

CCSAI 2018 INCOME TAX CLINIC

FREQUENTLY ASKED QUESTIONS

WHO HAS TO FILE AN INCOME TAX RETURN?

You must file a tax return if owe income tax or if you want to claim an income tax refund. All residents of Canada on Dec 31 of any given year are expected to file an income tax return. It is best to meet with a tax consultant who can help you process your Income Tax Return and assist you with obtaining the maximum benefit from your return. If you are eligible for a refund, you will be paid by cheque or direct deposit to the receiver's bank account.

WHY SHOULD I FILE A RETURN?

If you are a resident of Canada or an International Student who is here on a study permit and residing in Canada temporarily, you may be eligible for certain payments or credits, you must file an income tax return. All Canadian residents as of December 31 of any given year must also file an income tax return.

WHEN IS THE FILING DUE DATE?

Generally, your income tax return must be filed on or before April 30 of the year following the year for which the return is being filed. If you owe tax and you file your tax return late, you will be charged a late-filing penalty and interest on any unpaid amounts.

WHAT ARE THE MOST COMMON TYPES OF INCOME FOR STUDENTS?

Employment Income T4, Scholarships/Bursaries T4A, Employment Insurance Benefits T4E, Worker's Compensation Benefits T5007, ODSP/Social Assistance Income T5007, Universal Child Care Benefit RC62, Investment Income T5, RRSP Income – HBP/LLP Repayment T4RSP, Business/Professional or Commission Income, Foreign Income & Capital Gains.

***We will also need to know the amount of world income you earned in the year that you came to Canada.

WHAT ARE THE MOST COMMON TYPES OF DEDUCTIONS FOR STUDENTS?

Transit Passes (Transit Tax Credit is only available until June 30, 2017), Union Dues, Charitable/Political Donations, RRSP Contributions, Tuition Slip T2202A, Student Loan Interest, Medical Expenses, Child Care Expenses, Child Fitness & Arts Expenses, Allowable Employment Expenses, Capital Losses & Carry Forwards

Other information needed:

- Social Insurance Number (SIN)
- Notice of Assessment from previous years tax filing if you have filed a return
- Banking information for Direct Deposit (Account, Transit and Branch numbers required)
- Passport for International Students

WHAT DOCUMENTS DO I NEED TO FILE MY TAXES?

All relevant documents, please refer to the types of income and the types of deductions lists above.

HOW LONG SHOULD I RETAIN THE DOCUMENT RELEVANT TO MY INCOME TAX RETURN?

Retain all documents relating to your income tax returns for at least 7 years, in case you are asked to provide this information at a later date.

DO I HAVE TO LET THE CANADA REVENUE AGENCY (CRA) KNOW THAT I WILL BE MOVING DURING THE YEAR?

Yes, the CRA always needs to know where you live to receive your benefits, if mail is returned to them they will stop all payments until you contact them with your new address.

IF I WORKED PART TIME FOR AN EMPLOYER DO I NEED TO REPORT THAT INCOME ON MY TAX RETURN?

Yes, your employer will issue you a T4 slip for the year that you worked there. All world income is to be reported on your tax returns every year.

WHAT HAPPENS TO MY TUITION CREDITS WHEN I FILE MY TAXES?

Tuition, education, and textbook amounts are non-refundable tax credits that allow students to reduce their income tax liability. Tuition credits are accumulated over the years, when you enter the work force and are having income tax deducted we then use those credits to get you back the tax deducted from your pay cheques. In any given year the amount of refund is limited to the amount of tax deducted from your paycheques. Go to your mycentennial account to obtain your T2202A Tuition Slip. As of 2017 the Tuition credit

CAN I CLAIM MY BUS PASSES AND PRESTO CARD?

You can claim bus passes and Presto card use prior to June 30, 2017, the credit has since been eliminated.

IF I AM MARRIED AND MY SPOUSE DID NOT WORK LAST YEAR DO THEY NEED TO FILE AN INCOME TAX RETURN?

