



We take your taxes personally!

# Ten Ways to Find Money from Unfiled Taxes

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# Ten Ways to Find Money from Unfiled Taxes

**D**o you have several years of unfiled taxes? Are you wondering if CRA owes you money? Did you know you can actually make money by filing your taxes? Over one million Canadians file late every year, and millions of unpaid dollars are sitting in CRA coffers collecting interest for them. This handout is based on years of helping clients and Canadian taxpayers legally recover money owed to them by CRA. We hope you can use it to find some overdue money payable to you!

## 1. Find out how many years need to be filed.

This is definitely your first step. If you are up to date in your filings but think CRA owes you money, you may need to adjust previous returns or appeal. I suggest you get PTC Canada's *10 Ways to See if You Have Paid Your Fair Share of Taxes* to see if there is an opportunity for you. To find out which returns you need to file, contact CRA at 1-800-959-8281, visit your [local tax centre](#), or go onto [My Account](#).

## 2. Find out what types of credits you are entitled to for each year.

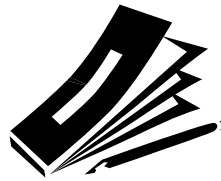
In Canada, the average taxpayer may be entitled to a tax refund, Child Tax Benefit, GST credits, and various provincial tax credits for every return filed. Sometimes the government has tax bonus programs as well. You can calculate the credits yourself through various tax programs or by using CRA's [general income tax and benefit package](#). Or you can ask a professional to do the calculations for you.

## 3. File only the necessary returns.

Just because you haven't filed a return for a few years does not mean you are required to file. Unless CRA requests you to file, or you are expecting a refund or credits, you generally don't need to file. CRA may not bother to ask you to file returns that are many years overdue. File the ones that CRA requires or that are in your interest. Don't bother with the others unless you are asked. A tax pro can help you decide which ones are important.

#### 4. Gather your information.

Once you have decided which returns should be filed, start gathering the required information. PTC Canada's *Personal Tax Checklist* will help you get started. If you are self-employed, have rental or investment income, or have deductible employment expenses, go to our website for free booklets on each of these subjects: [www.ptccanada.com](http://www.ptccanada.com). If you need a bookkeeper to do record keeping, PTC Canada can make a recommendation. The more detailed your information, the better your chances of optimizing your return.



#### 5. How to handle a tax liability

Suppose you file all your returns as suggested and you end up with a tax liability. If you can't pay right away, you have one year to settle the balance. The next two points offer additional suggestions. There are many alternatives available to the average taxpayer. I recommend you review these thoroughly, with a professional if necessary, to make the most of your situation.

#### 6. See if you qualify for a tax windfall.

A "tax windfall" is the discovery that your taxes have been overassessed. Either you have paid too much or you owe less than you thought. In many cases, you may be entitled to get something back with interest, or have the interest reduced on what you owe. Our handout *10 Ways to Find a Tax Windfall*, available on our website at [www.ptccanada.com](http://www.ptccanada.com), will help you find out if you qualify for a tax windfall.

#### 7. Avoid tax traps.

A "tax trap" is an unforeseen tax liability that you were not planning for. It is not so much a minor adjustment as a substantial pitfall that can alter your financial picture. Tax traps happen when a taxpayer has underpaid taxes he or she may have overlooked. The taxpayer may have been misinformed and deducted too much, and is now facing reassessment and a tax bill from CRA, with interest. Take a look at PTC Canada's handout *10 Ways to Avoid a Tax Trap* for insight into how to avoid this or deal with it if it happens to you.

**8. See if your spouse or dependants have unfiled taxes.**

If you are married, living common law, or have dependants who have not filed a return, find out if it would be worthwhile for them to file. For example, dependants other than a spouse are entitled to earn some income without loss of tax credits to the supporter. Dependant children can start building RRSP room from their part-time jobs. Suppose a child earns \$100,000 between the ages of 15 and 24. When the child enters the work force full-time, their RRSP contribution room will start at \$18,000 (using 2004 rates) with this simple strategy. Filing returns can have many benefits!

**9. Use transfers between dependants and your spouse.**

Dependants and spouses are allowed to transfer certain credits. In most cases, everyone involved would need to file a return. Examples are disability, tuition, donations, and medical credits. Claims for GST, child tax, and provincial credits require everyone to file, whether they earned income or not. The CRA guides give you an idea how transfers work, but a professional can explain how to get the most out of these.

**10. Consult your tax professional.**

A good tax pro can show you how to file necessary returns without using a cent of your own money. Suppose you have figured out what needs to be done, but you don't have the money to do it. Provided you have no liabilities to CRA or other government agencies or authorized claimants (such as maintenance orders, Canada student loans, or HRDC), a pro can show you how a short-term loan will work for you.

Here's a basic example. Suppose a person has five years of unfiled returns and is only expecting a refund of GST credits of \$250 per year, or \$1,250 in total. If he pays the tax consulting fees of, say, \$535, with a credit card at 20% interest, he can have over \$650 in his hands in a few months. That's more than a 200% return on an investment for which he borrowed 100%, with no out-of-pocket payments. PTC Canada prefers to be involved in cases that produce at least 100% net return on a client's money within a year. Higher than that is even better; anything lower is up to the client.

