

In my line of work I see a variety of things that go on in normal small business cycle, one of those things that I come across is when the business owner has failed to file their income taxes for any given amount of time. Believe it or not it is a common occurrence due to the complex forms and rules that have to be followed in order to comply with the federal government.

[Dynamic Business Solutions](#) understands that this is an ongoing problem with small business owners and provides [services](#) to remove the stress from the business owners.

Below are some articles on tax evasion and the penalties, please read them and keep in mind that this type of problem can set you back with your business growth.

## **Hamilton man jailed for fraud fined \$20,500 for tax evasion**

Hamilton, Ontario, July 22, 2004... A Hamilton man was fined a total of \$20,500 in the Ontario Court of Justice yesterday after pleading guilty to one count of income tax evasion. The fine represents fifty percent of the federal tax evaded.

A Canada Revenue Agency (CRA) investigation revealed that Leslie Joseph Gall filed fraudulent personal income tax returns from 1998 to 2003 thus receiving Provincial Tax Credit and Goods and Services Tax Credit refunds he was not entitled too. By using false identities Mr. Gall received fraudulent Old Age Security Pension, Federal Supplements and Social Assistance payments in addition to the tax credit refunds. In all Mr. Gall failed to report as income over \$225,000 he had received fraudulently. By not reporting the income Mr. Gall avoided paying \$41,000 in income taxes.

When individuals or corporations are convicted of tax evasion, in addition to any fines imposed by the court, they are still obligated to pay the full amount of taxes owing, plus interest, as well as any penalties that may be assessed by the CRA.

Individuals or corporations who have not filed tax returns for previous years, not reported all their income, or claimed fraudulent refunds, can voluntarily correct their tax affairs. They will not be penalized or prosecuted if they make a full disclosure before the CRA starts any action or investigation against them. These individuals and corporations will only have to pay the taxes owing, plus interest.

To take advantage of the voluntary disclosure policy, clients served by the Hamilton Tax Services Office can call **(905) 572-4633**, or visit the CRA website at [www.cra.gc.ca](http://www.cra.gc.ca) for more information.

## **Cambridge man fined \$2,000 for failing to file tax returns**

Cambridge, Ontario, July 22, 2004... A Cambridge man was fined \$2,000 today for failing to file income tax returns over a two year period. Walter Paul Rottar plead guilty in the Ontario Court of Justice on two counts of failing to file his 2001 and 2002 personal income tax returns. The fines must be paid within 12 months.

When people are convicted of failing to file income tax returns, in addition to any fines imposed by the courts, they are still obligated to file the return and pay the full amount of taxes owing, plus interest owed, as well as any civil penalties that may be assessed by the CRA.

Under the [Income Tax Act](#), anyone who fails to file a return as required, or fails to comply with a court order to file, is guilty of an offence. On summary conviction, that person is liable to a fine of between \$1,000 and \$25,000, or both the fine and imprisonment for up to 12 months, in addition to any other penalty.

The CRA will not prosecute those who have not complied if they voluntarily come forward, file their returns, and report and pay their taxes owing according to the law before the CRA starts any legal action or investigation against them

## **North York man fined \$4,000 for failing to file GST returns**

North York, Ontario, July 9, 2004... A North York man was fined a total of \$4,000 after being found guilty in Ontario Court of Justice on July 6 to four counts of failing to file goods and services (GST) returns. The fine must be paid within 12 months.

William Alexiou, a real estate agent, failed to file annual GST returns for the business for various reporting periods during 1994 to 2000. All of the returns were filed after the Canada Revenue Agency (CRA) laid the charges.

Anyone who fails to file a GST or income tax return as and when required is guilty of an offence. On summary conviction, that person or corporation is subject to a fine of between \$1,000 and \$25,000, or both fine and imprisonment for up to 12 months, for each count.

The CRA will not prosecute those who have not complied if they voluntarily come forward, file their returns, and report and pay their taxes owing according to the law before the Agency starts any legal action or investigation against them.

To take advantage of the voluntary disclosure policy, clients served by the Toronto North Tax Services Office can call **(416) 512-4304** or visit the CRA's Web site at **[www.cra.gc.ca](http://www.cra.gc.ca)** for more information.

## **Toronto resident fined for failing to file tax returns**

Toronto, Ontario, June 25, 2004 . . . A Toronto woman has been fined \$2,000 after pleading guilty in Ontario Court of Justice to two counts of failing to file personal income tax returns.

Genett Clarke, owner of a florist store, failed to file her personal tax returns for the years 1998 to 2000. Ms. Clarke has six months to pay her fine. All of the returns were filed after the Canada Revenue Agency (CRA) laid charges.

Anyone who fails to file a personal, corporate, or GST/HST return as required is guilty of an offence. On summary conviction, the person or corporation is subject to a fine of between \$1,000 and \$25,000, or both the fine and imprisonment for up to 12 months, for each count. The fine is in addition to the taxes and interest owed, as well as any civil penalties that may be assessed by the Canada Revenue Agency (CRA).

Prosecution is used to deter deliberate non-compliance with tax laws and help make the system more equitable. However, the CRA will not prosecute those who have not complied if they voluntarily come forward, file their returns, and report and pay their taxes owing according to the law before the CRA starts any legal action or investigation against them.

All article information is compliments of the CRA website.