

Canada Revenue Agency (CRA)

Audit of Travel Expenses and Northern Residents Deduction

If you receive a letter from CRA requesting proof of your *Northern Residents Deduction - Travel and / or Residency* for the 2022 Taxation Year, the following items should be sent to CRA:

1. A letter explaining what you are sending to CRA along with an explanation how the Lowest Return Airfare was determined. See attached letter sample.
2. A copy of the letter from CRA regarding the request for information.
3. A copy of the T2222 (2 pages) which is part of your tax return that we prepared for you.
4. A copy of the travel expense receipts for each trip listed on the T2222 including the summary page prepared by yourself or Lester Landau.
5. A copy of the Lowest Return Airfare quote - see proof included with your travel package.
6. A copy of your T4's that report a Box 32 amount.
7. A copy of a document that proves residency for the year, which may include the following:
 - a. Property tax bill
 - b. Utility bills for the year
 - c. Rent receipts or lease agreement
 - d. Letter from employer stating that you resided in Iqaluit (or other community where you resided) for all of 2022.

You should copy all documents and send to CRA either the originals or copies. CRA will return original documents. If the request is for proof of Residency only then disregard Points 4 to 6 above and the second, third and fourth bullet points in the sample letter.

T1 Processing Review Section
Canada Revenue Agency

Dear Sir or Madam:

Re: Sample Taxpayer: SIN999999999
Reference Number: C _____
2021 Individual Income Tax Return

In response to your letter dated Some Date, 2023, I have provided the following information:

Northern Residents Deductions -Travel

- A completed Form T2222.
- Documentation and corresponding receipts showing the details of the trips including the destination, dates of travel, whether the trip was for medical or other reasons and a listing of the household members traveling on each trip.
- The cost of the lowest return airfare per person is \$XXXX.XX for Iqaluit to Ottawa (or other Community that you reside) as quoted by *choose applicable source* (Canadian North / Calm Air) as per attached.
- The travel benefits reported in Box 32 of the T4 slip(s) were \$XX.XXX.XX.
- A copy of my/our property tax bill and/or utility bill which proves residency for the 2019 year.
- A copy of a letter from my employer proving residency for 2020 year.

If you require further assistance, please contact me at 123-456-9999.

Yours truly,