

Effect of the TCC Vacating a Reassessment

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Ford v The Queen, [2014 FCA 257](#)

What is the effect of the having a court vacate a reassessment?

It is important to consider the effect of remedies sought in legal proceedings, and seek the remedy that is most advantageous to a client (and that can be granted by a court).

When the Canada Revenue Agency (CRA) issues a reassessment in relation to a particular taxation year, any previously issued reassessments are nullified by the new reassessment for a particular tax year: *Transcanada Pipelines Limited v. The Queen*, [2001 FCA 314](#).

When a court vacates such a new reassessment, the previous reassessment is no longer nullified for that tax year, and the previous reassessment becomes restored, operative, and valid.

It is important to note that where a taxpayer is seeking to have a reassessment vacated, and the vacating would result in the restoration of a previous assessment that results in an increased tax liability, the Tax Court of Canada is not able to grant the remedy sought: *Anonby v. The Queen*, [2013 TCC 184](#).

-Sas Ansari

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