refund and sent the required Form RC72 to the client, you may receive an additional refund amount or a notice of reassessment.

In such cases, you have to file a new Form RC72.

If the additional refund amount is the result of having filed additional information, complete Form RC72 in the usual way.

Enter the amount of the additional refund in box A. Enter, in box B, the additional estimated refund from box A of Form RC71 that was filed with the reassessment request.

Notice of assessment or notice of reassessment

You have to give the original notice of assessment or notice of reassessment to the client as soon as you receive it.

The notice of assessment and any information related to the assessment of discounted returns is provided to you for the sole purpose of administering the *Tax Rebate Discounting Act*. Any discounter who uses a client's notice of assessment or any related information for any other purposes is guilty of an offence and may be charged under subsection 239(2.21) of the *Income Tax Act*.

Confidentiality of taxpayer information

You must ensure the protection and confidentiality of taxpayer information at all times including, without limitation, during transmission, transportation, access, storage, processing, handling, use, and destruction.

Taxpayer information which you obtained from the CRA for discounting purposes may be used by you for the sole purpose of administering the *Tax Rebate Discounting Act*. Any other use of taxpayer information obtained from the CRA is prohibited.

Any loss, suspected loss, or unauthorized disclosure of, or access to taxpayer information which was obtained from the CRA for discounting purposes must be immediately reported by you to the CRA by contacting Discounter Services by telephone at **1-613-941-8864**. You can find their contact information on page 25.

Auditing discounters records

We may ask you to provide documents or proofs of payment to make sure that you are following all the requirements of the *Tax Rebate Discounting Act*. We may make this request in writing, by telephone, or by visiting your place of business. We may also contact your clients to make sure they are receiving the payments and information to which they are entitled.

You have to send Form RC71, *Statement of Discounting Transaction*, Form RC72, *Notice of the Actual Amount of the Refund of Tax*, proof of payment, and any other documents requested, to Discounter Services within the time frame we indicate. Do not send the forms to the provincial administrator, a tax services office, or a tax centre. You are responsible for the cost of sending the documents to us. If you have more than one discounter code, sort the forms in alphabetical order, by discounter code number, before sending them to us.

Note

If we request additional documentation for audit purposes, you can submit it electronically through the Represent a Client portal or you can send the original copies to the following address, as we do not accept photocopies:

Discounter Services
Canada Revenue Agency
750 Heron Road
Ottawa ON K1A 0L5

Proof of payment

If you pay your clients in cash, ask them to sign and date a receipt for the amount received. All information provided on the receipt must be typed. The receipt must indicate the amount and purpose of the payment and it must be signed and dated by the client. Such a receipt is your proof of payment.

If you pay your clients by cheque, the cancelled cheques they endorse are your proof of payment. We will also accept cheque images (front and back), if legible, provided by financial institutions. We will not accept banking statements as proof of payment. If you know a cancelled cheque will not be returned by the bank, as in the case of a certified cheque, your clients must show that they received the money owed to them by signing and dating standard business receipts. The receipts must be fully typewritten, including the dollar amounts. There must be space for your clients to sign and date the receipts to certify that the information on the receipts is correct.

If you plan to use money orders, debit cards, prepaid cards, direct deposit, or email money orders to pay your clients, provide us with the details of the arrangement before using these forms of payment. In addition, provide us with all written documents that will be provided to your clients as they relate to these forms of payment.

Record keeping requirements and destruction of records

You must keep records of all discounting transactions for three years after they took place. You are responsible for disposing of all documents properly to protect your clients' confidentiality.

Chapter 4 – General guidelines

Acquiring the right to a refund

You must pay the client the amount payable in box E of Form RC71 before you ask them to sign this form or any other form that would give you the right to get a refund.

However, you can get authorization from your client to investigate background information before paying the minimum amount. To get this authorization, have your client sign Form T1153, *Consent and Request*. No other form is acceptable, and only the client information listed on the form will be disclosed. You must keep Form T1153 on file for three years after the end of the tax year in which it was signed, even if you did not discount the client's return.

You must follow all provincial and territorial regulations regarding contracts.

We will make the individual direct deposits in the client's name. We will show your client's name and your address on the notice of assessment or notice of reassessment.

Contact your financial institution to find out what documents they need to allow you to cash your clients' payments.

What if the actual refund is less than the estimated refund?

If the actual refund of tax is less than the estimated refund, any repayment you request from the client cannot result in the client receiving less than the minimum payment. Also, when determining the amount you can collect from the client, you have to include any refund interest we paid in the amount of the actual refund.

