

BETWEEN:

MARIJA BOBIC,

and

HIS MAJESTY THE KING,

Respondent.

Appeal heard on:

April 3, 2024 at Hamilton, Ontario,
June 17, 2025 at Oakville, Ontario,
and April 12, 2026 at Burlington, Ontario.

Before: The Honourable Justice Randall S. Boccock

Appearances:

For the Appellant: The Appellant herself

Counsel for the Respondent: Sean Karmali

JUDGMENT

WHEREAS the Court has published its reasons for judgment in this appeal on this date;

NOW THEREFORE THIS COURT ORDERS THAT:

1. The appeal concerning the 2014 and 2015 taxation years is allowed on the basis that, for the 2014 and 2015 taxation years, the Appellant is entitled to the additional business expenses of \$58,899 and \$20,477, respectively, specified by expense category as follows:

Expense Category	Additional Amount 2014	Additional Amount 2015
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Subcontractor expenses	\$30,112	Not in dispute
Meals and entertainment	\$1,221	\$738
Insurance	\$5,473	\$3,744
Interest	Nil	Nil
Office expenses	\$1,831	\$595
Supplies	\$9,757	\$2,987
Maintenance and repairs	\$6,570	\$10,696
Telephone and utilities	\$3,935	\$1,687
Total Additional Expenses in each taxation year	\$58,899	\$20,447

2. The matter is referred back to the Minister of National Revenue for reconsideration and reassessment; and,
3. There shall be no costs.

Signed at Ottawa, Ontario, this 19th day of June 2026.

“R.S. Bocock”

Bocock J.

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Appearances:

For the Appellant: The Appellant herself

Counsel for the Respondent: Sean Karmali

JUDGMENT

WHEREAS the Court has published its reasons for judgment in this appeal on this date;

NOW THEREFORE THIS COURT ORDERS THAT:

1. The appeal concerning the 2017 and 2018 taxation years is allowed on the basis that, for the 2017 and 2018 taxation years, the Appellant is entitled to the following additional business expenses of \$30,525 and \$28,873, respectively, specified by expense category as follows:

Expense Category	Additional Amount 2017	Additional Amount 2018
Meals and entertainment	\$1,006	\$768

Insurance	\$3,496	\$3,876
Interest and bank charges	\$2,265	\$2,132
Office expenses	\$452	\$170
Supplies	\$5,042	
Maintenance and repairs	\$14,886	\$20,685
Travel	Nil	Not claimed
Telephone and utilities	\$1,411	\$828
Total Additional Expenses in each taxation year	\$30,525	\$28,873

2. The matter is referred back to the Minister of National Revenue for reconsideration and reassessment; and,
3. There shall be no costs.

Signed at Ottawa, Ontario, this 19th day of June 2026.

“R.S. Bocock”

Bocock J

BETWEEN:

MARIJA BOBIC,

Appellant,

and

HIS MAJESTY THE KING,

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COMMON REASONS FOR JUDGMENT

Bocock J.

I. Introduction, Facts and Issues

[1] These two appeals concern disallowed business expenses covering four taxation years; 2014, 2015, 2017 and 2018 with each appeal covering two taxation years. It took over 24 months to conclude the hearing of evidence and argument for several notable reasons: the closure by the Tax Court of its Hamilton courthouse in September 2024, the Appellant’s desire, which is a usual right, to have the hearing close to the Halton region (where the Court now sits to replace the Hamilton location) and the dribbling introduction of the actual necessary evidence.

The business: 4 years of records spanning 5 tax years

[2] The Appellant, Ms. Bobic, owned and operated a trucking business. This was not structured in a conventional manner. The sole purchaser of trucking services was a much larger trucking concern: the Rosedale Group (“Rosedale Group”). Ms. Bobic’s husband was the sole truck driver of a large diesel rig (the “Volvo Cab”). The Volvo Cab was stored permanently, unless pulling a commissioned Rosedale Group trailer, at Rosedale Group’s yard some kilometres away from the Bobic residence. To get to and from each day, Mr. Bobic (the “driver”) drove a dedicated business vehicle (the “Sienna”).

Rosedale advanced and later deducted expenses

[3] Insurance, fuel and certain repair costs for the Volvo Rig were initially paid by Rosedale Group and later deducted from the Bobic business' earned trucking fees trucking fees paid to Ms. Bobic. The balance of business expenses was directly incurred by the Bobic business but were not borne and deducted by the Rosedale Group. These expenses ranged and varied over the four taxation years: Sienna vehicle expenses, home business expenses, employee travel expenses, wages, uniforms and supplies. Generously, the documentation reflecting these expenses was more muddled, ersatz and unorganized than the Rosedale Group statements. In many instances, such expense records were simply too faint and inscrutable to be deciphered.

