

THE LIGHT AT THE END OF THE TUNNEL

Over the past few years, Revenu Québec has developed a poor reputation amongst Quebec taxpayers and mandataries. Public trust of Revenu Québec has been damaged by several articles reporting on overzealous tax officers, as well as by persistent rumours that Revenu Québec had been imposing quotas on its auditors, creating incentives for them to find reasons to penalize taxpayers and mandataries.

In several court decisions, judges have severely condemned Revenu Québec's practices and, in one case, ordered Revenu Québec to pay several million dollars in damages and interest to a taxpayer. The Quebec Ombudsman unservedly criticized Revenu Québec's overly-aggressive approach in its 2014-2015 annual report for the *Assemblée nationale du Québec*.

Alarm bells had finally sounded and, in 2015, the Quebec Finance Minister demanded that senior executives of Revenu Québec remedy the situation by producing, forthwith, a concrete action plan to address each of the problematic items exposed in the Ombudsman's report. In record time, Revenu Québec delivered its action plan. Amid the turmoil, its CEO submitted his resignation.

Following these events, Revenu Québec has initiated significant changes. Among these, it has implemented several measures whose objective is to rebuild public trust and to ensure the fair treatment of taxpayers and mandataries. Notable measures include:

- The implementation of a new Charter of Taxpayers' and Mandataries' Rights. This charter protects taxpayers' and mandataries' rights to be informed, heard, and treated with impartiality. It safeguards their rights to quality service, to the protection of personal information, to representation by the person of their choice, and to file a complaint. The new Charter also establishes Revenu Québec's specific commitment to small and medium-sized businesses, aiming to decrease their administrative burden, to reduce costs related to compliance with fiscal laws, and to facilitate access to customized services.
- The creation of the *Bureau de la protection des droits de la clientèle*. The Bureau has the mandate to respond to the requests of taxpayers and mandataries where these parties express dissatisfaction with Revenu Québec's decisions or services, or to report the alleged breach of their rights. The scope of action and power for intervention granted to this division is quite broad. Going forward, it should allow for the independent resolution of disputes with increased effectiveness and speed, at a lower cost. To date, it appears that almost all interventions carried out by the Bureau have resulted in a positive outcome for the taxpayer or mandatary.
- The implementation of an evaluation survey. This survey is to be completed voluntarily and anonymously by taxpayers, mandataries, or their representatives. Created as a follow-up to an audit conducted by Revenu Québec, this survey allows these parties to express themselves and aims to improve the quality of services rendered by Revenu Québec.

- The implementation of a new administrative policy providing for the suspension of collection measures pertaining to QST assessments. As of February 1, 2016, parties who object or appeal a notice of assessment demanding the reimbursement of Input Tax Refunds or the payment of uncollected QST can, in certain conditions, benefit from a suspension of collection measures applicable to this outstanding balance. To benefit from this relief, parties must file a request and have respected all other fiscal obligations. Additionally, the collection of the debt by Revenu Québec must not be compromised. This new policy represents a major change for mandataries who were previously required to pay all assessed QST upon receiving their notice of assessment, even in the case of an objection or appeal. The obligatory and immediate payment of the assessed amount could have had a disastrous impact on a company's assets, potentially imperilling its continued operation.

Clearly, Revenu Québec has made a considerable commitment to undergo a significant change in its culture, and improve its relationships with businesses. Although it will inevitably take some time for such extensive changes to materialize, taxpayers, mandataries, and their representatives are finally beginning to see the light at the end of the tunnel.



Lorie has led PSB Boisjoli's commodity tax department since 2011.

Drawing on her vast experience and comprehensive legal knowledge, Lorie assists our clients with all aspects of Canadian commodity tax compliance. Whether she is providing tax advice or negotiating with the tax authorities, Lorie remains passionately devoted to defending her clients' best interests. Her unique and personalised approach supports a smooth process for handling government audits and the resolution of disputes between our clients and tax authorities. Throughout all of her work, Lorie never ceases to advocate for her clients.

To consult her complete biography, [click here](#).

LORIE PALMER, CPA, CA, CIA
PARTNER, TAX

T. 514 341-5511, ext. 366 /

lpalmer@psbboisjoli.ca