THE CRA ONLINE: E-SERVICES FOR BUSINESS

In recent years the Canada Revenue Agency (CRA), like most organizations and businesses, has increasingly made it possible for its client group to deal with the Agency online, through the CRA Web site. For Canadian businesses, the CRA's initiatives in this area have meant that information and services which formerly took days or weeks to obtain can now be obtained in the electronic environment in a matter of hours or less.

For the CRA, the provision of e-services to taxpayers, both individual and business, is a priority, and the scope and number of such services continues to grow. This article outlines the major e-services currently available to Canadian businesses in dealing with the CRA, and how to access those services.

Wolters Kluwer

The CRA Web site

The starting point for any online interaction with the CRA is the Agency's Web site at www.cra-arc.gc.ca/menu-eng.html. The Web site is extremely comprehensive, containing an enormous amount of information for both individuals and businesses. The design of the Web site, which includes a number of drop-down menus and links to related topics, is easy to follow, and tax information is presented in non-technical language.

The CRA updates and upgrades its Web site on a regular basis, and the Web site is the best place to access the most current information from the Agency. News of changes in administrative policies, and new forms and publications issued by the CRA, are now often available online before they are distributed in print format. In some cases, such forms or publications are now available only online, and not in print format.

Using the CRA's e-services for business

As is usually the case for new computer applications, getting set up is the hardest part, and there are administrative requirements which must be fulfilled by businesses which want to deal with the CRA through its Web site. However, those administrative requirements, while detailed, only have to be dealt with only once, after which the CRA's online services can be accessed using the same identification numbers and password each time.

For businesses, there are two administrative requirements relevant to dealing with the CRA online. The necessary first step to be taken by any business owner who wants to make use of the CRA's e-services is the registration of the business to obtain a Business Number (BN). Second, any business owner who wants to have access to details of his or her specific business account or accounts, and to be able to make online requests for information and carry on on-line transactions related to tax matters, will need to obtain a Government of Canada e-pass. The steps involved in obtaining both are outlined below.

Registering your business with the CRA

The BN is the unique 9-digit registration number assigned to each business which has registered with the CRA. Most existing businesses will already have a BN, as it's nearly impossible to deal with the CRA, online or otherwise, without one.

For new businesses, or those which have somehow not yet acquired a BN, registration of the business can be done on the CRA's Web site at www.cra-arc.gc.ca/tx/bsnss/tpcs/bn-ne/menu-eng.html. While there are some restrictions with respect to online registration, it's available to most small and medium-sized businesses operating in Canada.

At the same time that the business is registered and the BN is obtained, the business owner can set up specific accounts under that BN. Four kinds of accounts can be set up under a single business number—a corporate income tax account (which is automatically set up by the Agency when a corporation registers for a BN), a GST/HST account, a payroll account, and an import-export account. All accounts are registered under the same BN—each business has only one BN, no matter how many accounts are set up under that number.

After registration is complete, the CRA will send a letter confirming both the BN and the accounts registered.

Getting an e-pass

Once a BN is obtained, the next step toward accessing the CRA's online services for businesses is to get an e-pass. The Government of Canada e-pass is an electronic identifier, consisting of a user ID and password, issued by the federal government. Holders of an e-pass can access federal government e-pass Enabled Services, which includes many of the e-services provided to businesses by the CRA. The rationale for the creation of the e-pass is the enhanced level of security it provides to taxpayers who are accessing online government services, particularly account or business-specific information or services. There are three steps involved in obtaining an e-pass online, outlined at www.cra-arc.gc.ca/esrvc-srvce/tx/bsnss/myccnt/menu-eng.html.

You will be asked to provide the following information:

- your social insurance number;
- your date of birth;
- the amount you calculated and reported on your income tax return; and
- your current postal code.

Once that information is provided, it's necessary to create an e-pass User ID and password, and select and answer three questions from a list of questions provided. The CRA will then provide you with a security code, sent by mail within about five business days. To complete the registration process, you need to log onto the My Business Account section of the CRA Web site

and enter that security code. Once the code is entered, the registration process is complete and future log-ins can be done using just the User ID and password.

What is my business account?

The My Business Account feature, introduced to the CRA's Web site in late 2006, is now the gateway to accessing information about a specific business and carrying out online transactions related to that business. In addition to obtaining a Business Number and an e-pass, a business owner who wants to use My Business Account must provide his or her social insurance number to the Agency, by calling the CRA's Business Enquiries Line at 1-800-959-5525.

Having access to the My Business Account service on the Web site currently allows a business owner to carry outvarious transactions and obtain information online. For a complete list of services, visit the CRA's Web site at www.cra-arc.gc.ca/esrvc-srvce/menu-eng.html.

Filing tax returns online

Filing the corporate income tax return

Corporations which meet the CRA's eligibility criteria have been able to file their income tax returns online for several years. Such filings required the corporation to have a Web access code or an e-file online number and password. However, businesses which are registered to use My Business Account can file their corporate income tax returns directly with the Agency through My Business Account.

Since 2009, corporationswith gross income greater than $1 million are required to file their T2 corporate returns electronically. As well, tax preparers filing more than ten T1 personal returns or more than ten T2 corporate returns in a year are required to file them electronically.

