

# Taxpayer Fairness and Service Code

*a partnership of working together*

3<sup>rd</sup> Edition, February 2007



BRITISH  
COLUMBIA

The Best Place on Earth

---

# Taxpayer Fairness and Service Code

*a partnership of working together*

3<sup>rd</sup> Edition, February 2007



BRITISH  
COLUMBIA

The Best Place on Earth

---

## Foreword

At the Ministry of Small Business and Revenue, we are committed to continually improving our reputation as a centre of excellence for customer service. Therefore, this code describes the fairness and service principles that we follow when dealing with our customers.

**This code was developed in partnership with the Canadian Federation of Independent Business, British Columbia Chamber of Commerce, Retail Merchants' Association of British Columbia, Retail Council of Canada, Institute of Chartered Accountants of British Columbia, and Sales Tax Practitioners Liaison Committee. We wish to acknowledge and thank these partners for their enthusiastic participation and commitment to this initiative.**

The purpose of this code is to encourage open communication with British Columbians. Good communication is important to both the ministry and our customers as we work together to identify problems early, find solutions sooner and, most importantly, prevent problems before they occur. This results in efficiencies and better outcomes for all involved.

We believe this third edition of the code strengthens our relationship with British Columbians – a relationship based on mutual respect, fairness, and cooperation; a partnership of working together.

Honourable Rick Thorpe  
Minister

Robin Ciceri  
Deputy Minister

# Contents

<b>Introduction</b> .....	<b>1</b>
<b>1.0 Your Rights</b> .....	<b>2</b>
The right to courtesy and respect .....	2
The right to privacy and confidentiality .....	2
Representation .....	2
The right to fair treatment .....	3
The right to obtain help .....	4
The right to complete, accurate, clear and timely information .....	5
The right to understand the business we conduct with you .....	6
Audits.....	6
Collections .....	7
Refunds .....	7
The right to dispute resolution .....	8
British Columbia Ombudsman .....	9
The right to a timely appeal .....	9
<b>2.0 Excellence in Customer Service – Standards</b> .....	<b>10</b>
Provincial Sales Tax Seminars.....	10
Sales tax inquiries and rulings .....	10
Account registrations and clearances.....	10
Refunds .....	10
Audits.....	11
Correspondence .....	11
Accessibility .....	11
Deputy Minister Information Reviews .....	12
Appeals to Minister.....	12
International Fuel Tax Agreement (IFTA) .....	12
More information .....	13
Feedback .....	13
<b>Appendix</b> .....	<b>A1</b>
Typical Small Business Audit Process .....	A1
Sales Tax Roles and Responsibilities .....	A3

## Introduction

The ministry's vision is to foster the economic and social prosperity of British Columbians through small business growth, a responsive regulatory system and excellence in our customer service. When we interact with you, the customer, we are guided by our core values of customer service, accountability, partnership and professionalism.

You are an important member of our customer group that includes individuals and businesses that are required to pay tax and non-tax amounts, receive refunds, or act as agents on our behalf. We believe you will voluntarily comply with the law if you are treated fairly, have the information and the timely services you need to meet your obligations and understand your entitlements. Your obligations may include collecting taxes, paying taxes, and providing us information, while your entitlements may include receiving refunds and other benefits allowed under the law.

### **The purpose of this code is to:**

- ensure that you are aware of your rights in your dealings with the ministry and its staff;
- outline the standards and behaviour you can expect from ministry staff;
- strengthen our relationship with you.

To provide you with the best quality customer service possible, we are committed to continuously improving the system that supports taxation, benefit provision, revenue collection, and program administration.

## 1.0 Your Rights:

### The right to courtesy and respect

You have the right to professional and courteous treatment such as:

- properly identifying ourselves by giving our name or identification number;
- identifying the reason we are contacting you;
- being respectful in our interactions with you;
- listening to your concerns;
- responding to your requests in a timely manner and in writing when requested;
- making sure you are able to contact the person who will give you the assistance you need;
- acknowledging any errors we may have made and correcting them in a timely manner.