Calculate the amount you can collect from the client as shown in the following example:

Example

Estimated refund	\$1,200
Payment to the client	<u>\$1,110</u>
Actual refund received (includes \$10 refund interest)	\$500

Form RC72:

Box A: Actual refund	\$500
Box B: Estimated refund	<u>\$1,200</u>
Difference	(\$700)

You cannot request \$700 (the difference between box A and box B) from the client, since this would result in the client receiving less than the minimum amount of the actual refund of \$500. You have to pay the minimum amount based on the actual refund received of \$500. This amount is calculated as follows:

Minimum amount	$\$300 \times 85\% =$	\$255
	$\$200 \times 95\% =$	<u>190</u>
		\$445

Since you have already paid the client \$1,110 based on the estimated refund, the amount you can now collect from the client is \$665, calculated as follows:

Payment to the client based on the estimated refund	\$1,110
Minus: minimum amount the client can receive based on the actual refund of \$500	<u>445</u>
Amount you can collect from the client	\$665

This calculation does not apply in situations where the actual refund is less than the estimated refund because we used part of the refund to pay the client's debt to the Crown (such as student loans, overpayments of employment insurance benefits, or garnishments under the *Family Orders and Agreements Enforcement Assistance Act*). In this situation, you can collect from the client the amount of the refund that we used to pay his or her debt.

Client debts

Although a client may be entitled to a refund, we may keep some or all of it to:

- apply against any amount the client owes us or is about to owe us;
- satisfy a garnishment order under the *Family Orders and Agreements Enforcement Assistance Act*; or
- apply against certain other outstanding federal, provincial, or territorial government debts, such as student loans, employment insurance and social assistance benefit overpayments, immigration loans, and training allowance overpayments.

If you are aware of such a debt when you acquire the right to the client’s refund, you have two options for the amount you enter in box A, “Estimated refund amount,” on Form RC71. Use this amount when calculating the minimum amount to pay the client and the discount.

Option 1: The amount from line 484 of the client’s tax return minus the debt

Example

Estimated refund	\$1,200
Minus: client’s debt	<u>500</u>
Net estimated refund	\$700

Enter the net estimated refund of \$700 in box A of Form RC71 to calculate the client’s payment.

Administratively, we accept that interest may be calculated by the discounter and added to the interest bearing amount that the client owes us, or is about to owe us. This calculation allows for the period between the time the outstanding balance amount is provided to the discounter, and the time the tax return is assessed. In such cases, the interest must be calculated using an interest rate that is not higher than the CRA prescribed interest rates for a period no longer than our published EFILE processing standard of two weeks. If you are filing paper returns, the interest period must not exceed the standard processing time. For more information about our rates and standards, visit www.cra.gc.ca.

Documentation on your clients’ files must show the amount of the debt, the interest charged, to whom it was owed, and the source of this information.

Option 2: The amount from line 484

If you choose this option, you must pay the debt before you discount the client’s refund. When your payment has been processed, you then calculate the minimum amount to pay to the client on the estimated refund (\$1,200 in the above example).

Completing a client’s return

We will send the client’s notice of assessment to your permanent mailing address as shown on Form RC76, *Application and Agreement to Obtain a Discounter Code/Discounter Direct Deposit Enrolment*.

If you use EFILE to file your client’s return, make sure that you enter your client’s current address when transmitting the return to us for processing. Do not enter your own address in the identification area when transmitting the return.

If you are filing a paper return for your client, complete the client’s current address in the space given on page 1 of the return. Do not enter your own address in the identification area of your client’s return.

We will send all refunds from discounted returns to you. However, there may be instances when we send a discounted refund to a client in error. If this happens, you have to get the refund back from the client, as stated in subsection 2(3) of the *Tax Rebate Discounting Act*:

“A right to a refund of tax acquired by a discounter from a client is enforceable only between the client and the discounter and nothing in this Act shall be construed as creating any liability between the discounter and Her Majesty.”

Requesting adjustments

What if the client provides new information after their tax return is filed?

If the client provides new information that changes their return, an adjustment is required to the return. If you discount an additional refund resulting from the adjustment to the return, complete a new Form RC71. Write “Additional information” in the blank box at the top of the form.

The amount in box A of Form RC71 must reflect only the amount of the additional refund. However, you have to consider the initial discounted refund when you calculate the discount on the additional refund, since they are both for the same tax year. If the initial discounted refund was \$300 or more, you must pay the client 95% of the additional refund.

Example

Initial discounted refund:

Estimated refund	\$1,000
Minus: payment to the client	
\$300 × 85% = \$255	
\$700 × 95% = 665	
	<u>920</u>
Discount	\$80

New discounted refund:

New information is filed, which results in an additional refund of \$500.

