

1. What is the Tax Compliance Declaration Form?

The Tax Compliance Declaration (TCD) Form is to be completed and submitted by proponents along with their proposals or tenders to all Ontario Government procurement processes valued at \$25,000 or more. The form, which is subject to verification as set out below, requires that the proponent declare that their provincial taxes are in good standing and consent to verification of the declaration by the Ministry of Revenue (MOR).

2. When should Tax Compliance Verification be completed?

The tax compliance requirement applies to all formal requests for tender and proposals including invitational procurements and when establishing a Vendor of Record (VOR) arrangement through the awarding of the original master agreement. Tax compliance verification is not required when completing a second stage selection from an established VOR arrangement. While the verification process is not required when using a VOR arrangement, the Contract Detail Sheet (Appendix D) should still be completed and sent to the Ministry of Revenue when entering into an agreement made under a VOR arrangement.

The requirement also applies to single/sole source acquisitions that would have otherwise normally been done through a formal procurement process as described above, i.e., for procurements valued at \$25,000 or more.

A tax compliance declaration is not necessary when making small purchases such as those typically paid for through a P-Card. In particular, the tax compliance declaration is not necessary for procurements valued at less than \$25,000.

3. What should you do with the form?

A request to complete the Tax Compliance Declaration Form (Appendix A) must be included as part of all packages provided to proponents. This is part of the Standard Request for Proposal (RFP) Template and is a mandatory requirement. Proponent's responding to a formal competitive process must complete the form and declare that their taxes are in good standing. For single/sole source arrangements the proponents must provide a signed declaration in advance of being considered for the contract.

The purchasing ministry/agency must carefully examine all submissions to verify that a tax compliance declaration has been received. Proposals submitted without a signed form may be disqualified as non-compliant with the mandatory requirements.

4. How should you obtain verification of tax compliance?

Before a contract is awarded, the successful proponent's details must be sent to the Contract Review Officer, Revenue Collections Branch, Ministry of Revenue as per the

details in Appendix B. The Ministry of Revenue will verify the declaration and confirm to the requestor within five working days whether the proponent is in / not in compliance with all Ontario tax statutes (as per Appendix C).

5. What happens after verification is received?

After confirmation is received from the Ministry of Revenue that the proponent's taxes are in good standing, the contract may be awarded. The requestor should notify the Supply Chain Management (SCM) organization of the result of tax compliance verification conducted by the Ministry of Revenue. SCM procurement staff will retain this notification in the procurement file.

After a contract is awarded, the contracting ministry must complete a Contract Detail Sheet (Appendix D) and send this to the Contract Review Officer, Revenue Collections Branch, Ministry of Revenue. The MOR Reference number noted on the MOR Tax Compliance Confirmation Form (Appendix C) must be included.

6. What happens if the proponent's taxes are not in good standing?

No contract should be awarded until confirmation of tax compliance is received from the Ministry of Revenue. If the Ministry of Revenue indicates that the proponent is not compliant then the contract cannot be awarded to the proponent. Section 9 provides additional information on addressing issues of non-compliance. During the debriefing to the unsuccessful proponent details relating to the lack of tax compliance may be disclosed.

For longer-term contracts, the Ministry of Revenue will confirm annually to the contracting ministry that vendors' provincial taxes continue to be in good standing. If, over the term of the contract, a vendor becomes non-compliant with the tax statutes, the Ministry of Revenue has the option of applying any unpaid contract proceeds against any outstanding tax liabilities.

7. What is the Ministry of Revenue Process for verifying tax compliance?

The following outlines the Ministry of Revenue process for receipt and turnaround of tax compliance verification request:

1. Upon receipt of each Tax Compliance Verification request (both Appendix A and B), MOR will assign a unique MOR Reference number for the purpose of tracking and identification. This number will be noted by MOR on the Tax Compliance Confirmation Form (Appendix C) and logged into the MOR Tendered Contract Database.
2. The tax compliance of the proponent will be verified by checking their tax status on the individual tax statute databases and the Integrated Collection System. MOR will send confirmation to the contracting ministry/agency within five working days of the receipt of the request. Any requirement for clarification will be forwarded by the MOR to the requestor.