### The right to privacy and confidentiality

You have the right to expect we will protect the confidentiality of your information so you can meet your obligations with confidence.

We collect, store, use, and disclose your information in accordance with the law, by fully complying with:

- the *Freedom of Information and Protection of Privacy Act*; and
- the confidentiality provisions contained in the laws that we administer.

**We take this legal responsibility very seriously and without compromise.**

### Representation

If you provide us with written authorization, we will discuss your situation with a representative of your choice.

## The right to fair treatment

You have the right to expect we will apply the law fairly and impartially so you have confidence in us when we carry out activities critical to the funding of public services. Treating you fairly includes:

- acting honestly;
- making just, fair and timely decisions in accordance with the law by taking all relevant circumstances into account and then applying the law consistently and impartially;
- expecting you to pay only the amount required by law;
- consistently applying penalty and interest policies when obligations have not been met;
- giving you the opportunity to voluntarily disclose and correct a tax liability without being penalized or prosecuted, when specific conditions are met;
- honouring written advice, in the form of tax ruling letters requested by you that is specifically applicable to your circumstances;
- correcting errors found in our information bulletins as quickly as possible;
- listening to you and giving you the opportunity to provide information and evidence to support your position, so we may understand all of the circumstances involved;
- acknowledging any errors we may have made and correcting them in a timely manner;
- taking your circumstances into account where they are relevant to the decision we are making and, if requested, providing a written explanation to you as to what circumstances were considered so that any misunderstandings can be corrected.

## The right to obtain help

You have the right to obtain help from us so you can clearly understand your obligations and entitlements. We will provide support to you in a timely, flexible and convenient manner in an attempt to accommodate your needs.

You have the right to obtain written advice and information that pertains to your obligations and entitlements. We will make advice available in many forms depending on the situation and your needs.

**However, you are encouraged to obtain written advice so you have a record.** Written advice will be provided for information that is more specific in nature, such as technical interpretations or rulings on legislation.

Proactively and upon request, we provide information seminars to inform new or existing customers about the services we offer, their obligations and entitlements. This service is also available to groups of customers such as industry associations.

You also have the right to expect us to be accessible and to communicate with you in a variety of ways such as:

- telephone,
- email and fax,
- letter mail,
- in person – we attempt to accommodate face-to-face meetings with you where practical,
- Service BC - Government Agents – you can use these agents (located throughout British Columbia) to get information about us or to make most payments related to your obligations.

More details on how to contact us are provided at the end of this booklet.

## The right to complete, accurate, clear and timely information

You have the right to request and be provided with information in writing to assist you in understanding your obligations and entitlements, including:

- advice that is clear, easy to understand, complete, accurate, consistent and provided in a timely manner;
- information in a format that is accessible and convenient to you;
- legislation, bulletins, brochures, notices, and forms available in paper format and also on our web site;
- legislative changes made available to you in a timely manner;
- a free on-line update service to notify you of changes to on-line information;
- **full written explanations for our decisions.**

## The right to understand the business we conduct with you

**You have the right to expect us to clearly explain the steps we will follow when working with you.**

We rely on our customers voluntarily complying with their obligations. Therefore, to ensure fairness, we undertake a variety of activities to promote voluntary compliance by everyone.

### Audits

We undertake audits to ensure the law is applied fairly and to provide information about compliance.

If you have been selected for an audit at your premises, you or your representative can expect us to follow these steps.

- Before the audit, we will make contact with you if we need to meet and/or have access to your records.
- At the start of the audit, we will review the audit process and Taxpayer Fairness and Service Code rights at your premises or representative's office.
- During the audit, we will review your records and be willing to discuss issues of interpretation that arise from the audit. We will work with you to ensure the audit is completed in a timely manner, taking into consideration your business needs. For sales tax audit roles and responsibilities and the typical small business audit process refer to the appendix (see page A1).
- If you have any concerns, we will work with you to resolve your concerns as quickly as possible.
- We will safeguard your records without compromise.
- We will notify you of any refund entitlement discovered during an audit.
- When the audit is complete, we will review and explain the results with you, notify you if an amount is owed and make you aware of your options if you disagree with the results. If needed, you will be given a reasonable time period to review the results before an assessment is finalized.
- If you provide more information after the audit, we will review it to

determine if an adjustment to the amount owed is needed.

