

The Matching Program

The CRA's matching program catches the non-reporting of income every fall. Each year the CRA checks the T-slip information in its database against Canadian taxpayer's income tax returns to ensure the T-slip income reported matches. Where the income filed by a taxpayer does not match the CRA's database records, an income tax reassessment is mailed to the taxpayer asking for the income tax due. If the taxpayer is a first time offender, they are just assessed the actual income tax owing and possibly some interest. If this is the second occurrence in the last four years, a 20% penalty of the unreported income is assessed.