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Moose Jaw man found guilty of tax evasion

Regina, Saskatchewan, July 25, 2012... The Canada Revenue Agency (CRA) announced today that Wilfred Roy Smith, 63, of Moose Jaw, Saskatchewan, was found guilty of tax evasion following a trial that took place from May 14 to 18, 2012 in Moose Jaw Provincial Court. Sentencing is scheduled for September 19, 2012.

Mr. Smith operates WR Smith Trucking and subleases trucks to other drivers. He under-reported his income for the 2006 and 2007 tax years by \$462,091. After the Canada Revenue Agency audited the company's 2004 and 2005 tax returns, which resulted in higher tax assessments, the Court found that Mr. Smith created false business losses totalling \$185,515 on his 2006 and 2007 tax returns. He then used these losses to reduce the previously audited 2004 and 2005 income. He also carried forward losses to his 2008 tax return.

He evaded personal income taxes totalling \$74,995 between 2004 and 2008. By understating his income, he caused his wife to reduce her personal income taxes by \$4,679 by claiming spousal tax credits and pension-splitting amounts to which she was not entitled. He also received goods and services tax (GST) credits of \$216 to which he was not entitled.

The Court heard that Mr. Smith tried to hide his assets from the CRA by transferring shares, term deposits, a beach property, a vehicle, and two motorcycles to a family member.

The preceding information was obtained from the court records.

When individuals are convicted of income tax and GST evasion, they must still repay the full amount of taxes owing, plus interest and any civil penalties that may be assessed by the CRA. In addition, the court may fine them up to 200% of the taxes evaded and impose a jail term of up to five years.

Taxpayers who have not filed returns for previous years, or who have not reported all of their income, can still voluntarily correct their tax affairs. They may not be penalized or prosecuted if they make a valid disclosure before they become aware of any compliance action being initiated by the CRA against them. These taxpayers may only have to pay the taxes owing, plus interest. More information on the Voluntary Disclosures Program (VDP) can be found on the CRA's Web site at www.cra.gc.ca/voluntarydisclosures.

Further information on convictions can be found in the Media Room on the CRA website at www.cra.gc.ca/convictions.

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