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11



TAXES

Introduction	132
How does the tax system work in Canada?	132
Are there other taxes I need to know of?	133
How can I apply for the Canada Child Tax Benefit?	134

In this chapter you will find information on the Canadian Tax system, to give you an idea of what taxes you may have to pay when you go to live in Canada.

For families there is some useful information on the Canadian Child Tax Benefit.

How does the tax system work in Canada?

Canadians pay a variety of taxes. Revenue from income taxes is used by governments to provide services, such as roads, schools and Healthcare. All residents of Canada are subject to income tax.

Each year you must submit an Income Tax and Benefit Return to tell the government how much money you earned and how much tax you paid. Taxes are deducted automatically from most income you receive. If you paid too much, you will get a refund. If you paid too little, you will have to pay more.

Filing an income tax return is extremely important. You will need to file one each year to qualify for various government benefits, such as the Canada Child Tax Benefit and the Goods and Services Tax/ Harmonized Sales Tax (GST/HST) credit. You can get the forms for the federal income tax from any post office or Canada Customs and Revenue Agency tax services office. The deadline for completing your tax return is April 30th of each year.

The Canada Customs and Revenue Agency has several publications for newcomers that should be helpful (call 1 800 959 2221 or visit www.cra.gc.ca/forms). They also have volunteers who can help you fill out your tax forms, under the Community Volunteer Income Tax Program. This is a free service.

Note

If you lived in Québec during the year you will also have to file a separate provincial tax return.

Are there other taxes I need to know of?

Whenever you buy something, a Goods and Services Tax (GST) will be added to the price. This includes everything from socks to a new house. You may also pay a provincial sales tax (PST), which varies from province to province. If you own your own home, you will also pay property and school taxes. For more information on these taxes contact either your local school board or your municipal government.

How can I apply for the Canada Child Tax Benefit?

If you have children less than 18 years of age the Canadian government may be able to help you with some of the costs of raising them through a monthly tax-free payment.

The amount of the benefit is based on several factors such as:

- Your family income
- The number of children you have and their ages and
- Your province or territory of residence.

When you apply you must provide proof of your Canadian immigration status and proof of birth for any children born outside Canada. To receive the Canada Child Tax Benefit you must file an Income Tax Return each year.

If you have not been a resident of Canada long enough to fill out a return, you will need to complete a separate form to declare your income from other countries. You can get these forms and more information on the Canada Child Tax Benefit by calling the Canada Customs and Revenue Agency's toll-free enquiry service at 1 800 387 1193, or visit www.cra.gc.ca/benefits

For more information on taxes, including personal income tax, Canadian Child Tax Benefit and GST/HST credit please refer to the website www.cca-adrc.gc.ca