In some cases, an audit is limited to a review of documentation (e.g. a tax return) you have submitted to the ministry. If this review determines that you owe additional amounts, you have the right to be informed in writing of the amount owed and to request an explanation of how it was determined.

## Collections

When amounts due to government are not paid, we will take steps to collect amounts owed. This deters customers who might otherwise avoid paying, and increases voluntary compliance. We act quickly when amounts are not paid on time to ensure that the government of British Columbia has the money required to fund public services.

If you have not paid amounts you owe by the due date you can expect us to follow these steps:

- notify you in writing of the amount owed;
- notify you in writing of our intent to take collection action to recover the amount owed;
- initiate collection action to recover the amount owed.

If there are reasons beyond your control that have caused you to miss a payment deadline, we will consider them. For example, interest and penalties may be waived in whole or in part because of an extraordinary circumstance (e.g. a postal strike) that has prevented you from meeting your obligations on time.

You may request a delay in collection action if an amount owed is under appeal to the minister and security has been provided in respect of the amount under dispute.

## Refunds

You have the right to request a refund if you believe that you have overpaid.

Once we have received a request with full and accurate information, we will review it and provide a refund if allowed by law. If a refund is not given when requested, we will provide you with a notification of this fact. We will process refund payments in a timely manner.

## The right to dispute resolution

You have the right to expect that your concerns, disagreements, or complaints will be resolved fairly, in a timely manner, and in accordance with the law.

If you disagree with an action we have taken, a decision we have made, feel you have been treated unfairly, or have received information which you believe is incorrect, we encourage you to discuss any concerns that you may have with the person you have been dealing with. If still dissatisfied, you can raise the issue with any level of management within the ministry, including the minister. Ask the person you have been dealing with to give you the name and number of their manager. You can also get ministry contact information from the BC Government Directory website at [www.dir.gov.bc.ca](http://www.dir.gov.bc.ca) or call 1 877 388-4440 for help.

The ministry person who you have been working with can also help explain other dispute resolution options that may be available to you. For example, **you may also have the right to resolve your dispute by appeal** (see page 9). Time limits apply to your right of appeal.

**In addition, the Deputy Minister Information Review was introduced to help you resolve a specific type of problem.** If you have relied upon a written ministry tax ruling that you believe is incorrect and you may be or have been assessed tax, penalty or interest because of it, you may request a Deputy Minister Information Review. The Deputy Minister Information Review process guide provides more details. Please note, if the matter is under appeal, a Deputy Minister Information Review will not be completed as the tax ruling will be considered during the appeal process. To request a review write to the Deputy Minister who will arrange for an objective review and decision:

*Mail:* Deputy Minister Information Review  
Ministry of Small Business and Revenue  
PO Box 9432 Stn Prov Govt  
Victoria BC V8W 9N6

*Email:* [SBR.DeputyMinister@gov.bc.ca](mailto:SBR.DeputyMinister@gov.bc.ca)

*Phone:* 250 387-6206

*Fax:* 250 952-0712

## British Columbia Ombudsman

If you are still unable to reach a satisfactory resolution with us, and/or you feel that you have been treated unfairly, the Ombudsman of British Columbia may be able to help. Call toll-free at 1 800 567-3247 or refer to the web site [www.ombudsman.bc.ca](http://www.ombudsman.bc.ca) for more information.

## The right to a timely appeal

### **You have a right to a timely appeal to the minister.**

This option is available to formally resolve a situation where you disagree with an action we have taken or a decision that we have made. For example, under the provisions of the *Social Service Tax Act*, if you disagree with an assessment or a disallowed refund claim, you can appeal the decision directly to the minister, and if still dissatisfied, appeal to the courts. The law imposes time limits on appeal submissions.

