

Information Bulletin

GENERAL-2

Issued: April 2025

THE REVENUE AND FINANCIAL SERVICES ACT
THE REVENUE COLLECTION ADMINISTRATION REGULATIONS

TAX AUDITS, TAX LIABILITIES AND APPEALS

This bulletin has been prepared to assist you in understanding the compliance and enforcement provisions under *The Revenue and Financial Services Act* and *The Revenue Collection Administration Regulations* for taxes owing under the following Acts:

- *The Corporation Capital Tax Act*
- *The Education Property Tax Act*
- Division 1 of Part VI of *The Environmental Management and Protection Act, 2010*
- *The Fire Safety Act*
- *The Fuel Tax and Road Use Charge Act*
- *The Insurance Premiums Tax Act*
- *The Liquor Consumption Tax Act*
- *The Motor Vehicle Insurance Premiums Tax Act*
- *The Provincial Sales Tax Act*
- *The Tobacco Tax Act, 1998*
- *The Vapour Products Tax Act*

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A. OVERVIEW

Provincial tax revenues are a key revenue source for funding public services and government programs. The Ministry of Finance (Finance) has a mandate to ensure that provincial taxes owed are paid in a timely manner.

Therefore, several compliance and enforcement provisions are in place to help ensure the fair and consistent application of provincial taxes.

B. TAX AUDITS

Tax client records are routinely audited to determine if taxes have been correctly collected, reported, and paid. All tax clients can be subject to an audit. This includes individuals and businesses located in Saskatchewan, as well as those located out of the province who carry on business in Saskatchewan.

Audit Process

If you are selected for an audit, an auditor will contact you by phone or letter. The auditor will arrange an interview and advise what records will be examined. The auditor may ask that these records be made available at your business location or that you send copies of requested records to our office.

If you prefer that the auditor work with your bookkeeper, accountant or another third party during the audit, a [Business Consent Form](#) must be completed granting permission to do so. Finance will only release confidential information about your Saskatchewan tax accounts or discuss your audit with authorized representatives.

Audits normally cover three years plus the current year, but can extend up to six years from the current date if deemed necessary to ensure tax was properly accounted for and remitted. The main areas of audit examination relate to your Saskatchewan business activities and tax liability accounts.

Records Required

The auditor will normally request some, or all, of the following:

- Externally prepared financial statements (income statement and balance sheet, including any schedules of capital additions and disposals);
- The books from which these statements are derived (i.e., general ledger and supporting journals or other supporting information);
- Source documents, such as sales invoices, purchase invoices, import documents, tax returns, bank statements with cancelled cheques, and copies of deposit slips, contracts and agreements; and
- Other records or correspondence that may contain information pertinent to the scope of the audit.

If you have some records in storage, consult with the auditor to determine which documents will be required before retrieving your records from storage.

Estimates

Under the provisions of section 60 of *The Revenue and Financial Services Act*, if all reasonable efforts made by the auditor to obtain records necessary to complete an audit are unsuccessful, Finance may estimate the tax due based on available information. You must either pay the estimated liability, including any applicable penalty and interest charges, or file a Notice of Objection and provide all records necessary for the audit within 30 days of the Audit Billing Letter, as outlined in [Section C](#).

Penalty and Interest Charges

The Revenue and Financial Services Act and *The Revenue Collection Administration Regulations* provide for the application of penalty and interest charges when it is determined that tax has not been properly accounted for during an audit. Please see Information Bulletin [GENERAL-1, Penalty and Interest Charges](#) for details.

Finalizing the Audit

After the auditor has conducted the audit, it may be determined that you are properly collecting and remitting the tax, or that a tax liability exists. If the auditor discovers a tax liability, the auditor will discuss the reasons with you and provide copies of the relevant audit working papers.

The auditor will provide you with an Audit Billing Letter and Audit Payment Remittance Form. Payment of the audit assessment is due within 30 days from the date of the Audit Billing Letter. Additional interest will accrue if full payment is not received by the due date.

If you are in agreement with the audit findings but are unable to pay the assessment within the 30 days, you should immediately request a payment plan through your Saskatchewan eTax Services (SETS) account, or contact the Collections Unit of Revenue Division with a proposed payment plan. Collections can be contacted at 1-800-667-6102 (or 306-787-6645 in the Regina area), extension 3903, or in writing at PO Box 200, Regina, S4P 2Z6.

