

As a participant in GLGI, I have made a thorough analysis of the CRA settlement offers made for the GLGI program. The following is a summary of my findings.

1. Their settlement letter states that the CRA is of the view that the amendments retroactive to 2002 enacted on June 26, 2013, allow for recognition of an amount equal to the cash contribution as a valid gift. If that is the case WHY SHOULD WE WAIVE OUR RIGHTS TO FURTHER OBJECT AND APPEAL ANY REASSESSMENT JUST IN ORDER TO BE ASSESSED ACCORDING TO THE LAW AS THEY VIEW IT?
2. If we accept the offer we not only waive our rights to continue to argue for our tax credits on the gift-in-kind, we also agree with the CRA valuation of our gift-in-kind which they have viewed as NIL. We also see that their calculation of our tax credit on the cash amount as indicated is incomplete. It refers only to the Federal Tax credit -if we were to accept we should get both Federal and provincial Tax Credits on the cash amount.
3. Their explanation of any interest to be waived is vague and not specific - it will only be determined once reassessment is issued.
4. The legal representatives of GLGI continue to argue for the total tax credits at issue and there is a hearing scheduled for Tax Court in the spring of 2015. If we were to accept this offer and waive our rights, we would not be part of any decision of the court or settlement agreed to. Their letter states that they will assume that your Notice of Objection was filed to protect your rights to a tax credit based on an amount equal to your cash contribution only and based on the proposed changes to the Act. Our Objection was in fact filed to protect our tax credits on both the Cash and the Gift-In-kind.

This offer is a manipulation of the new law and the process of the CRA to preclude and prevent donors from exercising their right to have their argument heard on their total tax credits. The legal process is continuing. A hearing is set for March 2015. Just because the new law allows for a tax credit on our cash contribution is no reason to give up our right to argue for all our tax credits. I WILL NOT WAIVE MY RIGHTS TO ARGUE FOR MY TOTAL TAX CREDITS!

If we do not accept this offer, their letter states that:

1. We conclude that your existing Objection was not filed to protect your rights to the Cash Contribution based on the new law - hence we will need to file a new Notice of Objection (NOO) to the upcoming reassessment that we will receive allowing our cash portion and continue our argument for our tax credits on the total contributions - cash and gift-in-kind. In addition we will need to file a request for interest relief.

Personally, this is the option I am taking for reasons noted above; I WILL NOT WAIVE MY RIGHTS and I will file a new NOO to protect my rights on both the Cash and the Gift-In Kind.

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