

Docket: 2006-3924(IT)I

BETWEEN:

JEAN-RAYMOND LANGLOIS,

Appellant,

and

HER MAJESTY THE QUEEN,

Respondent.

[OFFICIAL ENGLISH TRANSLATION]

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Appeal heard on June 28, 2007, at Montréal, Quebec.

Before: the Honourable Justice Paul Bédard

Appearances:

For the Appellant:                      The Appellant himself

Counsel for the Respondent:        Mounes Ayadi

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**JUDGMENT**

The appeal from the reassessments under the *Income Tax Act* for the 1998, 1999 and 2000 taxation years is dismissed in accordance with the attached Reasons for Judgment.

Signed at Ottawa, Canada, this 20th day of August 2007.

“Paul Bédard”

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Bédard J.

Translation certified true  
on this 5th day of September 2007.  
Monica F. Chamberlain, Reviser

Citation: 2007TCC460  
Date: 20070820  
Docket: 2006-3924(IT)I

BETWEEN:

JEAN-RAYMOND LANGLOIS,

Appellant,

and

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Respondent.

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**REASONS FOR JUDGMENT**

Bédard J.

[1] On April 27, 2006, the Appellant and Respondent signed a Consent to Judgment (Exhibit I-1), which reads in part as follows:

[TRANSLATION]

The parties consent to the Court rendering a judgment that allows the appeal from the notices of reassessment issued on November 18, 2003, in respect of the 1998, 1999 and 2000 taxation years and referring them back to the Minister of National Revenue for reconsideration and reassessment, in order to:

1. Grant the Appellant the tax credit for a married person or a person in a common-law partnership set out in paragraph 118(1)(a) of the *Income Tax Act*, on the assumption that the Appellant and Johanne Dansereau cohabited in a conjugal relationship during the 1998, 1999 and 2000 taxation years.

WITHOUT COSTS

MONTRÉAL, April 27, 2006.

[2] Following the signing of the Consent to Judgment, the Minister of National Revenue (the “Minister”) established, using notices of reassessment dated August 8, 2006, that the spousal amounts to which the Appellant was entitled for the 1998, 1999 and 2000 taxation years were \$0, \$299 and \$1,197 respectively.

[3] On or around August 30, 2006, the Appellant served the Minister with a notice of objection to the reassessments of August 8, 2006, for the 1998, 1999 and 2000 taxation years.

[4] On October 4, 2006, the Minister confirmed the reassessments of August 8, 2006, for the 1998, 1999 and 2000 taxation years.

[5] The Appellant appealed the reassessments of August 8, 2006, under the informal procedure.

[6] To establish and confirm the reassessments for the 1998, 1999 and 2000 taxation years, the Minister relied on the following assumptions of fact:

- (a) During the taxation years in dispute, the Appellant was the common-law partner of Johanne Dansereau; (**admitted**)
- (b) Ms. Dansereau’s net income was \$11,518 for the 1998 taxation year, \$5,991 for the 1999 taxation year and \$5,557 for the 2000 taxation year. (**admitted**)

[7] The Appellant testified that Johanne Dansereau’s net income for the taxation years in question came mostly from fraudulently obtained income security benefits. He also added that, following an investigation by the government of Quebec Social Services, she was ordered to repay the fraudulently obtained benefits. Finally, he stated that Ms. Dansereau repaid part of the fraudulently obtained benefits in 2006 and 2007.

#### Appellant’s position

[8] The Appellant basically repeated to the Court the position he had stated in his Notice of Appeal:

[TRANSLATION]

Consequently and in accordance with the Court’s standards, we choose the informal procedure to hear this appeal and rule that a taxpayer does not

have to pay income tax in similar circumstances, that is, when the spouse's income has been obtained illegally. In short, this is stolen money that was used solely to pay for the spouse's alcohol, drug and gambling excesses

In fact, the Appellant asked the Court to require the Minister to issue reassessments for the years concerned not taking into account the fraudulently obtained net income of Ms. Dansereau.

Analysis and conclusion

[9] I believe that I do not have jurisdiction in this case to vary Ms. Dansereau's net income for the taxation years concerned, regardless of whether she obtained the income security benefits fraudulently during the taxation years in question. Moreover, the income security benefits that Ms. Dansereau had thus collected must, in any case, be part of her net income for these same taxation years, whether they were collected fraudulently or not. In conclusion, I would note that Ms. Dansereau's repayment of these fraudulently collected benefits can only affect her net income for the taxation years during which she repays the fraudulently obtained income security benefits. The Minister was therefore correct in assessing the spousal credit amount to which the Appellant was entitled for the 1998, 1999 and 2000 taxation years by taking into account the fact that Ms. Dansereau's net income was \$11,518, \$5,991 and \$5,557 for the 1998, 1999 and 2000 taxation years respectively.

[10] For these reasons the appeal is dismissed.

Signed at Ottawa, Canada, this 20th day of August 2007.

“Paul Bédard”

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Bédard J.

Translation certified true  
on this 5th day of September 2007.  
Monica F. Chamberlain, Reviser

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DATE OF JUDGMENT: August 20, 2007

APPEARANCES:

For the Appellant: The Appellant himself

Counsel for the Respondent: Mounes Ayadi

COUNSEL OF RECORD:

For the Appellant:

For the Respondent: John H. Sims, Q.C.  
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