There was a business

[4] Importantly, the Minister concedes there was a business. The Court easily concludes there was a business. The remaining question is: to what extent could the expenses of the business be discerned and quantified? For the reasons stated at the outset, the process needed to determine that was, lengthy, circuitous and sputtering.

An attempt to resolve by method a multi year experience case

[5] When the appeals were first called for hearing the Court explored, through questions of Ms. Bobic, the nature of the businesses and the categories of expenses originally disallowed in the reassessments, with focus on the 2017 taxation year. It became apparent to the Court that an extended discussion between the parties and representatives may possibly provide a basis for resolution of this expense case without the need for multiple days of testimony. Without prejudice discussions occurred outside of Court between the parties but to no avail.

The concept for resolution

[6] The concept was to arrive at a percentage of allowable expenses across certain categories of business expenses in 2017: management and administration fees; meals and entertainment; insurance; interest and bank charges; office supplies; maintenance and repairs; and, telephone (the "expense categories"). If the parties had agreed, the Court would have granted judgment in the appeals awarding additional business expenses to the Appellant by applying the agreed percentages for 2017 across the expense categories in dispute for the taxation years 2014, 2015 and 2018. Deductively, the Court would derive allowable deductible amounts for such taxation years.

No resolution but more documents appear

[7] The parties did not agree so the Court scheduled a new date for the continuance of the appeals. Upon re-calling the appeals for hearing on June 17, 2025, additional and voluminous materials (some 4 volumes, one for each year) were adduced by Ms. Bobic. These required review by Respondent's counsel and the Court before the conduct of further questioning. In addition, the Appellant was also directed to provide the Court and Respondent's counsel with copies of weekly summaries of reconciliation statements from the Rosedale Group for the first full week of January, April, July and October for the years 2014, 2015, 2017 and 2018 (the "Rosedale Group Invoices"), to the extent same were available.

A virtually bad session gives way to a better in-person one

[8] After receipt and review of the new evidence, the Court reconvened by telephone on October 28, 2025, for the purposes of questioning of the Appellant by the Respondent and final argument. These goals faltered since the attempt to conduct the questioning concerning so many invoices remotely failed miserably. The Court learnt its lesson and instead, although much further in the future than ideal, reconvened for one final session on April 12, 2026, in a face-to-face court setting in Burlington, Ontario.

II. The Law Generally

[9] The two overarching statutory provisions relevant to this appeal are found in the *Income tax Act* (the "Act") as follows.

Deductions

General limitations

18 (1) In computing the income of a taxpayer from a business or property no deduction shall be made in respect of

General limitations

(a) an outlay or expense except to the extent that it was made or incurred by the taxpayer for the purpose of gaining or producing income from the business or property;

Personal and living expenses

(h) personal or living expenses of the taxpayer, other than travel expenses incurred by the taxpayer while away from home in the course of carrying on the taxpayer's business;

III. Methodology and Analysis

The documentary record

[10] Prior to the final hearing date, the Court was now armed with various exhibits submitted by Ms. Bobic as evidence and for the critical questioning on both by Respondent's counsel. These documents included:

- a) concerning expenses reflected in the Rosedale Group invoices: weekly summaries of reconciliation statements from the Rosedale Group for the first full week of January, April, July and October for the years 2014, 2015, 2017 and 2018; and,
- b) concerning the expenses of the business other than those paid and deducted from income by the Rosedale Group: annually grouped copies of purported invoices, vouches and receipts concerning various expense types for the years 2014, 2015, 2017 and 2018 (the "remaining invoices").

Concessions of the Respondent

[11] At the outset of the final day of hearing, Respondent's counsel indicated there were multiple concessions the Minister would make concerning both the Rosedale Group Invoices and the remaining invoices. The Court suggested, while acknowledging the effort put forth by counsel, that those preliminary concessions would be acknowledged, but the parties would conclude the hearing and submissions before attempting to quantify. This is necessary because approaching appeals solely relate to multiple disallowed expenses across various categories requires the Court to be mindful of three things:

- a) the quantum of the initially claimed expenses by the taxpayer;
- b) the precise expenses in (a) above disallowed by the Minister; and,
- c) perhaps, most importantly, the extent and specific amount to which such expenses, theoretically in dispute, were previously allowed, double counted or never claimed when filed.

[12] To avoid these pitfalls, the Court requested, with the consent of both parties, that Respondent's counsel summarize and submit in writing final concession calculations engaging the rubric outlined in (a), (b) and (c) above. The occurred with several weeks of the conclusion of the trial.

