

**Tax Tip**  
**Week of August 31, 2009**

**Attack on Users of eBay**

CRA issued a press release on July 30 advising individuals that sell products on eBay that the profit on such sales is taxable. The government recently won a court decision requiring eBay to turn over the names of sellers as well as contact information and sales records.

CRA will be able to compare the information provided by eBay to an individual's tax return. If an individual has made sales, but not reported the income, it should lead to a reassessment by CRA. So certain are CRA of the success of the audit program, they are advising sellers to consider using the CRA voluntary disclosure program. Taxpayers who not reported the income will be able to claim the cost of items sold as a legitimate deduction. This assumes of course that the individual has maintained receipts for all items that were sold.

Taxpayers who have made significant amounts of sales on eBay, but not reported the income should consider approaching CRA before the auditor makes contact. Once approached by a CRA auditor, it is too late to utilize the Voluntary Disclosure Program.