

**Alberta GFOA Special Release Bulletin #9**  
**Update - April 7, 2008**

**Local Governments Required to File Tax Returns  
CRA Withholding GST Refunds  
Deferred to 2009**

The requirement for municipalities to file a T2 in order to avoid a refund hold has been deferred until 2009 in respect of the taxation year ending December 31, 2008.

**CRA Fact Sheet (excerpt)**

April 1, 2008

*The CRA has implemented an administrative position regarding outstanding corporate income tax returns (T2s) for the MUSH sector (Municipalities, Universities, Schools and Hospitals), non-profit organizations, federal crown corporations and Indian Bands that are exempt from paying tax under subsection 149(1) of the Income Tax Act. **These entities will not have their refunds or rebates automatically held because of outstanding corporate income tax returns for taxation years ending on or before March 31, 2008.** However, failure by these entities to file corporate income tax returns by their due dates for taxation years ending April 1, 2008, and for subsequent taxation years, will result in automated holds being placed on their refunds or rebates."*

The following link is to the Fact Sheet released April 1, 2008 by Canada Revenue Agency. The Fact Sheet is titled "Compliance refund hold legislation restrictions on refunds and rebates".

<http://www.cra-arc.gc.ca/newsroom/factsheets/2008/apr/fs080401-e.html>

(You may have to hold Control Key before you click on the link)

Barry Sawada, CA  
On behalf of  
Communication Task Force

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**Alberta GFOA's Special Release Bulletins**

*Alberta GFOA, through the Communications Task Force, augments its Quarterly Newsletter Publications with Special Release Bulletins that will be distributed from time to time to all Members. These Bulletins are intended to provide information pertinent to various aspects of municipal finance. They will also be utilized to profile upcoming professional development and training opportunities. The Bulletins are intended to outline information on a specific topic in a brief and concise manner. In some cases, contact references will be provided in order that readers can obtain more detailed information from specific sources.*