When you have requested an appeal, you can expect that your case will be reviewed in a timely and impartial manner. Specifically, you can expect us to follow these steps.

- A letter will be sent to you acknowledging receipt of your appeal.
- We will request additional information from you if your appeal does not fully set out the facts and reasons supporting the appeal.
- If you appoint a representative to act on your behalf for the appeal, we will work with them after you provide us with written authorization.
- We will provide you with information and documents related to the assessment or decision if required.
- If requested, the Appeals Officer will discuss your appeal, your position, or the steps involved with you before making a recommendation.
- Once the appeal has been reviewed, the minister will personally consider your appeal and make a timely decision.
- You will receive written notification of the minister's decision.
- You can appeal to the courts if not satisfied with the minister's decision.

## 2.0 Excellence in Customer Service – Standards:

At the Ministry of Small Business and Revenue, we are committed to providing you with efficient, courteous and respectful service. We are pleased to offer the following service excellence standards which we will strive to achieve. **We will request your feedback and suggestions so we can add to and continue to improve our service excellence standards over time.**

### Provincial Sales Tax seminars

- offer at least 60 provincial sales tax seminars annually throughout all regions of British Columbia.
- ensure seminar client satisfaction of at least 90%.

### Sales tax inquiries and rulings

- respond to your general email inquiries regarding sales, hotel, fuel or tobacco tax sent to [CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca) within 2 business days of receiving all of the necessary information.
- respond to your complex email inquiries and written rulings on sales, hotel, fuel or tobacco tax issues within 20 business days of receiving all of the necessary information. We will contact you if the response will take longer because it is unusually complicated.

### Account registrations and clearances

- register your sales or hotel tax accounts within 2 business days of receiving all of the necessary information.
- respond to your requests to confirm if any sales or hotel taxes are owed by the business you are buying within 5 business days of receiving all of the necessary information.

### Refunds

- process your sales, hotel, fuel or tobacco tax refunds within 30 calendar days of receiving all of the necessary information.

## Audits

- review the audit process and Taxpayer Fairness and Service Code rights before starting an audit at your premises or representative's office.
- ensure satisfaction with sales, hotel, fuel, or tobacco tax audit completion time of at least:
  - 75% (April 1, 2006 to March 31, 2007)
  - 80% (April 1, 2007 to March 31, 2008)
  - 85% (April 1, 2008 to March 31, 2009)
  - 90% (April 1, 2009 to March 31, 2010)
- conclude your sales, hotel, fuel, or tobacco tax audit within 20 business days of you agreeing with the audit results.
- respond to your concerns with your sales, hotel, fuel or tobacco tax audit results within 20 business days of receiving all of the necessary information.
- ensure sales, hotel, fuel, or tobacco tax audit satisfaction of at least 90%.

## Correspondence

- respond to correspondence sent to the Minister, Deputy Minister and Assistant Deputy Minister within 14 business days of receipt.

## Accessibility

- receive email anytime and be accessible by telephone from 8:30 a.m. to 4:30 p.m., Monday through Friday (except holidays). You can obtain help and information by calling 1 877 388-4440 (toll-free within Canada).
- provide walk-in service at our public offices in Victoria and Vancouver from 8:30 a.m. to 4:30 p.m., Monday through Friday (except holidays).
- provide 100% accessible OneStop Business Registry kiosks at our public access offices in Victoria and Vancouver during our normal working hours.

- Service BC-Government Agents located throughout British Columbia are also available to provide assistance with our programs. Refer to [www.governmentagents.gov.bc.ca](http://www.governmentagents.gov.bc.ca) for a list of office locations.
- have helpful information about our programs available on our website [www.sbr.gov.bc.ca](http://www.sbr.gov.bc.ca) 24 hours a day, every day.