PTC Canada always tries to find opportunities for the taxpayer, even in the most unusual situations. Having a load of back taxes may seem like a liability to the average person, but if it can be turned into cash, it's worth exploring. If you discover a hidden treasure after reading this handout, it has been worth your while. Join our free mailing list today to receive updates on tax events and unique products and services to ease your tax burden. On the following pages, you will find a list of free resources and services. Then you can find out for yourself why PTC (Personal Tax Consultants) Canada *takes your taxes personally!*

Sincerely,  
*Neel*

Neel Roberts  
President & Founder

P.S. Tell us your success story. It means a lot to me and my clients!

*Since 1998, PTC Canada has helped thousands of Canadian taxpayers and clients around the world achieve optimal results with innovative tax preparation, planning, and consulting.*

## Free Tax Booklets

We offer other tax booklets, worksheets, and information that may be helpful to you. These include booklets for:

1. [Canadian Tax Secrets Guide](#)
2. [Employment and Commission Expense Tax Booklet](#)
3. [Investment Tax Booklet](#)
4. [Rental Property Tax Booklet](#)
5. [Small Unincorporated Business Tax Booklet](#)
6. [Farming Income](#)
7. [Personal Tax Organization Checklist](#) (Everyone can use this.)

You can download these and much more from our website ([www.ptccanada.com](http://www.ptccanada.com) under Resources) or we can arrange to have them sent to you.

## Our Free Services

1. Tax booklets, guides, worksheets, and preparation assistance
2. Seminars and information meetings
3. Investment opportunities
4. Mail and e-mail updates
5. 24/7 support via phone, fax, e-mail, courier, and mail
6. Internet filing and interactive website
7. Mobile tax services in certain areas
8. First consultation and personal assessment



**Tip:** If you are not a client but want regular updates, you can join our complimentary update service. Contact us and we'll start you today. There is no cost or obligation, and we love giving away free stuff!

## Other Services by PTC Canada

At PTC Canada, we are a network of Canadian tax and financial professionals who are specialists in our fields. We are committed to providing you with tax and financial expertise and assistance if you are affected by CRA (formerly Revenue Canada). Our goal is to provide insight and help to the taxpayer so that our clients can make informed decisions. Our philosophy is commitment to integrity and win/win solutions. Our services now consist of:

1. All types of tax preparation, planning, and consulting
2. Corporate tax returns
3. General accounting
4. Book and record keeping
5. Financial planning and investment services
6. U.S. and Quebec tax returns
7. Bankruptcy and debt consultation
8. Legal tax matters
9. Client representation to CRA
10. Overseas taxes and relocation assistance
11. Later-filer preparation
12. Previous years' corrections and adjustments up to 15 years

## Reference Books and Guides

I always recommend getting free stuff first and hope this booklet and other PTC Canada publications have been helpful. CRA also publishes a variety of [Tax Guides and Pamphlets](#) every year, which you can get by mail by calling the Forms Centre at 1-800-959-2221. You can also access their list of [forms and publications](#).

Here are a few more things worth looking into:

1. PTC Canada has a free *Canadian Tax Secrets Guide* that you can download from our website at [www.ptccanada.com](http://www.ptccanada.com), or contact us and we will send it to you.
2. I also recommend Tim Cestnick's *Winning the Tax Game 20\_\_* (for whatever year you are doing), available at your local bookstore or [www.chapters.ca](http://www.chapters.ca) for about \$25. The cost is deductible, and I believe you will find more than enough information to recover your investment of time and money. Go to [Tim's website](#), or contact Tim at [tim@timcestnick.com](mailto:tim@timcestnick.com) if you wish to discuss his work or other strategies.
3. Another book for about the same price is *The 30-Minute Tax Solution* by tax expert Evelyn Jacks of the [Knowledge Bureau](#). You can get it at your local bookstore or by calling Evelyn at 1-866-953-4769.

## Contact Information

In this booklet, I have given you some contact information that may interest you. Below is my contact information, as well as CRA's. If you are looking for something else, please contact me.

### **My contact information:**

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Website: [www.ptccanada.com](http://www.ptccanada.com)



## CRA Contacts

Service	Toll Free Number
General Services	1-800-959-8281
Refund Enquiries	1-800-959-1956
Business Number Enquiries	1-800-959-5525
Child Tax Benefits	1-800-387-1193
GST Credit-Personal	1-800-959-1953
Forms	1-800-959-2221
Collections	1-800-332-1312
All other Government of Canada Services	1-800-622-6232
Alberta Family Employment Tax Credit	1-800-959-2809
Fax Number-Depending on your location	Call General Services
Web Site	<a href="http://www.cra-arc.gc.ca">www.cra-arc.gc.ca</a>
Overseas Tax Services-Ottawa	1-800-267-5177
Overseas Tax Services-Outside Canada	Collect 613-952-3741
Local Tax Center	Call General Services

✓ **Note: Toll free numbers work across Canada.**