

Will you do it for cash?

If your answer is yes,

there are some important things you need to know.

Cash payments are subject to GST/HST, and you have to report them on your annual income tax return. Failure to do so is tax evasion, which has serious consequences.

More Ways to Serve You!

Pour vous servir encore mieux !



Canada Revenue
Agency

Agence du revenu
du Canada

There can be serious personal, legal, professional, and financial consequences if you:

- fail to report all income earned, cash or otherwise
- fail to report and remit GST/HST
- fail to file an income tax return
- fail to file T5018 returns for sub-contractors
- file as self-employed when you are an employee
- claim personal expenditures on your business tax return

Paying the price

If you are caught cheating you could:

- pay significant fines
- lose your assets
- have your name published in the newspaper or on the Web
- be subject to future enforcement actions
- go to jail
- all of the above

The role of the Canada Revenue Agency (CRA)

We promote tax compliance through a combination of service and enforcement.

Spelling out the rules

Taxes can be complicated. To help clear up any uncertainties, we offer the following services to help small businesses meet their tax obligations.

- Visit our website at **www.cra.gc.ca** for helpful tax information.
- Call **1-800-959-5525** toll free for information and services for businesses and self-employed individuals.
- **Community visits program** – CRA employees visit businesses in the community including those on construction sites.

- **Information seminars for new businesses** – We offer seminars on remitting GST/HST, reporting income, payroll, and other relevant topics.
- **Presentations at trade schools**
- **Get it in Writing!** – This information and awareness campaign encourages consumers to get receipts when they pay for home renovations (also visit www.hiringacontractor.com).
- **Voluntary Disclosure Program** – Set the record straight if you have not reported all your income in previous years, or if you have made other mistakes when filing tax returns. If you make a full disclosure before we start any compliance action or investigation, you will only have to pay the taxes you owe plus interest. For more information, contact your CRA tax services office.

Enforcing the rules: Tools of the trade

In addition to providing services, we use a variety of tools to enforce tax compliance, including:

- books and records reviews
- computerized matching of information from other federal and provincial departments and agencies
- information from external sources
- the Contract Payment Reporting System
- co-operation with workers' compensation boards and other agencies
- business and lifestyle audits
- investigating complaints by citizens
- investigations and prosecutions
- publication of convictions
- heavy fines (from \$1,000 to \$25,000 per non-filed return)
- jail sentences

In the last two years alone, our enforcement actions in the construction sector resulted in the following:

| Results of Construction Sector Audits | |
|---|---------------|
| Number of audits | 24,944 |
| Federal tax assessed | \$140 million |
| Interest and penalties | \$44 million |
| GST New Housing Rebate reductions | \$36 million |
| Results of the Contract Payment Reporting System | |
| Amount of unreported income detected | \$88 million |
| Number of non-filer and non-registrant tax returns | 58,903 |

Paying your taxes is the law. It is also simpler than dealing with the consequences of being caught for not doing so.

We would be happy to answer any questions you may have.

For more information, call **1-800-959-5525** or visit **www.cra.gc.ca**.

For more information on our criminal prosecution actions, please see: www.cra.gc.ca/prosecutions