### **Deputy Minister Information Reviews**

- provide a written decision within 30 business days of receiving all of the necessary information.

### **Appeals to Minister**

- provide a written decision on issues appealed to the minister within the following average annual response times:
  - 5 months (April 1, 2006 to March 31, 2007)
  - 4.5 months (April 1, 2007 to March 31, 2008)
- contact you or your representative by phone or in writing to discuss the appeal and to provide an opportunity to submit new or additional information to support your position.

### **International Fuel Tax Agreement (IFTA)**

- provide a decision on your initial IFTA licence application within 7 business days of receiving all of the necessary documents and/or payments.

## More information

Information about the ministry's vision, mission, goals, and objectives is contained in the ministry service plan, which is available at our web site.

This code contains information on your rights when dealing with us. For assistance or additional information contact us:

Toll-free within Canada: 1 877 388-4440

Email: [CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca)

Web site: [www.sbr.gov.bc.ca](http://www.sbr.gov.bc.ca)

## Feedback

We want to hear any comments you may have about this code or our service:

### General:

Email: [RevenueCustomerFeedback@gov.bc.ca](mailto:RevenueCustomerFeedback@gov.bc.ca)

Mail: Taxpayer Fairness and Service Code Feedback  
PO Box 9442 Stn Prov Govt  
Victoria, B.C. V8W 9V4

### Minister's office:

Email: [SBR.Minister@gov.bc.ca](mailto:SBR.Minister@gov.bc.ca)

Mail: PO Box 9065 Stn Prov Govt  
Victoria, B.C. V8W 9E2

## Appendix – Typical Small Business Audit Process

A typical small business audit normally takes approximately five weeks to complete and may involve a review of sales, hotel, fuel or tobacco taxes. Timelines for your audit may vary depending on the complexity of your audit, your schedule and the availability of your records. The coloured boxes below show approximate timelines.\*

**Initial Contact:** An auditor telephones you to discuss the audit process, advises you on the records needed for review and arranges a mutually convenient start date. The auditor sends you a letter confirming the discussion.



**Review of Records:** The auditor arrives at your premises and begins by asking about the nature of your businesses activities and your accounting system. The auditor also explains the audit process and the *Taxpayer Fairness and Service Code*. Then the auditor examines your business records to ensure taxes were correctly applied, collected, reported and paid.

