

## Appeals of Tax Assessments

### *Corporation Capital Tax*

This bulletin provides a brief discussion of the procedures and legislative requirements under the **Corporation Capital Tax Act** (the Act), as amended, with respect to a taxpayer filing an appeal against a *Notice of Assessment*.

The information in this bulletin is provided for your convenience and guidance and is not a replacement for the legislation. The *Corporation Capital Tax Act* and Regulations can be found on the web at [www.gov.bc.ca/sbr](http://www.gov.bc.ca/sbr)

#### *In this issue...*

- **Assessments**
- **Appeal process**
- **Before filing an appeal**
- **Appeals to the Minister**
- **Appeals to the court**
- **Tax payable while assessment is under appeal**

#### ASSESSMENTS

After examining a corporation's tax return, the branch issues a preliminary *Notice of Assessment* to the corporation which either confirms or alters the amount of tax payable.

Subsequent to this preliminary assessment, the branch may issue an additional assessment as a result of an audit or other occurrence.

The corporation has the right to appeal the amount of tax, interest, or penalties that the branch has assessed or reassessed.

#### APPEAL PROCESS

Tax assessments or reassessments are subject to two levels of appeal. The first appeal is to the Minister of Small Business and Revenue, pursuant to section 32 of the Act. There is also provision for a subsequent appeal to the courts, pursuant to section 33 of the Act.

#### BEFORE FILING AN APPEAL

It is suggested that, before filing a formal appeal, a corporation that does not understand or that is in disagreement with an assessment or reassessment should contact the branch directly, either by telephone or letter. Since many disputes arise over a misunderstanding of the facts of the case, it is usually to the advantage of the corporation to attempt to clarify the facts first before resorting to the formal appeal procedure. Many cases are resolved at this stage when additional facts and supporting evidence are presented by taxpayers.

It should be noted that this preliminary contact with the branch does not constitute a formal appeal; the procedures listed below will still be required for the taxpayer to lodge an appeal and preserve their right to further appeal. Taxpayers should also refer to the relevant provisions in the Act to ensure that all statutory requirements are met.

#### APPEALS TO THE MINISTER

Corporations, who dispute their liability for assessments of taxes, interest, or penalties, may personally or by their agent, serve notice of appeal on the Minister of Small Business and Revenue. The notice of appeal must be served **within 90 days** from the date of mailing of the notice of assessment. A separate notice of appeal must be filed in respect of each *Notice of Assessment* or *Notice of Reassessment* being disputed.

The notice of appeal must be in writing and sent by registered mail to the **Minister of Small Business and Revenue**, PO Box 9629 Stn Prov Govt Victoria BC V8W 9N6. The notice must clearly state the name and address of the corporation, the CCT account number, the amount of the tax in dispute, the date of the *Notice of Assessment*, the reasons for the appeal, and the facts on which it is based.

Once a formal appeal is submitted, the assessment and related documentation are subject to an independent review by senior officials of the Ministry of Small Business and Revenue and, if necessary, a further review by legal counsel of the Ministry of Attorney General. The matter is then referred to the Minister for decision. The Minister will then consider the matter, amend, rescind, or affirm the assessment, and notify the appellant of the decision. Corporations that are in disagreement with the Minister's decision may further appeal the matter to the Supreme Court of British Columbia.

## APPEALS TO THE COURT

An appeal to the court is commenced by filing a petition under Rule 10 of the Supreme Court Rules. The petition must be filed in the Supreme Court Registry **within 90 days** after the date of the Minister's notification of decision. The Crown is styled in the petition as "Her Majesty The Queen in Right of the Province of British Columbia".

Within 14 days of filing the petition in the registry, it must be served on the Attorney General in Victoria. The petition is considered to be sufficiently served if left between 8:30 a.m. and 5:00 p.m. with a solicitor on the staff of the Attorney General in Victoria, or mailed by registered mail to the Deputy Attorney General in Victoria. In both cases, the address for service is PO Box 9280 Stn Prov Govt Victoria BC V8W 9J7.

Appellants who are dissatisfied with the decision of the Supreme Court may seek leave to appeal the court decision to the Court of Appeal from a justice of that court.

## TAX PAYABLE WHILE ASSESSMENT IS UNDER APPEAL

In accordance with section 35 of the Act, the amount of tax assessed is payable notwithstanding that a formal appeal has been filed. Any enquiries concerning payment of the outstanding CCT liability should be directed to the Collections Department of Revenue Services Division (telephone 250 387-1500).

In cases where the Minister's or the Court decision grants the taxpayer's appeal, the amount of tax previously paid is refunded, together with any applicable interest.

## NEED MORE INFO?

This bulletin is provided for convenience and guidance.

For further information, please contact:

Ministry of Small Business and Revenue  
Income Tax Branch  
PO Box 9444 Stn Prov Govt  
Victoria BC V8W 9W8

Telephone: 250 953-3082  
Fax: 250 356-0434

E-mail questions to:  
[ITBTaxQuestions@gov.bc.ca](mailto:ITBTaxQuestions@gov.bc.ca)

Information is also on the web at  
[www.gov.bc.ca/sbr](http://www.gov.bc.ca/sbr) While there, you can  
subscribe to our free electronic update  
service.