



PEI TC, Summerside PE, C1N 6A2

Date Dec 11, 2020
Account Number 86844 2310 RP0001
Reference Number GB2031 8124 7453

ATTN: JOELLEN MCHARD
LANARK COUNTY COMMUNITY
JUSTICE PROGRAM INC.
10E - 8 HERRIOTT ST
PERTH ON K7H 1S9

Dear Sir or Madam:

Subject: Relief decision for the years 2015 to 2019

I am responding to your request of November 4, 2020, asking us to cancel the:

- late-remitting penalties
- failure to file penalties
- arrears interest

Please note that some of the amounts you have requested are actual tax owing. The taxpayer relief provisions do not permit the Canada Revenue Agency (CRA) to cancel or waive properly assessed tax.

After carefully considering the facts and circumstances of this case, I am partially approving your request. The late-remitting penalties assessed to the remitting periods ending May 31, 2017, June 30, 2017, July 31, 2018, September 30, 2018, October 31, 2018, November 30, 2018, December 31, 2018, January 31, 2019, and February 28, 2019, will be cancelled due to financial hardship/inability to pay. The failure to remit penalties assessed to the 2017 and 2018 years will also be cancelled. The arrears interest assessed after April 1, 2017, to the 2016, 2017, and 2018 years will also be cancelled due to financial hardship/inability to pay.

Although I was able to approve some relief for those reasons, my review found more relief is not warranted.

Financial hardship for a corporate taxpayer refers to situations where the continuity of business operations and the continued employment of a firm's employees are jeopardized.

The failure to remit penalties assessed to the 2016 year will not be cancelled, as these remittances were due prior to the period of financial hardship. Relief of the arrears interest assessed prior to April 1, 2017, to the 2015 and 2016 years is also not warranted, as you have not demonstrated the organization was experiencing financial hardship prior to that date. A review of the organization's financial statements shows it had a positive net worth for the fiscal years ending March 31, 2015, March 31, 2016, and March 31, 2017. This does not support financial hardship or an inability to pay.

In your request, you stated previous executive directors were new to their positions, had steep learning curves, and had a lack of understanding of payroll procedures.

It is the employer's responsibility to have a system in place to ensure returns and payments are made correctly and on time. A reasonable amount of care is required from an employer to ensure proper reporting procedures are followed.

When an employer delegates an employee, such as the executive director, to do this, the employer is still responsible for ensuring the amounts are remitted and paid on time. Ultimately, it is the responsibility of the board of directors to ensure the organization's tax obligations are met.

It may take up to 30 days to process this transaction. You can see any change in My Business Account on our website. To register, go to canada.ca/my-cra-business-account. For more information about My Business Account or this transaction, call 1-800-959-5525.

If you believe our decision is not fair and reasonable, you can write and ask for another delegated official of the Taxpayer Relief Program to do a second independent review. To submit a request, fill out Form RC4288, Request for Taxpayer Relief - Cancel or Waive Penalties or Interest, and send it electronically through My Business Account. For details on how to submit documents online, go to canada.ca/cra-submit-documents-online. You can also send your request by mail at the address indicated on the last page of the form.

Information Circular IC07-1R1, Taxpayer Relief Provisions, outlines the guidelines we follow when making a decision. For more information on the taxpayer relief provisions and related forms and publications, go to canada.ca/taxpayer-relief.

If you have any questions about this decision, please call N. Hashie, Taxpayer Relief Officer, at 1-855-624-4334.

Sincerely,

F. Gard
Team Leader
Taxpayer Relief Centre of Expertise
Appeals Branch