Disputing Audit Findings

If you believe the audit assessment is incorrect or additional information becomes available that you feel warrants an adjustment to the assessment, the following steps should be taken:

1. **Contact the auditor** - In most cases, an agreement is reached between Finance and the tax client regarding the audit liability. The information will be reviewed to determine if an adjustment is warranted. The auditor will try to resolve as many concerns with you as possible. If an issue cannot be resolved by the auditor, their supervisor or manager may become involved, and further attempts will be made to reach an agreement.
2. **Audit objection** – If you still have concerns after discussion with the auditor and their supervisor or manager, you have the right to object to the audit assessment. See [Section C](#) for details on filing an objection. Objections must be filed within 30 days from the date of the Audit Billing Letter.

3. **Appeal** - If you still disagree with the audit assessment after the objection process is complete or you have elected not to exercise your right to object, you may be able to appeal the assessment in certain circumstances. A Notice of Assessment (NOA) must be issued by Finance if you wish to pursue an appeal of the audit liability.

For most audit assessments, you must request a NOA to be issued. If you have not received one, please contact the Ministry to have one issued. Once the NOA is issued, you have 30 days to file a formal appeal with the Board of Revenue Commissioners and to pay your assessment. See [Section F](#) for detailed information regarding filing an appeal.

It is not mandatory to utilize each step listed above, however the steps chosen must be taken in the order listed above.

C. **AUDIT OBJECTIONS**

A 30-day objection period following the finalization of an audit provides further opportunity to formally object to all or a part of the audit assessment by providing additional explanations and/or records. Objections of penalty and interest will not be reviewed. Penalty and interest are applied to all applicable audit findings, as outlined in *The Revenue and Financial Services Act*.

If you wish to object to only a portion of the audit assessment, the portion of the audit which you agree to should be paid to avoid further interest accruing on that amount. Additional interest will accrue on unpaid portions if full payment is not received by the due date specified in the audit billing letter, regardless of whether an objection has been filed.

To file an objection, you must complete the [Notice of Objection](#) form and email it to auditobjections@gov.sk.ca. The Notice of Objection must be filed within 30 days from the date of the audit billing letter and must outline the reasons for the objection. All relevant documents must be provided in support of the objection. The Audit Branch will review the objection and supporting documentation prior to providing a formal written decision in response to the objection. The objection period does not prevent you from filing an appeal.

Following the expiry of the objection period, no additional records will be accepted, and the audit liability will not be adjusted. In extenuating circumstances, if more than 30 days is required to file the Notice of Objection, you may apply to the Audit Director at auditobjections@gov.sk.ca for an extension. The extension must be requested, in writing, before the initial 30-day period has expired. Extensions will not be granted for reasons such as vacation, busy operations, inventory-taking, or month-end/year-end timing. A response will be provided to you, in writing, as to whether the extension has been approved or denied.

Note: After the objection period has expired you are unable to reduce the assessed tax liability, but you may make a separate tax refund application for legitimate instances where tax was paid in error. However, refund requests are reviewed separate from the audit and do not reduce the calculated assessment, penalty or interest.

D. ESTIMATED TAX LIABILITIES

Finance regularly monitors its records to identify outstanding tax returns and amounts and proactively works with businesses to bring their tax account(s) up to date.

When you fail to file your tax returns as required, Finance may establish an estimated tax liability based on your historical tax remittances or other available information.

A NOA is issued to legally establish the tax liability on the tax account under section 60 of *The Revenue and Financial Services Act*.

You must either pay the estimated liability or file and pay your actual return(s) including any applicable penalty and interest charges. Alternatively, a formal appeal may be filed with the Board of Revenue Commissioners within 30 days of the NOA. See [Section F](#) for detailed information regarding filing an appeal.

E. CORPORATE DIRECTOR'S LIABILITY

In certain circumstances, corporate directors may be held personally liable for taxes payable by a corporation.

Directors may be held personally accountable for a corporation's tax liability when collection efforts against the corporation have failed or when a corporation becomes bankrupt or commences other liquidation proceedings. Directors may be held liable when the corporation fails to collect or remit the taxes as required. A director may avoid liability by demonstrating that reasonable steps were taken to ensure that the corporation remitted its taxes as required.

If Finance decides that the director is liable for taxes payable by the corporation, a NOA will be issued. If the director believes the decision is incorrect, a formal appeal may be filed with the Board of Revenue Commissioners along with supporting documentation. See [Section F](#) for detailed information regarding filing an appeal.

F. APPEALING A NOTICE OF ASSESSMENT

A NOA will be issued by Finance when tax liabilities are established. You have 30 days from the date of the NOA to forward your reasons for an appeal to the Board of Revenue Commissioners (BRC).

For the steps to file an appeal with the BRC, please visit [File an Appeal Regarding Provincial Taxes | Taxes, Licensing and Reporting | Government of Saskatchewan](#).

