

Citation: 2006TCC545
Date: 200610
Docket: 2006-573(IT)I

BETWEEN:

JOSEPH GEORGE ZADOR,

Appellant,

and

HER MAJESTY THE QUEEN,

Respondent.

For the Appellant: The Appellant himself
Counsel for the Respondent: Sara Fairbridge

REASONS FOR JUDGMENT

(Delivered orally from the bench on
August 9, 2006, at Kelowna, British Columbia.)

Miller J.

[1] Mr. Zador, the language in the *Income Tax Act* can sometimes create more confusion than clarification and perhaps this is a section where it is done that by talking both in terms of amounts paid and also expenses incurred. And you are hanging your hat on the fact that this may be an expense that was incurred and therefore qualifies for deductibility. It is an intriguing argument but, with respect, it is not one that is going to fly.

[2] Subsection 62(1) is very specific in its opening words and it does require that there be an amount paid. In your situation, you have acknowledged and you have not tried to suggest otherwise that the amount at issue has not been paid. Right out of the starting block you have not qualified to fall within the words of

subsection 62(1).

[3] Now, I do acknowledge that the definition of moving expenses does talk in terms of expenses in subsection 62(3) incurred, but when you take that definition and you import it into subsection 62(1), it does not replace the requirement that an amount must be paid. That is still the first requirement for the deduction of a moving expense. You cannot deduct what you have not paid. If that were the case, we would be opening doors wide for abuse by taxpayers coming up with all sorts of innovative, imaginative ways of getting deductions when they have not paid anything out of their pocket, and that is simply not the way the *Income Tax Act* operates.

[4] If I were to accept your argument that expenses incurred is the bar which you have to meet to get a deduction here, frankly, you have not even convinced me that the imposition of a debt obligation in this situation constitutes an expense incurred.

[5] I could probably do more thinking about that but my initial reaction to that is that simply by being invoiced, you have not necessarily incurred the expense. But I do not have to answer that question because on my reading of the *Act*, the *Act* is abundantly clear; to claim a moving expense there must be an amount paid.

[6] The government in this case has got it right. It is simple. There is no confusion. And unfortunately that means I must dismiss your appeal.

Signed at Ottawa, Canada, this 6th day of October 2006.

"Campbell J. Miller"

Miller J.

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COURT FILE NO.: 2006-573(IT)I

STYLE OF CAUSE: JOSEPH GEORGE ZADOR AND
HER MAJESTY THE QUEEN

PLACE OF HEARING: Kelowna, British Columbia

DATE OF HEARING: August 9, 2006

REASONS FOR JUDGEMENT BY: The Honourable Justice Campbell J. Miller

DATE OF JUDGMENT: October 6, 2006

APPEARANCES:

For the Appellant:	The Appellant himself
Counsel for the Respondent:	Sara Fairbridge

COUNSEL OF RECORD:

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