



UNITED ASSOCIATION  
of Journeymen & Apprentices of the  
**PLUMBING & PIPEFITTING**  
Industry of the United States and Canada  
Local Union 170 - Affiliated with AFL-CIO-CFL

May 7, 2018

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## Income Tax Assessments Update

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### Dear Members:

In late April both Gordon Forbes and myself attended a meeting with BC Building Trades and Canada Revenue Agency representatives to discuss the issues surrounding assessments that members have received with respect to travel and meal allowances that have been deemed “unreasonable” and therefore, taxable. In addition to CRA and Building Trades representatives, Hugh Wooley, tax specialist with Lewis & Company who provided Local 170 with an opinion on the matter in January 2017, was also in attendance.

During our meeting, the CRA representatives explained the process for filing an objection and provided information and website links which may be useful to those wanting to file an objection. Mr. Hugh Wooley, spoke on behalf of the BC Building Trades unions and argued on the reasonableness of the allowances. He presented a Technical Interpretation\*\* from the Income Tax Rulings Directorate dated December 30, 2013 which was in response to a taxpayer who questioned what the CRA considers to be a “reasonable transportation allowance”. The response clearly states that “reasonableness is a question of fact” and “an allowance that approximates the transportation expenses to be incurred by the employee would generally be considered reasonable for the purposes of subparagraph 6(6)(b)(i).” The six current CRA employees stated that there has been no change to the Income Tax Act since this clarification from the Income Tax Rulings Directorate in 2013.

Based on the meeting discussions, the opinion letter which was posted earlier from Lewis & Company dated January 11, 2017 is still applicable and we suggest that you file an objection or appeal as per the process outlined. Again, we are not in a position to give out tax advice and suggest that you consult with tax advisor/accountant, providing them with the Lewis & Company opinion as well as the attached Technical Interpretation\*\* by the Income Tax Rulings Directorate dated December 30, 2013.

The representatives from CRA will be reporting the information from our meeting to the Federal Minister and another follow-up meeting will be scheduled, after which, we will provide another update. In addition to the documents above, please find an attachment with the CRA links that were provided to us.

If you have any questions, please do not hesitate to contact our office at 604-526-0441 or email [info@ualocal170.com](mailto:info@ualocal170.com) with your question.

Fraternally,

A.D. Al Phillips, RSE  
Business Manager & Financial Secretary

\*\* Please note that a Technical Interpretation provides general comments about the provisions of the Act. It does not confirm the income tax treatment of a particular situation and is not specifically applicable to your situation. Please consult with a tax professional for advice regarding your individual tax situation.