At the time of filing your reasons for appeal, you must indicate how the assessment is incorrect. If the Board accepts the grounds of your appeal, a date will be set to hear the appeal at which you will present the arguments for your appeal. You may represent yourself or have someone represent you, such as a lawyer or accountant. Finance will be represented by counsel, who will present the government's case. Decisions of the BRC can be appealed with the Court of King's Bench.

You will lose your right to appeal if it is not filed within 30 days of filing the Notice of Appeal.

What You Can Appeal

Tax liabilities established through an audit of your tax records, an estimated tax liability, or a director's liability assessed under the following provincial tax acts, may be appealed:

- *The Corporation Capital Tax Act*
- *The Education Property Tax Act*
- Division 1 of Part VI of *The Environmental Management and Protection Act, 2010*
- *The Fire Safety Act*
- *The Fuel Tax and Road Use Charge Act*
- *The Insurance Premiums Tax Act*
- *The Liquor Consumption Tax Act*
- *The Motor Vehicle Insurance Premiums Tax Act*
- *The Provincial Sales Tax Act*
- *The Tobacco Tax Act, 1998*
- *The Vapour Products Tax Act*

Under the provisions of the *Revenue and Financial Services Act*, you must be able to show the assessment is incorrect, otherwise subsection 60(3) of the *Act* presumes the assessment is correct.

What You Cannot Appeal

The assessment of penalty and interest charges cannot be appealed.

Collection actions (excluding director's liability) pursued by Finance to collect unpaid assessments cannot be appealed. If you disagree with collection actions, please contact the collection officer.

Denied or reduced refund claims cannot be appealed. If you disagree with the outcome of your refund claim or discover new information that may alter the decision, please contact the auditor. The information will be reviewed to determine if further review is warranted. The auditor will try to resolve the matter with you. If the matter cannot be resolved, it may be referred to their supervisor or manager.

Payment Pending Appeal

If you disagree with all or a part of your assessment, do not pay that portion until a NOA has been issued by Finance. A NOA is issued to legally establish the liability on the tax account under section 60 of *The Revenue and Financial Services Act*. The NOA also provides you with the right to appeal the liability.

Once the NOA has been issued, the taxes, penalties and interest are payable even if an appeal has been commenced. Therefore, you should pay the full amount of your assessment within 30 days from the date of the NOA, unless a waiver of the requirement has been provided due to extenuating circumstances. You must submit a request for a waiver in writing. If a waiver is granted, interest charges will still accumulate pending the outcome of the appeal.

Paying the assessment at this time does not mean you accept the assessment and has no impact on how your appeal will be resolved.

If your appeal is successful, you will be credited for any overpayment related to the assessment. The related penalty and interest charges will also be amended as applicable.

Documents Required

Documentation relevant to the appeal, including records requested during the audit, must be submitted to Finance within 30 days of filing the Notice of Appeal. Failure to provide documentation by the deadline may result in dismissal of the appeal by the BRC.

G. TAX CLIENT SERVICE COMMITMENTS AND STANDARDS CODE

Finance is committed to continually strive to improve the standard of the services we provide to businesses and tax clients, and to be accountable for the quality of the services we provide.

The [Tax Client Service Commitments and Standards Code](#) describes the fairness and service principles that we follow while administering Saskatchewan's taxes and related programs.

H. SASKATCHEWAN eTAX SERVICES (SETS)

Finance has made it possible to report and remit tax electronically through a secure, fast, easy and convenient online self-service portal. Several services are currently available to businesses through SETS (sets.saskatchewan.ca):

- Register for secure, self-managed access to all your tax accounts.
- Apply for a new tax account.
- File and pay returns and amend previously filed returns.
- Make payments on account, including post-dated payments.
- View account balance and statement information.
- Authorize employees or accountants to file on your behalf.
- Receive notifications by email when a tax return should be filed. This replaces the paper forms usually sent in the mail.
- Submit a service request to update the mailing address or add a new business location.

- Submit a service request to receive tax information, interpretations or rulings related to your specific business activities.
- View and download up-to-date tax information promptly.
- Subscribe to receive email notifications when new and revised tax publications are available.

FOR FURTHER INFORMATION

Write: Ministry of Finance
Revenue Division
PO Box 200
REGINA SK S4P 2Z6

Telephone: Toll Free 1-800-667-6102
Regina 306-787-6645

Email: sasktaxinfo@gov.sk.ca

Internet: Tax bulletins, forms and information are available at saskatchewan.ca/business-taxes.

To receive automatic email notifications when this or any other bulletin is revised, go to sets.saskatchewan.ca/subscribe.

To provide feedback or suggest changes to this bulletin, please complete a [Bulletin Survey](#).

Government website: Saskatchewan.ca