

Canada Revenue Agency

Tax Alert

Don't get involved in illegal tax filing!

If you hear about a tax preparer offering larger refunds than other preparers, don't be fooled! While most preparers provide excellent service to tax filers, a few unscrupulous return preparers file false and fraudulent tax returns and ultimately defraud their clients.

Remember that even if someone else prepares your tax return, you're the one responsible for all the information on the return.

- Stay away from return preparers who offer you false tax claims. This could include false charitable donations or false child care expense claims, or maybe even false business expenses or losses. Don't get involved. You will be caught.
- Never sign a blank tax form.
- Use a reputable tax preparer who provides you with a copy for your records.

Report it.

The CRA takes abuse of Canada's tax laws very seriously. Tax fraud places an unfair burden on law-abiding taxpayers and businesses, and it jeopardizes the integrity of Canada's tax base.

If a tax preparer is offering you fraudulent tax preparation services, or if you want to report a tax cheater, you can do so anonymously by contacting the Canada Revenue Agency's **Enforcement Division** at your nearest tax services office.

Made a mistake? Come to us before we come to you.

To correct inaccurate or incomplete information or disclose material you did not report during previous dealings with the CRA, you can come forward through the CRA's **Voluntary Disclosures Program**. If you make a full disclosure before any compliance action or investigation is started, you only have to pay the taxes owing plus interest.

The bottom line.

Failure to follow tax laws will result in consequences. In addition to fines imposed by the courts, which can represent up to 200% of the taxes evaded, and jail time, you still have to pay the taxes owed and all other civil penalties and interest imposed by the CRA.

In 2005-06, taxpayers were convicted in 293 cases of tax evasion or fraud. Taxpayers had to pay close to \$14.4 million in fines, and were sentenced to more than 33 years in jail. These convictions related to revenue loss of \$13.4 million. CRA investigations work led to convictions in 94% of cases prosecuted during the 2005/2006 fiscal year.

Stay alert and stay informed.

For more information on alerts, fairness and rights, or to read about recent tax evasion convictions, visit www.cra.gc.ca.



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