The Court's review of the documentary evidence

[13] Quite apart from the Respondent's concessions, the Court reviewed the Rosedale Group invoices and the remaining invoices. In doing so, the Court concluded that it would deploy the following major rubrics for allowing expenses mindful of the Ministerial assumption and supporting Court finding there was a trucking business:

- a) any essential element in an invoice must be legible; a number were not;
- b) the invoice must bear a date, and such date must fall within the taxation period claimed;
- c) for meals and clothing (uniforms), the expense must have been expended in a locality situate on normal trucking runs from Oakville to either Montreal or Dalton, Georgia, the 2 normal destinations;
- d) fuel and expenses for the Sienna required some identifiable factor, license/serial number or location between residence and yard;
- e) Canadian dollar conversions of US dollars were calculated at the average yearly rate of the currency exchange; and,
- f) no personal expenses falling outside of (c) above were allowed; and, expenses more likely than not associated with trucking or carrier services were allowed.

[14] The Court conducted this pre-concession review exercise before receiving the Respondent's summary of final concession. This fit with the logical approach and methodology agreed to by the parties at the outset, had they been able to agree as too 2017 percentages.

[15] The Court's request of the Respondent's concessions in writing allowed the Court to know which specific invoice (legible or not) for a business expense was conceded by the Respondent both before and after the hearing of the appeal. With this knowledge the Court is presently able to determine whether the Court's inclusion of expenses is included within these conceded amounts or in addition to it.

IV. Analysis and Calculation of Additional Expenses*Melding Court's findings with the Respondent's received concessions*

[16] Using the Respondent's concessions, the charts below yield the results across categories of expenses claimed presently identified by tax return year appealed.

2014 Taxation Year				
	Amount Claimed by Ms. Bobic	Amount Dispute at the Tax Court of Canada	Amount Conceded by Respondent	Remaining Disallowed
Insurance	\$6,601.00	\$6,601.00	\$5,473.00	\$1,128.00
Interest and Bank Charges	\$4,461.00	\$4,461.00	\$9,757.00	\$4,461.00
Supplies	\$4,190.00	\$4,190.00	\$9,757.00	Nil
Office Expenses	\$7,350.00	\$5,424.00	\$1,831.00	\$3,593.00
Maintenance and repairs	\$2,799.00	\$2,799.00	\$6,570.00	Nil
Telephone and utilities	\$4,210.00	\$4,210.00	\$3,935.00	\$275.00
Meals and entertainment	\$727.00	\$727.00	\$1,221.00	Nil
Legal and accounting fees	\$2,655.00	Nil	Nil	Nil
Subcontracts	\$50,112.00	\$30,112.00	\$30,112.00	Nil
Motor Vehicles	\$103,656.00	Nil	Nil	Nil
Total:	\$186,761.00	\$58,524.00	\$68,656.00	\$9,457.00

2015 Taxation Year				
	Amount Claimed by Ms. Bobic	Amount Dispute at the Tax Court of Canada	Amount Conceded by Respondent	Remaining Disallowed
Advertising	\$52.00	Nil	Nil	Nil
Insurance	\$6541.00	\$6541.00	\$3,744.00	\$2,979.00
Interest and Bank Charges	\$4,206.00	\$4,206.00	Nil	\$4,206.00
Supplies	\$2170.00	\$2170.00	\$2987.00	Nil
Office Expenses	\$5767.00	\$3,855.00	\$595.00	\$3,260.00
Maintenance and repairs	\$4,190.00	\$4,190.00	\$10,696.00	Nil
Telephone and utilities	\$5331.00	\$5,331.00	\$1,687.00	\$3,644.00
Meals and entertainment	Not claimed	Nil	\$738.00	Nil
Legal and Accounting	\$2,655.00	Nil	Nil	Nil
Subcontracts	\$30,589.00	Nil	Nil	Nil
Motor Vehicle	\$80,007.00	Nil	Nil	Nil
Total:	\$141,508.00	\$26,293.00	\$20,447.00	\$13,907.00

2017 Taxation Year				
	Amount Claimed by Ms. Bobic	Amount Dispute at the Tax Court of Canada	Amount Conceded by Respondent	Remaining Disallowed
Insurance	\$8,006.00	\$7,674.00	\$4,178.00	\$3,496.00

