

## Know thy Income Tax Act (ITA)

The main source of information for most income tax questions is the Income Tax Act. I find that reading the words of the ITA with your issues and objectives in mind is the best way to get a solid answer - as one of my favourite professors used to say: "We must always go back to the words of the Act".

In addition to the words of specific provisions, it is useful to know the structure of the ITA. Not only will this allow you to know where, or where else, you should look for valuable information, but you may also be able to add fodder to an argument based on where in the ITA the applicable provision(s) are located.

There are a few things to keep in mind when working with the ITA:

- there are many defined terms and phrases, either for the purpose of the Act or for limited purposes;
- provisions contain cross references, making it important to understand how the various provisions work together;
- keep in mind the need to consider pending amendments;
- amendments are often retroactive, making it important to look and see what date an amendment is in effect from

One practical observation in the digital era. I find that there is no substitute in reading through entire sections. In my experience, for whatever reason, using Ctrl+F searched through digital versions of the ITA and case law doesn't always produce hits on all relevant material (or even all words you are searching for). Sometimes you find the greatest help from provisions that don't directly deal with your question, but rather shed light on the proper interpretation of provisions you are interested in.