

INCOME TAX

PENALTIES AND INTEREST

Judicial review of respondent's decision refusing to pay interest on refund issued to applicant — Applicant assessed significant penalty under *Income Tax Act*, R.S.C., 1985 (5th Supp.), c. 1, paying advance funds to respondent as amount in controversy — Reassessment ultimately issued, penalty cancelled, advance funds returned to applicant without interest — Whether respondent's refusal to pay interest reasonable — Issue turning on whether amount paid by applicant towards penalty assessment paid in respect of a taxation year or not — Respondent arguing it was an error for taxation year to be written into reassessment, reassessment thus invalid — However, case law acknowledging that administrative errors not vitiating assessment — Vast majority of reassessment document's information herein appearing to be entirely accurate — Only one technicality appearing to be in error — Reassessment thus valid — No compelling evidence or legal authority presented demonstrating that a taxation year could not have been associated with respondent's imposition of penalty — Unequivocal, ordinary meaning of statutory provisions at issue leading to one conclusion in light of evidence presented, i.e. that inclusion of taxation year in reassessment meaning interest having to be paid by operation of Act, ss. 152(8), 164(3)(e) — Current case law supporting this finding — Application allowed.

GLATT V. CANADA (NATIONAL REVENUE) (T-1463-17, 2019 FC 738, Diner J., reasons for judgment dated May 24, 2019, 57 pp.)