Yes, they do need to file a return for your family to receive the GST Credit and Ontario Trillium Benefit if they live in Canada, you must let the CRA know they did not have any income. No matter where in the world your spouse lives you must also report their income on your return to be considered for the credits.

WHAT IS THE GST CREDIT?

The GST/HST credit is a non-taxable quarterly payment that helps individuals and families with low and modest incomes offset all or part of the goods and services tax/harmonized sales tax (GST/HST) that they pay. You may be entitled to the GST/HST credit after your arrival in Canada if you are considered a resident of Canada for tax purposes. You will automatically be considered for the GST Credit, when you file your tax return, the CRA will determine your eligibility. The payment schedule for the GST Credit is quarterly beginning in July, October, January and April on the 5th of each month.

WHAT IS THE ONTARIO TRILLIUM BENEFIT (OTB)?

The Ontario Trillium Benefit combines the following: Ontario Sales Tax Credit, Ontario Energy and Property Tax Credit, and Northern Ontario Energy Credit. When claiming your rent, you must be able to obtain a rent receipt from your landlord otherwise you are not able to claim your rent. Claiming rent when you do not have a receipt will result in you repaying the government the money you received for the benefit. The payment schedule for the OTB is monthly on the 10th of each month provided the total amount owed to you for the credit is greater than \$360.

HOW DO I APPLY FOR THE GST CREDIT AND THE ONTARIO TRILLIUM BENEFIT (OTB)?

We make the application when we file your tax return, therefore it is important to be current with filing your taxes to ensure your benefits are not interrupted.

WHAT IS THE CANADA CHILD BENEFIT (CCB)?

The Canada child benefit (CCB) is a tax-free monthly payment made to eligible families to help them with the cost of raising children under 18 years of age. Application for the CCB is made on your income tax return. The payment schedule for the CCB is monthly on the 20th of each month.

WHEN DO I QUALIFY FOR THE GST AND THE OTB?

You may qualify for the credit when you become a resident of Ontario; however, you will have to file an income tax return for the year you arrived (i.e.: Arrived December 29, 2016, you would file in March the following year 2017).

HAVE YOU RECEIVED A NOTICE FROM THE CANADA REVENUE AGENCY'S GST CREDIT OR ONTARIO TRILLIUM BENEFIT DEPARTMENTS STATING THE FOLLOWING?

"-WE CANNOT CALCULATE THE AMOUNT YOU MAY BE ENTITLED TO RECEIVE FOR ALL PERIODS BECAUSE WE DO NOT HAVE ALL THE NECESSARY INFORMATION. IF YOU PROVIDE THE INFORMATION WE ASK FOR IN THE DETAILED EXPLANATION SECTION, WE WILL PROCESS IT AND LET YOU KNOW IF YOU ARE ENTITLED."

This is a common request from the Canada Revenue Agency; they would like to confirm the information provided on your tax return for the year you came to Canada. They request this information (written letter) when someone files an income tax return in Canada for the first time and is entitled to the benefits. In future years this should not be requested. Complete the instruction below as soon as possible to resolve their request.

Write the Canada Revenue Agency a brief letter stating 2 things:

Whether or not you had any world income prior to coming to Canada in the year you came to Canada. (i.e.: Income from employment). If you did not have income prior to coming to Canada, please state this in the letter. **IF YOU DID HAVE INCOME CONVERT IT TO CANADIAN DOLLARS.** Include in the letter the date you came to Canada along with a photocopy of the stamped passport page for your entry into Canada. Send the CRA a photocopy of the letter you received from the GST Credit /or the Ontario Trillium Benefit departments along with your world income letter and the photocopy of your passport entry page.

***In asking for your World Income the Canada Revenue Agency will only use this information to determine if you qualify for the GST Credit, the Ontario Trillium Benefit and the Canada Child Benefit. You will not pay tax

PLEASE SEND ALL OTHER ENQUIRIES TO LISA: incometaxprep@live.ca