

Tax Tip
Week of May 9, 2011

Expenses Related to Appeals

Expenses related to certain tax appeals are deductible for income tax purposes. Appeals that give rise to deductible expenses include:

- 1) Objecting to any assessment from a federal or provincial income tax assessment. This would include any interest or penalties that arise from an assessment;
- 2) An assessment under the Canada Pension Plan or the Employment Insurance Act; and
- 3) A decision from the Employment and Immigration Commission.

Successful appeals from these bodies normally involve professional assistance and the expenses can be material. It is not necessary to win the appeal in order to claim the tax deduction.