

## Paying Your Taxes Online

In early October, the Minister of National Revenue announced that a new service would be made available on the Canada Revenue Agency Web site. That new service would allow Canadian taxpayers, both individuals and corporations, to make payments to the CRA directly from a Canadian bank account using the Agency's website. And while finding new and better ways to pay your taxes doesn't sound all that exciting, there are benefits to the taxpayer from using the new service.

First, the basics. The new service, now called My Payment, is available to any Canadian taxpayer who has online banking capabilities through one of the major Canadian banks. At the time of the announcement, BMO Bank of Montreal, Scotiabank, RBC Royal Bank, and TD Canada Trust were all signed on to the new system, and it's likely that other financial institutions will be joining that list. A partial list of the types of payments that can be made through My Payment is set out below.

### *Individual income tax*

- Balance owing / arrears
- Installment
- Payment on filing

### *Child and Family Benefits Payment*

- Canada Child and Family Benefits and related provincial / territorial programs
- GST/HST Credit and related provincial programs
- Universal Child Care Benefit (UCCB)
- Alberta Family Employment Tax Credit (AFETC)

### *Goods and services tax/harmonized sales tax (GST/HST)*

- Payment on filing
- Interim
- Amount owing
- Balance due

### *Payroll deductions*

- Regular remittance
- Quarterly remittance
- Accelerated threshold-1 remittance
- Accelerated threshold-2 remittance
- Balance owing remittance
- Arrears / penalty / interest remittance
- Pensionable Insurable Earnings Review (PIER)

### *Corporation income tax*

- Payment on filing
- Interim
- Amount owing
- Balance due

To use My Payment, the taxpayer logs onto the My Payment page on the CRA Web site (found at <http://www.cra-arc.gc.ca/esrvc-srvce/tx/mypymnt/menu-eng.html>) and follows the prompts through the process. The FAQ document issued by the CRA indicates that the taxpayer will not be asked to enter any financial information, card numbers, or log-in information on the site, as the payment is completed through the taxpayer's existing online banking service. As well, the CRA will not levy any charge for making tax or other payments through its Web site, although, of course, any service charges normally associated with making online payments may be levied by the financial institution.

It is, of course, already possible to make payments to the CRA through online banking with one's financial institution. However, there is an advantage, especially for businesses, to making such payments directly to the Agency through its Web site. As noted in the CRA's Q&A document, it's generally not possible, when making payments through a financial institution's online banking, to make payments to the CRA business accounts (i.e., payroll accounts or corporation income tax accounts) from a personal bank account – usually, a corporate account is required. That barrier will be removed when payments are made through My Payment.

Where payments are made using My Payment, the taxpayer can print a receipt for his or her records to show that the payment was made on that date. Generally, payments made before 11:30 p.m. local time will be credited to the taxpayer's account on that business day. Where a payment is made after 11:30 p.m. or on a weekend or statutory holiday, the payment will be credited to the taxpayer's CRA account on the first following business day. The My Payment service is available across Canada 21 hours a day, with the actual hours varying by time zone. A listing of service hours can be found on the CRA Web site at <http://www.cra-arc.gc.ca/esrvc-srvce/tx/mypymnt/hrs-eng.html>.

Finally, it's not necessary, in order to use My Payment, that the taxpayer be signed up for any of the CRA's other online services. The Agency provides a great number of such services for both individuals and businesses, and for some of them, it's necessary to have a government of Canada E-pass. That's not the case with My Payment – any taxpayer who has online banking capability with one of the participating financial institutions listed above already has access to My Payment.