

## MORE CHARITIES LOSE THEIR TAX DEDUCTION STATUS

Calgary, AB – (August 12, 2009) – Canada Revenue Agency (CRA) revoked the status on two more charities this week as they continue their review of questionable charitable donations. H&R Block Canada, the leading tax preparation company in Canada, is reminding Canadian taxpayers to be cautious if a charity is offering more than the standard tax deductions.

“Unfortunately, we are seeing taxpayers in our offices across the country who have donated money in good faith but received a bigger tax break than they should have,” explains Cleo Hamel, Senior Tax Analyst, H&R Block Canada. “If you donated money to a registered charity, the tax receipt you receive should be for the amount you donated. If it is more, you should be questioning the charity.”

If Canadians make donations to a registered charity, they are entitled to claim a 15 percent tax credit for the first \$200 donated and then 29 percent for the amount over \$200. Spouses or common-law partners can combine their donations to gain a better tax break or taxpayers can save their receipts and claim multiple years to maximize the benefit.

“Even if you made the donation in good faith, if the CRA decides the donation is not valid, the taxpayer is liable for the tax bill,” says Hamel. “We have seen people with tax bills in the thousands of dollars because a charity has not followed the rules and issued tax receipts for amounts greater than the actual donation.”

The CRA has already announced more than 10 charities whose status was revoked in 2009.

### **About H&R Block Canada**

H&R Block Canada has been preparing taxes for more than 40 years and is Canada’s leading tax preparation firm. Headquartered in Calgary, Alberta, the company serves Canadian taxpayers in more than 1,100 offices across the country. H&R Block Canada Inc. is a subsidiary of H&R Block, Inc., a diversified company with subsidiaries providing a wide range of financial products and services. For more information and tax tips, contact one of our year round office locations, call 1-800-HRBLOCK or visit [www.hrblock.ca](http://www.hrblock.ca).

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