3. MOR will communicate the determination of the proponents tax compliance status to the requestor (as per Appendix C).
4. Following receipt of MOR's confirmation of tax compliance, the contracting ministry/agency must confirm back to the MOR the awarding of a contract by completing the Contract Detail Sheet (as per Appendix D). The MOR Reference number noted on the returned Tax Compliance Confirmation Form must be included.
5. Upon receipt of a completed Contract Detail Sheet (CDS), MOR will record the contract details in the MOR Tendered Contract Database (matching the contract to the information entered from the original Tax Compliance Verification request). A flag will be placed on all related tax statute database accounts to clearly identify that a government contract has been awarded to this vendor.
6. MOR will monitor and notify the contracting ministry/agency if a contractor becomes non-compliant subsequent to the contract being awarded. In such a case, after exhausting all other progressive collection actions, the MOR may request an offset of any outstanding tax debt against any amount remaining to be paid under the contract.
7. All documentation related to the verification process should be retained in the procurement file.

8. What happens if Ministry of Revenue advises that a clarification is required?

In some cases MOR may require additional information prior to making a determination of the tax standing of a proponent. In such cases, MOR will advise the procurement advisor/buyer of the issues on which clarification is required, e.g. proponent's legal name, contact, phone number. The procurement advisor/buyer is responsible for obtaining this clarification from the proponent. The procurement advisor/buyer will then provide this information to MOR. Based upon the clarification provided, MOR will determine the tax compliance status of the proponent and will communicate their confirmation to the procurement advisor/buyer. The procurement advisor/buyer, in consultation with the client and utilizing past experience and professional judgment, is responsible for determining how much time the proponent will be allowed to respond to the clarification issues raised by MOR, and will advise the proponent accordingly.

The process of obtaining clarification for tax compliance is similar to the clarification process required for other mandatory requirements (such as unsigned forms) and should be completed within a reasonable time period. The clarification process, if required, will run concurrently with obtaining other requirements (such as obtaining certificates of insurance) in the finalization phase prior to signing the contract.

9. What happens if the Ministry of Revenue indicates that the proponent is not compliant?

The Ministry of Revenue will identify the basic nature of the non-compliance (e.g. Employer Health Tax has not been paid). The Ministry of Revenue will also provide the

contact information for the person(s) at the Ministry of Revenue that the proponent can work with to attempt to resolve the non-compliance.

The procurement advisor/buyer, in consultation with the client ministry and with the advice of the Ministry of Revenue, will make a decision on the time allowed for the proponent to resolve the issue(s) with the Ministry of Revenue. The time allowed should be reasonable and based upon the nature of the issue. The procurement advisor/buyer should inform the proponent of the non-compliance issue and the Ministry of Revenue contact to work with to resolve the issue. The proponent must also be informed that if the issue is not resolved within the allotted timeframe the proponent's tax status will be deemed to be non-compliant.

The proponent will work with the Ministry of Revenue contact to resolve the issue(s). If a proponent can determine that the information used by the Ministry of Revenue to determine their tax status is incomplete or incorrect, they may then provide the correct information to the Ministry of Revenue. The proponent should not discuss the details of any non-compliance issue(s) with the procurement advisor/buyer. Once there is resolution, the proponent will indicate this fact in writing to the procurement advisor/buyer. The procurement advisor/buyer will once again verify this information with the Ministry of Revenue. The Ministry of Revenue will confirm the tax compliance status of the proponent and will communicate the tax compliance status of the proponent to the procurement advisor/buyer.

If, even after the issue has been apparently resolved, the proponent is still deemed non-compliant by the Ministry of Revenue, the contract cannot be awarded to the proponent. The procurement advisor/buyer would disqualify the proponent and the tax compliance declaration verification process would be conducted for the next highest rated and qualified proponent.

