

Mastering CRA Correspondence Handling for Canadian Corporations

Why CRA Letters Deserve Your Full Attention

If you run a Canadian corporation, few things land in your mailbox with more weight than an envelope from the Canada Revenue Agency. Even in 2025, when most communication flows through CRA My Business Account, the arrival of a notice still stirs the same feeling. A letter from the CRA is not a suggestion. It is a formal step in a process that can lead to reassessment, penalties, or an audit if you ignore it. Over my years working with corporate clients, I have seen good businesses stumble simply because they set a CRA letter aside for later. That is why CRA correspondence handling matters more than most owners realize.

When you receive a notice of assessment, a request for information, or a warning about a late-filing penalty, your response shapes what happens next. The CRA runs on deadlines, just like your business runs on cash flow. Treating every piece of mail as urgent is not paranoia. It is the baseline for staying compliant and avoiding extra costs.

The Real Cost of Delayed Responses

A typical scenario: your bookkeeper sends you a notification that the CRA has flagged a mismatch between your T2 return and the GST/HST return you filed. Maybe the numbers do not line up because of a timing difference in revenue recognition. You plan to deal with it next week. Next week becomes next month. By the time you open the letter, the CRA has already issued a reassessment and added interest. That interest compounds quickly, and the late-filing penalty on top of it can turn a small oversight into a significant expense.

I once worked with a small manufacturing corporation that had let a notice of assessment sit for six weeks. The issue was straightforward: the CRA had disallowed a portion of their payroll deductions because the supporting corporate records were incomplete. By the time we responded, the agency had already moved to penalty relief application, which required a formal request and extra paperwork. The whole process took months to unwind. That is the kind of headache that proper [CRA correspondence handling](#) prevents.



Building a System That Works

You do not need a full-time compliance officer to stay on top of CRA mail. You need a system. Here is what I have seen work well for corporations of all sizes:

- Designate one person in your office as the point person for all CRA mail. That person checks CRA My Business Account at least once a week.
- Set a calendar reminder for every filing deadline that applies to your business, including T2 return, GST/HST return, and any payroll deductions remittance dates.
- Create a simple folder in your bookkeeping software where you save every letter from the CRA, along with your response and the date you sent it.
- If you use a tax preparer or a bookkeeper, give them representative authorization through CRA My Business Account so they can see your correspondence directly. This step alone saves days of back and forth.
- When you receive a notice that requires action, respond within two weeks, even if your response is just a request for more time. The CRA often grants extensions if you ask before the deadline passes.

These steps sound simple, but they are the same steps that every corporation that stays out of trouble follows. They work because they remove the guesswork from CRA correspondence handling.

Common Letters and How to Handle Them

Notice of Assessment

This is the most routine piece of CRA mail you will receive. It tells you whether the CRA accepted your tax return as filed or made changes. Read it carefully. A notice of assessment may include a reassessment that changes your balance owing or your refund. If you disagree, you have 90 days to file a notice of objection. Do not assume that silence means agreement. I have seen clients miss refunds because they did not realize the CRA had adjusted their numbers downward.

Request for Information

The CRA may ask for supporting documents for your T2 return, GST/HST return, or payroll deductions. This request is not an audit, but it can lead to one if you do not respond fully. Gather your corporate records, including bank statements, invoices, and receipts. If you cannot find a document, say so honestly and explain why. The CRA appreciates transparency more than perfect records.

Notice of Intent to Audit

If you receive a letter that says the CRA plans to audit your business number, do not panic. An audit process is a review, not an accusation. Your best move is to contact a CPA or your tax preparer immediately. Do not try to handle the audit process alone. The CRA has broad powers to request records, and the timeline is tight. A professional who knows how to manage the audit process can keep the scope narrow and the duration short.

When You Have Missed a Filing Deadline

Life happens. A key employee leaves, bookkeeping software crashes, or you simply forget. If you miss a filing deadline for a T2 return or a GST/HST return, the CRA will assess a late-filing penalty. The penalty for a T2 return is 5% of the balance owing, plus 1% for each full month your return is late, up to 12 months. That adds up fast.



If the reason for the late filing was genuine hardship, you can apply for penalty relief through the CRA's voluntary disclosure program. This program allows you to come forward before the CRA catches you. You must pay the tax owing and interest, but the CRA may waive the late-filing penalty. The key word is "before." Once the CRA contacts you about a missing return, the voluntary disclosure program is no longer available for that period.

I have helped several corporations file late returns under this program. In every case, the CRA waived the penalty because the business came forward proactively and provided complete,

accurate information. That is the power of staying ahead of the process.

The Role of Your Professional Team

You do not have to manage CRA correspondence alone. A good tax preparer or CPA can handle most of the back-and-forth if you give them representative authorization. They can log into CRA My Business Account, download notices, and respond on your behalf. This is especially valuable during busy seasons when you are focused on operations.

Your bookkeeper also plays a role. By keeping your corporate records organized and your bookkeeping software up to date, they make it easy to respond to any CRA request quickly. If your bookkeeper uses a queue management system in their software, they can flag items that need your attention before they become urgent.

For corporations that have fallen behind on filings, catch-up bookkeeping services can bring everything current. Once your records are accurate, you can file the overdue T2 returns and GST/HST returns, set up a payment plan through direct debit if needed, and close the gap with the CRA. The peace of mind that comes from being current is worth the effort.



Practical Tips for Day-to-Day Management

- Open every piece of CRA mail on the day it arrives, even if you do not understand it fully. Just reading it tells you whether a deadline is approaching.
- Keep a running list of your business number and the dates you filed each tax return. When the CRA asks about a specific year, you can answer immediately.
- If you receive a letter that seems wrong, do not ignore it. Respond with a polite explanation and supporting documents. The CRA makes errors too, and they correct them when you provide evidence.

- Consider setting up direct debit for any balance you owe. This prevents missed payments and the interest that follows.

Closing Thoughts

Effective CRA correspondence handling is not a skill you are born with. It is a habit you build. Every letter you respond to on time is one less problem on your plate next quarter. Every notice of assessment you review carefully is one less surprise at tax time. And every time you give your tax preparer representative authorization, you free up your own time to run your business.

The CRA is not your enemy. They are a large organization with a mandate to collect revenue and enforce rules. When you treat them like a partner in compliance, rather than an adversary, the process becomes smoother for everyone. That starts with how you handle the letters they send you.