3 to 5 days

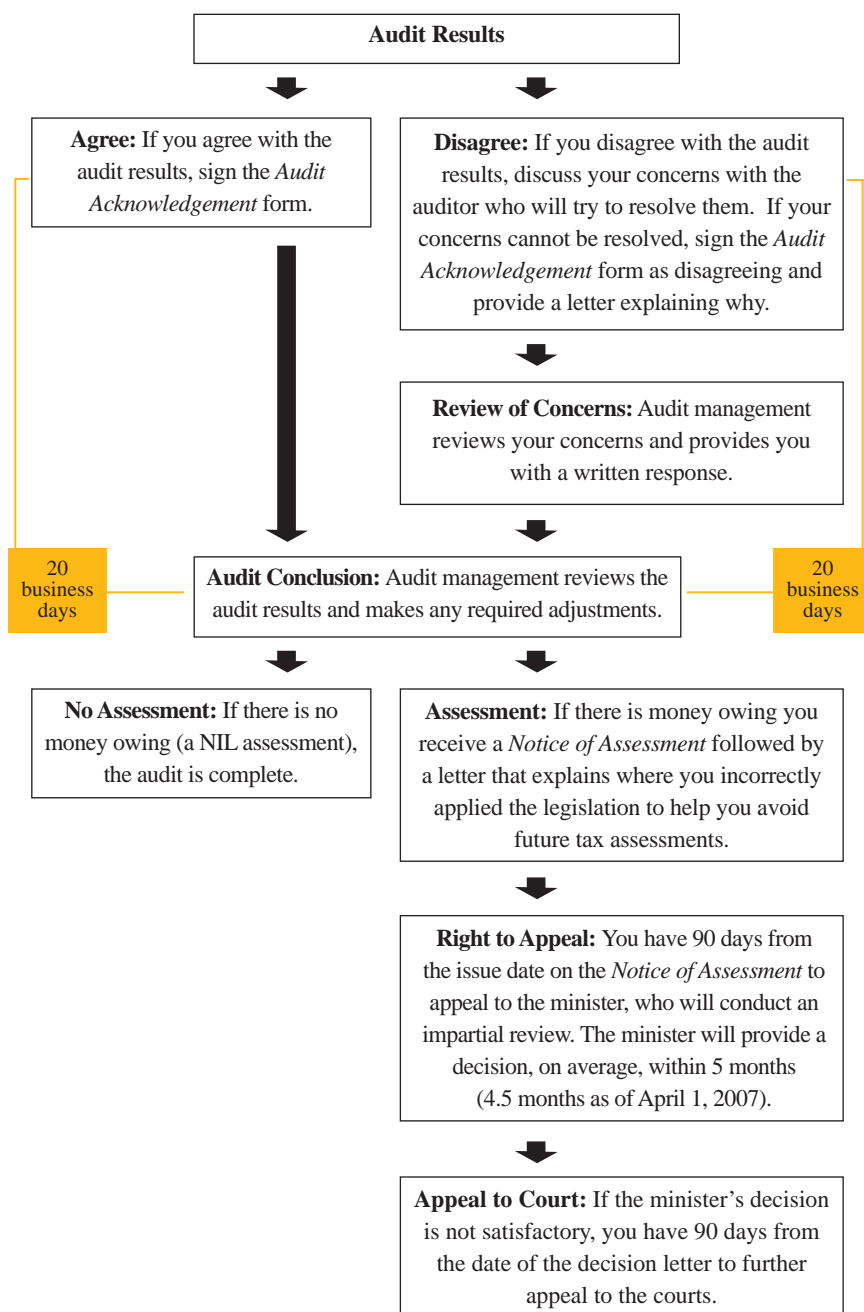


**Review of Audit Results:** Although the auditor discusses the audit findings throughout the audit process, once the auditor has reviewed your records, the auditor explains the overall results to you and asks whether you agree or disagree with them. We encourage you to discuss any concerns that you may have with the auditor who will work with you to resolve them as quickly as possible. If you are still dissatisfied, you can raise the issue with audit management at any time. Ask the auditor to give you the name and number of their manager.



continued on next page

\* Please note: The ministry is undertaking a comprehensive review of its business processes for sales, hotel, fuel and tobacco tax audits by November 30, 2007. The goal is to reduce the typical small business audit to four weeks and improve customer service, with implementation by March 31, 2008.



# Sales Tax Audit Roles and Responsibilities

## **Rulings Analyst**

Provides a ministry tax ruling explaining how tax applies to your business.

## **Auditor**

Examines your business records to ensure you have properly charged and sent in tax on your sales and paid tax on your taxable purchases. May also review your refund claim. Refer to our audit information bulletin (GEN 009) on our website [www.sbr.gov.bc.ca/ctb](http://www.sbr.gov.bc.ca/ctb) for more information.

## **Audit Management**

Reviews the results of your audit. If you should disagree with the audit results, will also review the written reasons for your objection to an assessment and will provide a written response.

## **Commissioner**

Has overall responsibility for the administration of tax assessments and audits and will respond to your questions or concerns about the conduct of your assessment or audit.

## **Deputy Minister**

Reviews your situation if you have relied upon a written ministry tax ruling that you believe is incorrect and you may be or have been assessed tax, penalty or interest because of it.

## **Appeals Officer**

Reviews and coordinates your appeal for presentation to the Minister.

## **Minister**

Reviews your appeal if you disagree with an audit assessment or a disallowed refund claim.

# Taxpayer Fairness and Service Code

*a partnership of working together*



BRITISH  
COLUMBIA

The Best Place on Earth