10. Where do you go for help?

To have a SCM procurement specialist assist you with this or any other procurement-related need, please call the Contact Centre @ 416-326-9300. Procurement related training is also offered through the MyOPS intranet portal @ intra.myops.gov.on.ca

11. Are there any additional notes and reminders?

Additional notes and reminders are as follows:

Ministry Clients and / or procurement advisor/buyer (as applicable):

1. Must inform the MOR Revenue Collections Branch of any change to contact information (Appendix D) during the procurement process or within the contract term.

Ministry of Revenue will:

1. Conduct tax compliance verification of vendors on an annual basis for all multi-year contracts.
2. Complete tax compliance verification for each procurement even if the proponent has been previously assessed as being tax compliant.

Appendix A - Tax Compliance Declaration

The Ontario Government expects all suppliers to pay their provincial taxes on a timely basis. In this regard, proponents are advised that any contract with the Ontario Government will require a declaration from the successful proponent that the proponent's provincial taxes are in good standing.

In order to be considered for a contract award, the proponent must submit the following tax compliance status statement and the following consent to disclosure:

Declaration

I/WE hereby certify that _____ at the time of submitting its proposal,

(legal name of proponent)

is in full compliance with all tax statutes administered by the Ministry of Revenue for Ontario and that, in particular, all returns required to be filed under all provincial tax statutes have been filed and all taxes due and payable under those statutes have been paid or satisfactory arrangements for their payment have been made and maintained.

Consent to Disclosure

I/We consent to the Ministry of Revenue releasing the taxpayer information described in this Declaration to the Ministry issuing the RFP as necessary for the purpose of verifying that I/we am/are in full compliance with all statutes administered by the Ministry of Revenue.

Dated at _____ this _____ day of _____ 20____

(An authorized signing officer)

(Print Name)

(Title)

(Phone Number)

(Fax Number)

Appendix B: Tax Compliance Verification Request Template

Date: [insert date]
To: Contract Review Officer
Revenue Collections Branch
Ministry of Revenue
Fax: (905) 433 –6009

Subject: **SCM / Contract Number:**

Dear Sir/Madam:

Please verify the tax compliance status of:

- [insert legal name of proponent(s)]
- [insert contact name of proponents(s)]
- [insert phone number of proponents(s)]

Please communicate any issues for which you require clarification, and/or provide your confirmation to:

[Insert:
Contact name(s)
Address
Phone
Fax]

Thank you.

Appendix C: Ministry of Revenue Tax Compliance Confirmation

Date: [insert date]
To: Requestor(s) / contact names provided in the request for verification
Subject: Request for Tax Compliance Declaration Verification

MOR Reference No: _____

Dear Sir/Madam:

The Ministry of Revenue hereby confirms that [insert legal name of proponent] is in/not in compliance with the tax statutes of Ontario.

Please quote the MOR Reference number cited above in any future correspondence.

Thank you.

Contract Review Officer
Revenue Collections Branch
Ministry of Revenue
Tel: (905) 433-6801
Fax: (905) 433 -6009

Appendix D: Contract Detail Sheet (CDS)

Date:

To: Contract Review Officer
Revenue Collections Branch
Ministry of Revenue
Fax: (905) 433-6009

MOR Reference #: _____ **SCM / Contract #:** _____

Vendor Legal Name: _____
Vendor Trade Name: _____

Vendor Address (Head Office):

Street #, name & suite #: _____
City and Province: _____
Postal Code: _____

Vendor Contact:

Contact Name: _____
Telephone # (& ext.): _____

Contracting Ministry:

Ministry Name: _____
Ministry Address: _____
Contact Name: _____
Contact Tel. #: _____
Contact Fax #: _____

Contract Detail:

Contract Number: _____
Contract Amount / Ceiling Price: \$ _____
Contract Start Date: _____
Contract End Date: _____
Contract Extension Date: _____

VOR Arrangement Details:

If new VOR arrangement, provide #: _____

SCM Contact Name:	Telephone #:
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