Pay the client: $\$500 \times 95\% = \475

You cannot pay the client 85% on the first \$300 of the additional refund, since you already paid 85% on the first \$300 of the initial refund for the same tax year.

What if you receive a refund that is less than the estimated refund?

If you receive a refund that is less than the estimated refund, you can submit information to reinstate the estimated refund in whole or in part. Include a photocopy of the original Form RC71 with your request for adjustment. Print "Additional information" in the blank box at the top of the form.

We will send the notice of reassessment or any resulting refund to the client if Form RC71 is not included with your request for adjustment.

Do not delay providing Form RC72 and the notice of assessment to the client while waiting for the reassessment.

Discounter code on a client's return

When you use EFILE to file your client's return, enter your discounter code before transmitting the return to us for processing.

If you are filing a paper return for your client, enter and highlight "Disc. code no." and your discounter code to the right of the pre-printed word "Identification" at the top left corner of page 1 of the client's tax return.

If you do not enter your discounter code on the return, we may send the notice of assessment or the refund to the client.

Fraudulent discounted returns

To protect your interests and the integrity of our tax system, take proper care to verify the identity of your client. Ensure your client has documents such as information slips and receipts to support all income, deductions, and credits reported or claimed on the return. Verify the authenticity of these information slips before conducting financial transactions.

For more information about reporting a suspected violation of any tax law, please contact the CRA enforcement division nearest you.

Authorization to represent your client

We will only release confidential client information if the client has given you written authorization to represent them in matters related to the *Income Tax Act*. For more information, call our individual income tax enquiries service at 1-800-959-8281.

Chapter 5 – Tools and Information

EFILE service

EFILE is an automated service that allows tax preparation service providers to electronically file their clients' income tax and benefit return(s) to the Canada Revenue Agency (CRA) for the current year and the three prior years.

EFILE web service allows you to transmit your client's returns directly from your tax preparation software. You get an acknowledgement of the individual return instantly. Your software has the capability to simulate the batch filing process by transmitting multiple returns at once, and providing an instant acknowledgement of each return that you have transmitted.

For more information on EFILE, go to www.cra.gc.ca/efile.

Client Data Enquiry (CDE) service

CDE is a service that allows view access to various data elements of a client's account. It serves as more than a notification and can provide a detailed summary of a client's account, including any amounts that apply. Authorized representatives will be able to view information about a client's account before preparing their return. It also assists authorized discounters by indicating if outstanding debts exist which might affect whether the return is discounted or the amount of the discounted refund.

To access the CDE service, you must log in to Represent a Client.

For more information on CDE, go to www.efile.cra.gc.ca/l-snd-txt-eng.html.

Auto-fill my return service

Auto-fill my return is a new secure Canada Revenue Agency (CRA) service. It allows authorized representatives to automatically fill in parts of their client's income tax and benefit return with information that is available with the CRA.

Many authorized representatives are already accessing the CRA's online services to gather information to help them prepare tax returns on behalf of their clients. The service will simplify the tax preparation process.

To use this service:

- representatives must be a registered electronic filer;
- be registered in Represent a Client (RAC) and have a RepID, GroupID, or business number (BN);
- have a valid Form T1013, *Authorizing or Cancelling a Representative*, with Level 1 (or higher) authorization for online access on file with the CRA; and
- use EFILE-certified software that supports the Auto-fill my return service.

For more information on Auto-fill my return, go to www.cra.gc.ca/auto-fill.

Refund Set-Off Program

The Refund Set-Off (RSO) Program is a CRA initiative under which an individual's tax refunds and eligible credits can be applied against debts these individuals owe to the Crown, instead of being refunded to them. A variety of debts due to federal, provincial, or territorial departments, agencies, or Crown Corporations are recovered under the RSO program.

Individuals may be identified as owing an amount under this program at any time.

Individual tax refunds, the working income tax benefit, and the Ontario senior homeowners' property tax grant can be used for set-off purposes, regardless of the individual's net family income. However, the following credits will only be used if the individual's net family income is above the low-income threshold established by Statistics Canada:

- the goods and services tax/harmonized sales tax credit (GSTC/HSTC);
- the Saskatchewan low-income tax credit (SLITC);
- the British Columbia low income climate action tax credit (BCLICATC);
- the British Columbia sales tax credit (BCSTC);
- the Ontario sales tax credit (OSTC);
- the Nova Scotia affordable living tax credit (NSALTC);
- the Ontario energy and property tax credit (OEPTC);
- the Prince Edward Island sales tax credit (PEISTC);
- the refundable medical expense supplement; and
- the Ontario trillium benefit (OTB).

