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## CRA guides tax filers with new Auto-fill online service

By ROB CARRICK

*The CRA is teaming up with providers of some tax apps and software to fill out part of your 2015 income tax form for you*

The savings from filing your income tax return online keep piling up.

A growing number of tax apps and software products are now free, but that's only half the story. Under a new service called "Auto-fill my return<sup>1</sup>," the Canada Revenue Agency is teaming up with providers of some tax apps and software to fill out part of your 2015 income tax form for you. Now, you're saving time as well as money.

Auto-fill has the potential to add momentum to a tax software market that was already growing at a robust 9 per cent annually on average in recent years. "Auto-fill makes an easy experience that much easier," said Todd Stanley, general manager of tax software giant TurboTax Canada. "We have data that shows people who Auto-fill their return are more likely to be very satisfied and recommend TurboTax to others."

Designed to improve service and reduce errors made by people typing in information, Auto-fill my return was launched for tax preparers last year and for individuals in February, 2016. It requires you to be registered for CRA's My Account<sup>2</sup>, which allows you to track refunds, view or change your tax return, check payments of tax owing, set up direct deposit and more. I use My Account and consider it both useful and safe from a data security and privacy point of view.

The behind-the-scenes details of Auto-fill are a reminder of how much information CRA has about all Canadians who work, who have bank accounts and who invest. Virtually all tax documents individuals receive have a twin that goes to CRA. When you use Auto-fill, CRA accesses the tax slips it has on file for you and uses them to insert information into the return you're completing using tax software or an app.

CRA says Auto-fill delivers information from 14 different tax information slips, including the T4 (employment income), the T5 (investment income), the RC62 (universal child care benefit statement) and contribution receipts for registered retirement savings plans. To make use of this service, you'll need tax software or apps approved for online filing through CRA's Netfile<sup>3</sup> program.

Among the Netfile-certified products that were also approved for Auto-fill as of last week were TurboTax Free, UFile, SimpleTax, StudioTax, TaxFreeway and AdvTax. The TurboTax offering is significant because it represents the mainstreaming of free tax software.

H&R Block started offering free software last year and will continue to do so this year by download at hrblock.ca. Last year, TurboTax offered free software for selected audiences only. Now, TurboTax Free is wide open, with no limits on how many times you can use it.

TurboTax and a competitor called UFile are still selling tax software in stores and online. The cost of these products ranges in rough terms from \$12 to \$110, with costs varying on the basis of whether

you buy online, how many returns you plan to complete and how much assistance you get. Paid software typically uses an interview process that takes you step by step through the tax form to ensure you're getting all the credits and deductions you're eligible to receive.

If you have a simple return or feel fine about working your way on your own through the tax form, then free software is for you. Free products have quietly been around for years, originally in a downloadable format. A company called SimpleTax helped to broaden the market for free online software (actually, pay what you want, in this particular case) a few years back, and the big players in the industry have been following.

Free tax software is offered in hopes of establishing a relationship with people who may eventually need more assistance filing their taxes. H&R Block offers this through its 1,200-plus offices in Canada, while TurboTax does so through its lineup of paid products. But free software is such a bargain that it's enticing even people who want help with their taxes and have in the past used neighbourhood tax preparers. "It's causing some folks to consider tax software who haven't considered it in the past," TurboTax's Mr. Stanley said.

One more evolution in tax software is its liberation from desktop computers – desktop or laptop. Mr. Stanley said 23 per cent of visitors to the TurboTax website this year arrived by smartphone or tablet, up from 14 per cent in 2015.

## References

1. [www.cra-arc.gc.ca/esrvc-srvce/tfillmyrtn-eng.html](http://www.cra-arc.gc.ca/esrvc-srvce/tfillmyrtn-eng.html)
2. [www.cra-arc.gc.ca/myaccount](http://www.cra-arc.gc.ca/myaccount)
3. [www.cra-arc.gc.ca/esrvc-srvce/tx/ndvdl/netfile-impotnet](http://www.cra-arc.gc.ca/esrvc-srvce/tx/ndvdl/netfile-impotnet)