

Taxpayer Requested Adjustments

Corporation Capital Tax Act

When will a taxpayer requested adjustment to a return be accepted for consideration?

What documentation must be submitted with a taxpayer requested adjustment?

This bulletin provides information and guidelines on procedures to be followed when submitting a taxpayer requested adjustment to a return filed under the *Corporation Capital Tax Act* (the Act).

The Act provides that the administrator may assess, reassess or make an additional assessment of tax within six years of the date of delivery of a return. Any assessment, reassessment or additional assessment issued in response to a taxpayer requested adjustment is subject to this six year limitation period. Review of a return won't be limited to only the taxpayer requested adjustment. Taxpayer requested adjustments may be subject to a future audit within the six year limitation period.

Taxpayer Requested Adjustments Accepted

Generally, the branch will accept for consideration and reassessment, where appropriate, taxpayer requested adjustments that correct:

- an error or omission on the return in calculating the amount of tax payable under the Act, or
- an accounting error in the financial statements.

Taxpayer Requested Adjustments Not Accepted

The branch will not consider taxpayer requested adjustments if:

- complete and detailed documentation is not provided to substantiate the adjustments; or

- the adjustments reflect a change in accounting policy or estimate, as described in the CICA Handbook.

Submitting Taxpayer Requested Adjustments

The following documentation must accompany taxpayer requested adjustments:

- a copy of the return indicating it is a taxpayer requested adjustment to the return, highlighting the fields on the return that have been adjusted, clearly indicating the adjusted amounts and including only those schedules affected by the adjustments,
- a detailed written description of the error and the corrections made,
- sufficient and appropriate documentation to support the changes, and
- a Schedule H authorization form, unless previously provided, when a representative of the taxpayer submits the taxpayer requested adjustment.

Taxpayer requested adjustments are reviewed on a first-in, first-out basis. If a request is made more than five years from the delivery date of the return, the branch recommends that a *Waiver of the Assessment Period* form (**FIN 468**) be completed and included with the submission.

Need more info?

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The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation. The *Corporation Capital Tax Act* and Regulations are on our website at www.sbr.gov.bc.ca/itb