Note

As of July 1, 2012, three existing credits were combined and are now paid as a single payment under the Ontario trillium benefit. These credits are the Ontario energy and property tax credit (OEPTC), the northern Ontario energy credit (NOEC), and the Ontario sales tax credit (OSTC).

Quebec refundable tax credits will never be used for set-off purposes.

Family Orders and Agreements Enforcement Assistance (FOAEA) Program

The *Family Orders and Agreements Enforcement Assistance Act*, which is administered by the Department of Justice Canada, allows an individual's tax refunds and certain credits to be garnisheed and redirected to the Department of Justice Canada to be applied against an individual's outstanding family support payments.

The Department of Justice Canada determines who should be included in this program, and advises the CRA accordingly. Individuals may be identified at any time.

Individual tax refunds and the following tax credits are garnishable under the FOA program:

- the goods and services tax/harmonized sales tax credit (GSTC/HSTC);
- the working income tax benefit (WITB);
- the Saskatchewan low-income tax credit (SLITC);

- the British Columbia low income climate action tax credit (BCLICATC);
- the British Columbia sales tax credit (BCSTC);
- the Nova Scotia affordable living tax credit (NSALTC);
- the Prince Edward Island sales tax credit (PEISTC);
- the Ontario sales tax credit (OSTC);
- the Ontario energy and property tax credit (OEPTC);
- the Ontario senior homeowners' property tax grant (OSHPTG);
- the Ontario sales tax transition benefit (OSTTB);
- the refundable Quebec abatements;
- the goods and services tax (GST) rebates, paid on or after February 2015; and
- the Ontario trillium benefit (OTB).

Note

As of July 1, 2012, three existing credits were combined and are now paid as a single payment under the Ontario trillium benefit. These credits are the Ontario energy and property tax credit (OEPTC), the northern Ontario energy credit (NOEC), and the Ontario sales tax credit (OSTC).

For more information

In addition to this guide, we provide information for discounters at www.cra.gc.ca/discounters. This guide explains the most common situations. If you need more information after reading it, or you have changes pertaining to your business, such as a change of address, contact us at:

Discounter Services
Canada Revenue Agency
750 Heron Road
Ottawa ON K1A 0L5

Telephone: 613-941-8864

If you need information about filing an income tax and benefit return, or about a client's refund, read Guide 5000-G, *General Income Tax and Benefit Guide* or call our individual income tax enquiries service at 1-800-959-8281.

If you have an account specific question about the information provided through the Auto-fill my return or CDE services, call our individual income tax enquiries service at 1-800-959-8281.

If you notice a mistake on an information slip, contact the employer, payer, or administrator for that slip.

Direct deposit

Direct deposit is a faster, more convenient, reliable, and secure way to get the taxpayer's refund directly into the taxpayer's account at a financial institution in Canada.

For more information, go to www.cra.gc.ca/directdeposit.

Forms and publications

To get our forms and publications, go to www.cra.gc.ca/forms or call 1-800-959-8281.

Electronic mailing lists

We can notify you by email when new information on a subject of interest to you is available on our website. To subscribe to our electronic mailing lists, go to www.cra.gc.ca/lists.

Tax Information Phone Service (TIPS)

For personal and general tax information by telephone, use our automated service, TIPS, by calling 1-800-267-6999.

Teletypewriter (TTY) users

TTY users can call 1-800-665-0354 for bilingual assistance during regular business hours.

Service complaints

You can expect to be treated fairly under clear and established rules, and get a high level of service each time you deal with the Canada Revenue Agency (CRA); see the *Taxpayer Bill of Rights*.

If you are not satisfied with the service you received, try to resolve the matter with the CRA employee you have been dealing with or call the telephone number provided in the CRA's correspondence. If you do not have contact information, go to www.cra.gc.ca/contact.

If you still disagree with the way your concerns were addressed, you can ask to discuss the matter with the employee's supervisor.

If you are still not satisfied, you can file a service complaint by filling out Form RC193, *Service-Related Complaint*.

If the CRA has not resolved your service-related complaint, you can submit a complaint with the Office of the Taxpayers' Ombudsman.

For more information, go to www.cra.gc.ca/complaints or see Booklet RC4420, *Information on CRA – Service Complaints*.

Reprisal complaint

If you believe that you have experienced reprisal, complete Form RC459, *Reprisal Complaint*.

For more information about reprisal complaints, go to www.cra.gc.ca/reprisalcomplaints.

Tax information videos

We have a number of tax information videos for individuals on topics such as the income tax and benefit return, students, and tax measures for persons with disabilities. To watch our videos, go to www.cra.gc.ca/videogallery.