

Federal Court



Cour fédérale

Date: 20251204

Docket: T-2568-24

Citation: 2025 FC 1925

Ottawa, Ontario, December 4, 2025

PRESENT: The Honourable Madam Justice Heneghan

BETWEEN:

LEI PAN

Applicant

and

ATTORNEY GENERAL OF CANADA

Respondent

REASONS AND JUDGMENT

[1] Ms. Lei Pan (the “Applicant”) seeks judicial review of the decision made by the Canada Revenue Agency (the “CRA”) on September 11, 2024, denying her request for reconsideration of its application of a Carbon Credit Rebate (“CCR”) to an alleged outstanding tax debt.

[2] The Applicant had received Employment Insurance benefits from Service Canada between December 20, 2019, and November 17, 2020. She then applied for benefits under the *Canada Recovery Benefits Act*, S.C. 2020, c. 12, s. 2 (the “Act”) and received those benefits between November 8, 2020, and December 5, 2020.

[3] On November 24, 2022, upon review the CRA determined that the Applicant was not eligible for all the CRB benefits that she had received because she was not entitled to receive funds from both Service Canada and the CRA, at the same time. It was also determined that her earned income in 2020 required her to repay \$3000.00 for CRB benefits that she had received.

[4] According to the Applicant, she repaid the \$3000.00 before she received the letter on November 24, 2022. She was advised by letter dated November 24, 2022, that another \$1000.00 was owing. She contested this claim and asked for a reconsideration.

[5] In her affidavit filed in support of this application for judicial review, the Applicant referred to a letter she received in June of 2024 informing her that her CCR was being applied to satisfy the debt. She responded to that letter on June 30, 2024.

[6] By letter dated June 30, 2024, the Applicant advised the CRA, explaining that she had repaid the CRB benefits, and that no money was owing. She asked for reconsideration of the CRA’s decision.

[7] By letter dated September 11, 2024, the CRA advised that it was maintaining its position. The form letter advised the Applicant that she could seek relief, by applying for judicial review in the Federal Court within 30 days.

[8] On October 3, 2024, the Applicant commenced this application for judicial review.

[9] The Applicant makes several arguments about the process followed by the CRA and the unreasonableness of its decision. She asks for the following relief:

...to remand the CRA's decision to be reconsidered or to order that the Applicant has no obligation to repay the \$1000.00 considering the full amount of CRB received in 2020 had been repaid in 2021 pursuant to the terms of the CRBA, to refund the Applicant the Canada Carbon Rebate deducted in 2024 and 2025, together with the interest thereof, and to compensate the Applicant an amount that the court deems appropriate, included but not limited to legal service fees with applicable tax, court filing fees, courier charge, transportation expenses and other costs and disbursements incurred by the Applicant in the proceedings

[10] The Attorney General of Canada (the "Respondent") filed the affidavit of Ms. Corinne Knapp in response to this application. In her affidavit, Ms. Knapp addressed the purpose of the CRB benefits and subsection 8(2) of the Act.

[11] The Respondent submits that the decision is reasonable and conforms with the requirements of the *Income Tax Act*, R.S.C, 1985, c. 1 (5th Supp).

[12] The Respondent also argues that if the Applicant succeeds in this application for judicial review, the Court should set aside the decision and decline to grant the other relief sought by the Applicant.

[13] Following the decision in *Canada (Minister of Citizenship and Immigration) v. Vavilov*, [2019] 4 S.C.R. 653, the decision is reviewable on the standard of reasonableness.

[14] In considering reasonableness, the Court is to ask if the decision under review “bears the hallmarks of reasonableness – justification, transparency and intelligibility – and whether it is justified in relation to the relevant factual and legal constraints that bear on the decision”; see *Vavilov, supra*, at paragraph 99.

[15] In my opinion, considering the evidence filed by the parties and the oral and written submissions made, the decision does not meet the applicable standard of review.

[16] The letter does not “spell out” why a debt of \$1000.00 remained. While the use of form letters is common practice on the part of government agencies, sometimes the circumstances require more detail. This is one such case.

[17] Ms. Knapp, in her affidavit, does not offer any explanation.

[18] The Respondent, in his written argument, submits that the Applicant can seek a reassessment at “any time”. The Applicant would be advised to do so and if necessary, apply for an extension of time to seek a re-assessment.

[19] The Applicant should refer to subsections 152 (3), 152(2.4) and 164 (2) of the *Income Tax Act, supra* in pursuing her request for a reassessment.

[20] I will briefly acknowledge the Applicant’s arguments about the “unfairness” of the CRA in applying the CCR to the alleged tax debt.

[21] I agree with the submissions of the Respondent on this point. Section 8(2) of the Act and section 164(2) of the *Income Tax Act, supra* allow for such re-direction of funds, as administrative steps. However, that is not the determinative issue upon this application for judicial review.

[22] In my view, the “determinative” issue is whether the decision of the CRA explained the basis for the decision. The Applicant, and other taxpayers, are entitled to “know” why a decision is made. In that regard, I refer again to the decision in *Vavilov, supra* at paragraph 98:

Where a decision maker’s rationale for an essential element of the decision is not addressed in the reasons and cannot be inferred from the record, the decision will generally fail to meet the requisite standard of justification, transparency and intelligibility.

[23] I agree with the submissions of the Respondent, that this Court lacks the jurisdiction to make an order directing the CRA to refund the CCR to the Applicant. The usual remedy upon a successful application for judicial review is to set aside the decision under review and remit for redetermination by another officer.

[24] In the event that the Applicant succeeds in obtaining re-assessment of her tax liability, a redetermination in this matter may not be necessary.

[25] In the exercise of my discretion pursuant to the *Federal Courts Rules*, S.O.R./98-106, I award the Applicant \$100 in respect of filing fees and incidental expenses.

JUDGMENT IN T-2568-24

THIS COURT'S JUDGMENT is that

1. The application for judicial review is granted.
2. The decision is set aside, and the matter is remitted for redetermination by another officer.
3. The Applicant shall have costs in the amount of \$100.

"E. Heneghan"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-2568-24

STYLE OF CAUSE: LEI PAN v. ATTORNEY GENERAL OF CANADA

PLACE OF HEARING: TORONTO, ONTARIO

DATE OF HEARING: NOVEMBER 25, 2025

REASONS AND JUDGMENT: HENEGHAN J.

DATED: DECEMBER 4, 2025

APPEARANCES:

Lei Pan SELF-REPRESENTED

Casey Bee FOR THE RESPONDENT

SOLICITORS OF RECORD:

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Toronto, Ontario