In order to file a corporate income tax return through the CRA's Web site, a corporation must be a resident of Canada, an eligible non-resident corporation, and must not be an insurance company. In addition, Internet filing cannot be used to file an amended return. Most small and medium-sized businesses in Canada would therefore qualify.

The CRA does not impose any charge to file a corporate income tax return electronically, but the return must be prepared on CRA-certified software. A list of such approved software is available on the Web site at http://www.cra-arc.gc.ca/esrvc-srvce/tx/bsnss/crpnt/sftwr-eng.html.

For those who encounter any difficulty with filing, the CRA maintains a Corporation Internet Filing Help Desk, which can be contacted at 1-800-959-2803. The Help Desk provides bilingual service and is available, Monday to Friday, except statutory holidays, from 9:00 a.m. to 4:00 p.m. local time.

Filing GST/HST returns

Like the corporate income tax return, most GST/HST returns can be filed through the CRA's Web site, using either the Agency's NETFILE service or My Business Account.

A GST/HST return is eligible for NETFILE if it meets the following criteria:

- a four-digit access code is printed on the working copy of the personalized return;
- the return being filed results in a nil balance, an amount owing, or a refund of $50,000 or less;
- the return does not include an amount on line 111; and
- the business does not need to file a rebate application form with the return.

Where a GST/HST return may be eligible for Internet filing, the personalized return sent to the taxpayer will contain a four-digit access code. The access will be pre-printed on the return if the account:

- has a one-year filing history with the CRA;
- is not a joint filer;
- is not administered by Revenu Québec; and
- is not in bankruptcy proceedings.

Filing payroll returns

It is possible to file information returns, including T4 slips and T4 information returns, via the CRA Web site. Different filing criteria may apply, depending on the number of returns to be filed. A section of the CRA Web site, available at http://www.cra-arc.gc.ca/esrvc-srvce/rf/menu-eng.html, outlines the types of returns that may be filed and the rules and guidelines that apply to each.

Remittances and refunds—sending and receiving money electronically

Making payments to the CRA

The CRA does not accept payments from taxpayers directly on its Web site However, such payments can be made electronically through the Web sites of most major Canadian financial institutions, and credited to the appropriate account with the CRA. As well, a number of payroll service bureaus have the capability to transmit the employee source deductions (or even corporate income tax and GST/HST payments) for a business to the CRA electronically. A current listing of the payroll service bureaus and their particular capabilities can be found on the Web site at www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/lctrnc/menu-eng.html.

While the CRA does not levy a charge for electronic payments, such a fee may be levied by the financial institution through which the payment is transmitted. As well, it's important to remember that, where a payment is made through the Internet banking facilities of a financial institution, there may well be a lag time of a few days before the funds are processed and credited to the business account. That lag time should be kept in mind when payments are made electronically, as interest and penalty charges may be levied where payments aren't received on or before the due date.

Receiving a refund electronically

Any Canadian individual taxpayer can request that funds owed to them by the CRA be deposited directly into their bank account rather than issued by cheque and sent by mail. Businesses can similarly request that corporate income tax refunds and GST/HST refunds and rebates be paid directly into the business bank account. To do so, it's necessary to complete two forms. The first, an RC366, *Direct Deposit Request for Businesses*, which is effective for income tax refunds, can be found on the Web site at www.cra-arc.gc.ca/E/pbg/tf/rc366/README.html.

Note that forms authorizing the direct deposit of funds to a business bank account must still be provided to the CRA in hard copy (not electronically)—in other words, sent by mail or delivered by hand to the CRA office specified on the particular form.

Access and hours of service

The CRA's e-pass services are available to the public 21 hours each day from Monday to Saturday, and for 20 hours on Sunday. The current hours of service are as follows.

TIME ZONES	MONDAY - SATURDAY 21 HOURS OF SERVICE	SUNDAY 20 HOURS OF SERVICE
Pacific Time	3 a.m. to midnight	3 a.m. to 11 p.m.
Mountain Time	4 a.m. to 1 a.m.	4 a.m. to midnight
Central Time	5 a.m. to 2 a.m.	5 a.m. to 1 a.m.
Eastern Time	6 a.m. to 3 a.m.	6 a.m. to 2 a.m.
Atlantic Time	7 a.m. to 4 a.m.	7 a.m. to 3 a.m.
Newfoundland Time	7:30 a.m. to 4:30 a.m.	7:30 a.m. to 3:30 a.m.
Outside Canada and the United States (Eastern Time)	6 a.m. to 3 a.m.	6 a.m. to 2 a.m.

The above chart was reproduced from the CRA's Web site and the hours are, of course, subject to change. The most current information with respect to service hours can be obtained at http://www.cra-arc.gc.ca/esrvc-srvce/tx/psssrvcs/hrs-eng.html.

Future Changes

It's clear that the CRA is moving in the direction of providing more and more of its services through electronic means, whether by telephone or on-line and proportionately fewer of those services on paper or in person.

While the administrative process of getting set up to deal with the CRA on-line with respect to your particular business can be somewhat time-consuming, there is a payoff in the speed and ease with which information can be obtained and transactions carried out online.