



Nova Scotia/Nunavut Command
The Royal Canadian Legion

61 Gloria McCluskey Avenue
Dartmouth, Nova Scotia B3B 2Z3

Tel: 902-429-4090
Fax: 902-429-7481
Email: info@ns.legion.ca

ns.legion.ca

All Branch Mail Out #19

Date: March 23, 2021

TO: NS/NU Branches
NS/NU Executive Council
NS/NU Zone Commanders
NS/NU Past Presidents
NS/NU Command Staff

From: Comrade Valerie Mitchell-Veinotte
Executive Director
NS/NU Command, RCL

Subject: Income Tax Filing

Message: Comrades: Please find copied below information from the National Executive Director in response to my questioning inconsistent answers Branches are receiving from CRA regarding income tax filing. I will continue to update as information is received.

The situation you describe is exactly what we are trying to get clarified. No response was returned from government and I have now engaged our auditors.

Only incorporated branches are required to file an income tax form (T2) with CRA even though most are exempt from paying income tax on their profits or capital gains. While none of our branches are supposed to be incorporated, I cannot assert that.

Our auditors are developing a decision tree, which will guide a branch to whether they need to file income tax (T2) or not.

Regardless of incorporation status, all branches that meet the minimum threshold (\$10K in taxable dividends, interest, rental, royalties or \$200K+ in total assets) are required to submit a T1044 annually yet many have not. That is the process I am trying to get guaranteed forgiveness for on behalf of all branches – to ensure any penalties get waived.

The reference to 2002 could be related to the T1044 filing. The requirement came in for the 1992 tax year; the voluntary disclosure program may forgive 10 years, meaning branches should have been submitting this form since 2002.

The best guidance for branches at the moment is to contact CRA directly and once I get more info from either Dept of National Revenue or the auditors, I will share.