

**STOP TAX
& LABOUR
ABUSE**

**Help stand up for our
trucking sector, take the
CRA's survey today!**

Why This Survey Matters!

A key part of the fight to stop the growth of the underground economy (known as Driver Inc) from harming workers and the competitiveness of our trucking sector is to put a stop to tax evasion and the return of T4As.

This practice stopped in 2011 and has not been enforced since. T4A issuance will not only introduce greater traceability for CRA, but it will also create greater accountability by all actors in the scheme for companies and drivers.

In general, this survey looks to gauge readiness to report, thoughts on potential thresholds, and the challenges companies might see if they were required to now issue T4As.

Your participation in this survey is critical to send a clear message to the CRA and the government that it's time to move forward with bring this practice back.



Take the survey now!
The closing date is July 22

Below is a summary of the key questions from the CRA Survey and what the Canadian Trucking Alliance (CTA) has heard from many carriers:

Question 1 The reporting for service fees requirement

Were you already aware of the RFS reporting requirement?

Recommended Response: **Yes.**

Background: RFS is the legislated requirement for businesses and organizations to report fees paid to other businesses for services provided. These fees must be reported to the CRA on the prescribed slip, usually the T4A. This includes payments of fees for service between businesses (including sole proprietors and corporations). Most businesses are already aware of the requirement to report fees for service. However, many companies are also aware that the CRA is currently not assessing penalties for not reporting fees for service in box 048 on the T4A slip due to a moratorium on these penalties that was introduced in 2011. Likewise, most payroll and accounting professionals are also currently aware of RFS requirements as this is still technically the law and a best practice. Therefore, many report to the CTA that they are aware of the RFS/ T4A requirements.

Question 2 Issuing T4A Slips

Do you think the T4A is the appropriate method for reporting fees for service?

Recommended Response: **Yes.**

Background: If a business or an organization contracts a business to provide a service, it must issue an information slip (currently box 048 of the T4A) and report any fees or other amounts paid for that service to the CRA. Currently, this is required if the total payments to a service provider are more than \$500 in a calendar year, but is not enforced. Many companies, despite the moratorium, still issue T4As and most report that this is the mechanism they are familiar with.

Question 3 Challenges in Issuing T4A Slips

What challenges might you have with preparing and issuing T4A information slips for reporting fees for service?

Recommended Response: **No issues.**

Background: Generally, most of the concern over the lifting of the T4A moratorium goes back to limitations in payroll software and administrative burden. Since 2011, the issues over payroll software have largely been solved and is unlikely to pose a major hurdle for companies in 2024 and beyond. Likewise, if a \$500 reporting threshold is seen to be too low (capturing too many potential 'payments'), most reasonable stakeholders and companies can agree that a higher threshold – such as \$10,000 – is acceptable. Therefore, many agree that although there may need to be some changes that occur, issuing T4As is not something that is overly challenging for most businesses in 2024.

Question 4 Reportable Services

Do the invoices you receive usually have goods and services separated? An example would be an invoice that includes a parts or materials component and a labour component.

Recommended Response: **Yes.**

Background: If a business or an organization contracts a business to provide a service, it must issue an information slip (currently box 048 of the T4A) and report any fees or other amounts paid for that service to the CRA. Currently, this is required if the total payments to a service provider are more than \$500 in a calendar year, but is not enforced. Many companies, despite the moratorium, still issue T4As and most report that this is the mechanism they are familiar with.

Question 5 and 6 Threshold

Is the \$500 reporting threshold appropriate?

Recommended Response: **\$5,000, \$10,000, or \$30,000**

Based on the current requirements for reporting fees for service as provided on [Canada.ca](https://www.canada.ca) how prepared is your business to comply?

Recommended Response: **Somewhat prepared, Mostly prepared, or Fully prepared**

Background: There is currently a \$500 threshold for reporting fees for service, and one T4A can be used to report all payments for the entire year for one payee. The \$500 threshold is common for most CRA information slips. However, if a \$500 reporting threshold seems to be too low, most reasonable stakeholders and companies can agree that a higher threshold – such as \$10,000 – would certainly help to reduce the administrative burden while still capturing sizable payments to those in the underground economy involved in the Driver Inc. scheme (as drivers will still make more than \$10,000 in a year). Likewise, whether or not a company is currently issuing T4As to Personal Service Businesses (PSBs), most companies report that their payroll systems and providers are able to handle this change and therefore are already mostly/ fully prepared to make the change if the moratorium were to be lifted.