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Thousands fined in tax error

Goofing the date in CCRA's computer touched off a flurry of late-filing penalties

BY GREG MERCER
VANCOUVER SUN

About 16,000 self-employed Canadians who filed their tax returns on time were charged late filing fees after Canada Customs and Revenue Agency staff failed to change the deadline date on a computer program.

The fine for late returns is five per cent of the amount of taxes owing, plus daily interest.

The problem, according to

agency spokesman Sam Papadopoulos, was that staff failed to adjust a computer program after the deadline was changed this year from June 15, which fell on a Sunday, to Monday, June 16.

The error affected those who filed their taxes in person and by mail — not those who filed elec-

tronically. About 1.5 million self-employed people in Canada filed their taxes by the June 16 dead-

line.

Papadopoulos initially suggested Thursday that those affected should send a letter to the agency's complaints centre in Ottawa.

During a second interview later in the day, Papadopoulos said all those affected would have their tax returns re-assessed — a process that would take about six to eight weeks.

One Vancouver-based accountant said 16 of his clients were stung by late fines after he filed

their taxes in person on June 16 in the middle of the afternoon at the CCRA office in the city.

Michael Hansen of Hansen Accounting Services Ltd. said his clients were charged a penalty of five per cent of taxes owed, and had the late filing recorded in their tax record.

"After I checked to make sure I had filed them on time, I called Revenue Canada. I was told all tax returns that were filed after June 15, a day earlier than the

deadline, had been assessed a late penalty, and that's across Canada," Hansen said. "I couldn't believe it."

Hansen said he was told to send his proof of meeting the deadline to CCRA's inquiries and adjustments division.

"What really bothers me is that I have to provide proof to them, when they've made the mistake. They're putting the onus on the

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