

CRA E-Services: For Lawyers Too

Although accounting firms routinely access client data online in order to prepare tax returns and deal with CRA correspondence, many law firms either phone the CRA or go through the accounting firm to get this information. Law firms can benefit from setting up their own online connection so that they can have instant access to client information. Such information is available for individuals, corporations, charities, and partnerships, but not for estates and trusts.

The CRA website sets out the process of registering for access. The most common method of obtaining access to a corporate client's information is as follows.

- Each individual associated with the law firm who will need access to client information goes to the CRA's Represent a Client page and registers to obtain a CRA user ID and password. This process requires that the individual enter his or her postal code and access code (shown at the top right of his or her personal notice of assessment). Once the individual receives the security code from the CRA (which is sent by postal mail), he or she can then sign in to the Represent a Client page and obtain a RepID.
- A principal of the law firm (business owner, partner, or director) logs on through the Represent a Client page, selects "business," and enters the law firm's business number and some personal information. The law firm is now registered as a potential representative of taxpayers (although not yet for any specific taxpayer). The principal then enters the RepID for each individual who needs access to client information. There is one list of RepIDs for the entire law firm; the list is not specific to particular clients (though this access structure could be set up through the use of GroupIDs).
- The law firm provides its business number to the client. The client (through its business owner, partner, or director) connects to the CRA through its My Business Account. The client then authorizes the law firm to act on its behalf by entering the firm's business number in the correct place; processing of this request is instantaneous. (If clients want to restrict access to their data to certain individuals whom they choose, they can register just the individuals' specific RepIDs rather than the law firm's business number.) If the client does not use My Business Account, the law firm can instead submit a request for **online authorization** and then follow the directions; the CRA generally processes such requests in two days, which is much faster than the response obtained when form RC59 is mailed or faxed to the CRA. The authorization can be at three different levels, but the relevant choice is level 2—to access taxpayer information and act on the taxpayer's behalf, but without the ability to name an additional representative for the taxpayer. Perhaps one might use level 1 (viewing of information only) for a non-tax lawyer.

Some individuals associated with law firms have expressed concern that online access to client information is linked to the authorized representative personally rather than to the law firm generally. However, it seems that the CRA sees this practice as an essential security feature: if any inappropriate conduct occurs, it can be traced to a specific individual, not just to the law firm generally.

After the steps above are completed, the law firm can access a vast amount of GST, payroll, and income tax information about the client. For corporate income tax, one can

- register a formal dispute;
- submit documents (for example, notice of objection, voluntary disclosure programs and taxpayer relief, office audit, and supplementary examination);
- view return status (by year-end, status of return, and status date);
- view return balances (RDTOH, GRIP, non-capital losses, and capital gains and losses);
- view account balance and activity by year-end (interim balances, balance owing, and amounts in dispute);
- view notices of assessment and reassessment (but not proposals);
- transfer payments between accounts, request a refund, request an interest review, initiate a payment search, and submit an inquiry;
- use an instalment payment calculator; and
- manage the client's mailing address.

Access to tax information for an individual is similar, except that the client authorizes the law firm's access through My Account or form T1013. Tax slips going back to 2006 (depending on the type of slip) are said to be generally available, including T4, T4A, T4A(P), T4A(OAS), T4E, T4RSP, T4RIF, T5007, T3, T5, T5008, and (sometimes) RRSP contribution receipts.

Jamie Herman

Hennick Herman LLP

Richmond Hill, ON

jaherman@hh-llp.ca

Canadian Tax Focus

Volume 6, Number 2, May 2016

©2016, Canadian Tax Foundation