



STAFF REPORT ACTION REQUIRED

Canada Revenue Agency (CRA) – Employer Compliance Audit

Date:	May 4, 2010
To:	City Council
From:	City Manager
Wards:	All
Reference Number:	

SUMMARY

In May 2008, the Canada Revenue Agency (CRA) began conducting an Employer Compliance Audit on the City of Toronto regarding taxable benefits. The scope of the CRA's audit was initially for the years 2005, 2006 and 2007. After a year of significant discussions and exchange of information between the City and the CRA, the CRA agreed to drop the year 2005. The CRA was reviewing the following areas with regard to taxable benefits: Councillor Expenses; Passes and Complimentary Tickets; and Parking – controlled and uncontrolled parking lots.

The CRA has now concluded the audit and on April 16, 2010 provided the City with its final letter and list with regard to what items it intends to assess as taxable benefits. On April 20, 2010 an electronic list of employees who will be re-assessed was received from the CRA. Staff are reviewing and analyzing the CRA's final assessment letter and the information provided with the City Solicitor's office. Staff need direction from Council with regard to the action to be taken to respond to and/or implement the results of the audit. This is to advise that a report will be submitted to City Council on this matter.

SIGNATURE

Joseph P. Pennachetti
City Manager