Interest and Bank Charges	\$5,109.00	\$5,109.00	\$2844.00	\$2,265.00
Business Tax, Fees, License Dues	\$1,952.00	Nil	Nil	Nil
Supplies	\$4,610.00	\$4,610.00	\$5,042.00	Nil
Office Expenses	\$443.00	\$249.00	\$194.00	\$452.00
Legal and Accounting	\$1,700.00	Nil	Nil	Nil
Management and Administration	\$8,861.00	\$8,861.00	Nil	Nil
Maintenance and repairs	\$678.00	\$678.00	\$14,886.00	Nil
Travel	\$178.00	Nil	Nil	Nil
Telephone and utilities	\$2,771.00	\$2172.00	\$1411.00	\$761.00
Meals and entertainment	\$2718.00	\$2718.00	\$1712.00	\$1006.00
Subcontractors	\$30,597.00	Nil	Nil	Nil
Motor Vehicle	\$87,917.00	Nil	Nil	Nil
Capital Cost Allowance	\$7,910.00	N/a	N/a	N/a
Total:	\$163,450.00	\$32,016.00	\$30,525.00	\$7,528.00

2018 Taxation Year				
	Amount Claimed by Ms. Bobic	Amount Dispute at the Tax Court of Canada	Amount Conceded by Respondent	Remaining Disallowed

Insurance	\$3,256.00	\$3,090.00	\$3,876.00	N/A
Interest and Bank Charges	\$4,839.00	\$4,839.00	\$2,132.00	\$2707.00
Supplies	\$1,179.00	\$1,179.00	\$414.00	\$765.00
Legal and Accounting	\$1,380.00	Nil	Nil	Nil
Office Expenses	\$463.00	\$214.00	\$170.00	\$44.00
Management and Administration	\$23,146.00	\$23,146.00	\$20,685.00	\$2461.00
Telephone and utilities	\$4,210.00	\$3742.00	\$828.00	\$2914.00
Meals and entertainment	\$1654.00	\$1,654.00	\$768.00	\$886.00
Subcontracts	\$21,673.00	Nil	Nil	Nil
Motor Vehicle	\$51,117.00	Nil	Nil	Nil
Capital Cost Allowance	\$5,536.00	Nil	Nil	Nil
Total:	\$118,453.00	\$37,874.00	\$28,873.00	\$9,777.00

Observations concerning concessions

[17] Further important observations are made concerning the appeals and concessions offered by the Respondent;

- a) in all taxation years the Respondent allowed all expenses, where claimed, within the Rosedale Group invoices, the motor vehicle expenses and capital cost allowance where claimed. In fact, these 3 species of business expense deductions were allowed at audit where claimed, save for the 2014 year which is now fully conceded by the Respondent;

- b) in some instances, expenses claimed in one category were transferred to a more appropriate category and allowed by concession: notably telephone, office, maintenance and repairs; and,
- c) where bank charges and interest were disallowed, it is because no statements reflecting same were submitted. Similarly, where evidenced by bank statements, these changes were totalized and conceded by the Respondent.

Respondent's concessions versus the Court's own findings

[18] By a wide margin, the Respondent has generously conceded more than the Court could abide from its own analysis of remaining invoices. This is borne out when analyzing an invoice-by-invoice comparison. At the outset the amounts relating to all Rosedale Group invoices, motor vehicle expense and capital cost allowance have been conceded by the Crown. Beyond that in every other category the Respondent appears to have “deployed a benefit of the doubt test” rather than the Court standard of “more likely than not”. This works to Ms. Bobic’s benefit and the Court will not upset it. Ms. Bobic’s entitlement to these types of expenses should she come to the Tax Court in future will require more legible and discernable invoices rather than certain inscrutable documents submitted in these appeals.

[19] Additionally, lest Ms. Bobic feel that the Court might have been more generous, she may take solace in the fact that the Court’s procedural leniency and bench-based questioning led to the revelation of the necessary records which anchored the Respondent’s patiently calculated ultimate concessions. Such documents were obscured initially by a language barrier, an untimely death of an accountant and a procedure that through hours of explanation, ultimately, yielded a generous outcome for Ms. Bobic.

[20] In conclusion, Ms. Bobic’s appeal is allowed. She is entitled to the following additional business expenses concerning the described years:

Taxation Year	Additional Business Expenses Allowed
2014	\$58,899
2015	\$20,447
2016	\$30,525
2017	\$28,873

[21] There shall be no costs.

Signed at Ottawa, Ontario, this 19th day of June 2026.

“R.S. Bocock”

Bocock J.

CITATION: 2026 TCC 114

COURT FILE NO.: 2019-4453(IT)I
2022-1345(IT)I

STYLE OF CAUSE: MARIJA BOBIC AND HIS MAJESTY
THE KING

PLACE OF HEARING: Hamilton, ON *et al loca*

DATES OF HEARING: April 3, 2024, at Hamilton, Ontario,
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REASONS FOR JUDGMENT BY: The Honourable Justice Randall S. Boccock

DATE OF JUDGMENT: June 19, 2026

APPEARANCES:

For the Appellant: The Appellant herself

Counsel for the Respondent: Sean Karmali

COUNSEL OF RECORD:

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