

Federal Court



Cour fédérale

Date: 20250826

Docket: T-1803-24

Citation: 2025 FC 1420

Toronto, Ontario, August 26, 2025

PRESENT: The Honourable Justice Battista

BETWEEN:

LORI THOMPSON

Applicant

and

CANADA REVENUE AGENCY

Respondent

JUDGMENT AND REASONS

I. Overview

[1] The Applicant, Ms. Lori Thompson, seeks judicial review of the Canada Revenue Agency's (CRA) decision finding her ineligible for three COVID-19 benefits programs. She asserts that the CRA unreasonably ignored her re-filed tax return which eliminated all of her 2019 expenses and should have led to her financial eligibility for the COVID benefits. For the reasons below, the CRA's decision is reasonable, and the application is dismissed.

II. Background

[2] Ms. Thompson received benefits from three COVID benefit programs: the Canada Recovery Benefit (CRB) program, the Canada Recovery Sickness Benefit (CRSB), and the Canada Worker Lockdown Benefit (CWLB). One of the eligibility requirements common to all three programs was the need to demonstrate annual income amounting to at least \$5000 in 2019, 2020 or in any other 12-month period prior to the date of the application (*Canada Recovery Benefits Act*, SC 2020, c 12, s 2, ss 3(1)(d)(ii), (e) and (e.1) and 10(1)(d)(ii), (e) and (e.1); *Canada Worker Lockdown Benefit Act*, SC 2021, c 26, s 5, ss 4(1)(d)(ii) and (e)).

[3] Ms. Thompson operated a household services business during 2019. In her original T1 return for 2019, she indicated that:

- Her gross self-employment income was \$5,647, and
- Her net self-employment income was \$3,971.57.

[4] In a hand-written letter provided to the CRA, Ms. Thompson indicated that she incurred \$1,675.43 in expenses which were applied to her gross income for 2019. In her conversations with CRA representatives, she indicated that the majority of her business expenses were incurred in 2019 from her travel to clients using her vehicle, and for the purchase of cleaning products.

[5] Ms. Thompson re-filed her 2019 tax return which eliminated all expenses and claimed a gross and net income of \$5,647 for 2019.

[6] The CRA denied Ms. Thompson's eligibility for all three programs, relying upon her original tax filings and personal statements describing the expenses she incurred in 2019. The CRA determined that she did in fact incur expenses in 2019 which reduced her income below the \$5000 eligibility threshold for the programs.

III. Issues

[7] The sole issue in this matter is whether the determination of Ms. Thompson's ineligibility for the COVID benefits programs was reasonable. Reasonableness is assessed based on the principles described in *Canada (Minister of Citizenship and Immigration) v Vavilov*, 2019 SCC 65 [Vavilov], and affirmed in *Mason v Canada (Citizenship and Immigration)*, 2023 SCC 21. To avoid intervention on judicial review, the decision must bear the hallmarks of reasonableness: justification, transparency and intelligibility (*Vavilov* at para 100).

[8] Ms. Thompson alleges that she was treated unfairly because she was misadvised by the CRA agents. However, her allegation that she was encouraged by the CRA to estimate her expenses does not establish that she was misadvised by the CRA. Therefore, the issue of procedural fairness does not arise.

IV. Analysis

[9] The CRA was reasonable in determining Ms. Thompson to be ineligible for COVID benefits by relying upon her previous representations of her 2019 income.

[10] Ms. Thompson argues that it was unreasonable for the CRA to disregard her re-filed 2019 return which eliminated all of her previously claimed business expenses. She states that there would be no point in re-filing returns if they are not given any weight by the CRA.

[11] However, it is reasonable for the CRA to not consider self-reported income in income tax filings to be “conclusive proof” of income (*Aryan v Canada (Attorney General)*, 2022 FC 139 at paras 35 and 40).

[12] Further, the CRA did not merely decline to rely upon Ms. Thompson’s re-filed return as conclusive proof of her income. The CRA also considered her previously filed letter indicating that she incurred \$1,675.43 in business expenses in 2019, and her statement during a conversation with the CRA that the “majority” of her business expenses were incurred in 2019. Ms. Thompson provided no explanation to the CRA regarding how those previously claimed expenses disappeared.

[13] Ms. Thompson made submissions regarding her health issues and her caregiving responsibilities for her mother. While the Court is sympathetic to these circumstances, they do not undermine the reasonableness of the CRA’s decision, and the Court lacks equitable jurisdiction in this matter.

V. Conclusion

[14] The CRA was presented with contradictory evidence from Ms. Thompson regarding her 2019 income, and chose to rely upon her original submissions and statements over her revised tax

return. It is not the role of the Court to arrive at its own conclusion on the evidence (*Vavilov* at para 25). The decision determining Ms. Thompson ineligible for COVID benefits is reasonable and the application for judicial review is dismissed.

[15] The Respondent has requested costs, however, there is no basis for costs in this matter.

JUDGMENT in T-1803-24

THIS COURT'S JUDGMENT is that the application for judicial review is dismissed without costs.

"Michael Battista"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1803-24

STYLE OF CAUSE: LORI THOMPSON v CANADA REVENUE
AGENCY

PLACE OF HEARING: HELD BY VIDEOCONFERENCE

DATE OF HEARING: AUGUST 25, 2025

JUDGMENT AND REASONS: BATTISTA J.

DATED: AUGUST 26, 2025

APPEARANCES:

Lori Thompson

FOR THE APPLICANT
(SELF-REPRESENTED)

Robert Zsigo

FOR THE RESPONDENT

SOLICITORS OF RECORD:

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FOR THE RESPONDENT