

Tax Tips for Newcomers.

Welcome to Canada!



About H&R Block.

Canada's leading tax preparation firm:

- 60 years of experience.
- Prepare all types of tax returns.
- Serve 2M+ Canadians each year.
- Over 1,000 offices nationwide.
- 7,000 Tax Pros (trained annually).



Agenda



- 01 Common tax terms.**
- 02 Canada's tax system.**
- 03 Tax rates.**
- 04 Tax filing.**
- 05 Credits, deductions, and benefits.**
- 06 Retirement savings.**

Common tax terms.

Common tax terms.



- **Canada Revenue Agency (CRA):** Responsible for collecting income taxes on behalf of the Federal and Provincial governments. They review tax returns and performs audits.
- **Tax return:** The form required by the CRA to calculate your income tax payment for the year – it can be paper or electronic.
- **Tax rate:** The percentage of income tax you're required to pay to the Federal and Provincial governments based on your income.
- **Tax credit:** Reduces the amount of income tax you have-to pay. Not all tax credits result in a refund.

Common tax terms.

- **Tax deduction:** Reduces the amount of income that's subject to tax.
- **Tax deadline:** April 30, unless you or your spouse have business income in which case its June 15. (Note: If either deadline falls on a weekend or holiday, its extended to the next business day.)
- **Notice of Assessment (NOA):** Statement sent by the Canada Revenue Agency to taxpayers after they've filed their tax return detailing the amount of income tax they owe. It includes details such as the amount of their tax refund, tax credit, and income tax already paid.
- **T4 slip:** A record issued by employers across Canada to record income received by an employee, as well as taxes or monies withheld.

Common tax terms.



- **NETFILE:** One of our electronic tax-filing options that allows you to file your personal income tax and benefit return directly to the CRA online.
- **Personal amount:** The amount of money you're allowed to earn before having to pay income tax.
- **Registered Retirement Savings Plan (RRSP):** A tax deferral strategy that allows you to save for retirement.
- **Dependent:** Children under 18 years of age and or family members with disabilities.
- **Capital Gains:** You have a capital gain or loss when you sell or are considered to have sold capital property.
- **Social Insurance Number (SIN):** This number is required when you file your tax return.

Canada's tax system.

Canada's tax system.

- Canada has tax treaties with over 90 countries.
- Residents are taxed based on their world income.
- Part-year residents must report all income from anywhere in the world after their arrival in Canada.
- In most cases, you're only taxed on capital gains that have accrued since you established residency.
- It's important to calculate Fair Market Value (FMV) of any capital properties such as: stocks, mutual funds, and properties on the date you enter Canada.
- Personal amounts and dependent claims may have to be pro-rated depending on how long you have been in Canada.



Residency rules.

- **Resident:** someone who lives in Canada and calls Canada home.
- **Part year resident:** someone who immigrates to Canada or emigrates out of Canada but lived in the country for part of the year.
- **Primary residential ties include:**
 - A home in Canada.
 - A spouse/common-law partner and/or dependents who move to Canada with you.
- **Other residential ties include:**
 - Personal property in Canada, Canadian bank accounts or credit cards, Canadian drivers license, health insurance, social ties.



Canada Revenue Agency (CRA).



- The Canadian tax system is based on residency.
- CRA oversees the collection of taxes for the government.
- CRA checks a percentage of the tax returns filed every year.
- CRA can reassess your tax return if you fail to provide the proper documentation.



Applying for a Social Insurance Number.



- You need a Social Insurance Number in-order to work in Canada and to file an income tax return.
- You can complete an application for a SIN number using the form available at a Service Canada Centre or on their website: www.servicecanada.gc.ca.
- Income tax returns filed for immigrants (but not emigrants) can now be filed electronically, which reduces the processing time.



Tax rates.

Canadian tax rates.

Annual Income	Federal Tax Rate (2023)
Up to \$53,359	15%
\$53,359 - \$106,717	20.5%
\$106,717 - \$165,430	26%
\$165,430 - \$235,675	29%
Over \$235,675	33%

Tax filing.

The importance of filing on time:



- If you owe money and don't file your return on time, you could incur penalties and interest.
- If you're owed money, not filing a return means you could be missing out on a refund.
- Skipping any tax year could pause eligible benefit payments (GST/ HST Credit, Canada Child Benefit Payment).
- Your tax return is an important financial document. Keeping your Notice of assessment (NOA) is important when applying for a mortgage, student loans, and housing benefits.



International students.

International students would need to file a return if:

- ✓ You worked while you were here and have Canadian-source employment income.
- ✓ You spend over 183 days in Canada, and we don't have a tax treaty with your country.
- ✓ You're considered a resident.

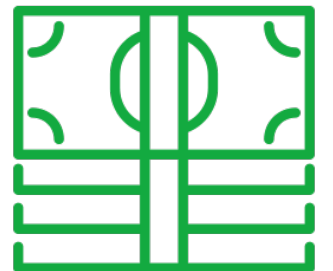


Credits, deductions, & benefits.

Credits & deductions.



- A non-refundable tax credit is applied directly against your taxes owing. It can reduce your taxes owing to zero - but can't be refunded if it is more than your taxes owing.
- A deduction reduces your taxable income.
- Moving expenses to Canada aren't deductible unless you're moving to study at a post-secondary level and have taxable award income.



- Parents should file **Form RC66 *Canada Child Benefits Application*** to apply for the Canada Child Benefit. It's income based, so tax returns must be filed in-order to receive it.
- Parents should also keep any childcare receipts for tax purposes.



Credits & deductions.

- Certain medical expenses are eligible for a credit.
- Post-secondary students can qualify for the tuition credit, and in some provinces, they can also qualify for an education credit.
- Every Canadian with any employment income qualifies for the Canada Employment Credit.
- If a family member has a disability, there are tax credits available. A doctor needs to complete form **T2201 Disability Tax Credit Certificate**, that's then reviewed by the CRA.



Government benefits.



GST/HST Credit (paid quarterly):

- Paid in July, October, January, and April.
- Your application for this credit is income based and will be applied automatically when you file your return.

Climate Action Incentive (all provinces except QC and BC).

- Paid in April, July, October, and January.
- Paid to all households regardless of income – but you must file a tax return.



Retirement savings.

- The Registered Retirement Savings Plan (RRSP) is the most popular (and legal) tax shelter available to Canadians.
- You can claim a deduction for your contributions to the plan, which reduces your taxes due for that year.
- The amount you can contribute is based on your earned income for the previous year. Therefore, you can't contribute your first year in Canada.



Retirement savings.

- Income earned in the plan isn't taxed until the money is withdrawn.
- Contributions to American 401(k) plans may be deductible if you're on short-term assignment.
- Income accruing in a traditional IRA is tax exempt until it's withdrawn from the plan.
- Income accruing in a Roth IRA may also be tax-exempt if you elect under the tax treaty.



The H&R Block Advantage.

Here's what you can expect when you visit an H&R Block office:

- ✓ A personalized interview about your tax situation.
- ✓ A free estimate.
- ✓ We'll find the best tax solution for you, year-round, with our Maximum Refund Guarantee*.

*If you discover an H&R Block error on your return that reduced your refund (or increased your liability), we will amend the return at no additional charge to correct our error. If H&R Block makes an error in the preparation of your tax return that costs you any interest or penalties on additional taxes due, although we do not assume the liability for the additional taxes, we will reimburse for the interest and penalties.



Add value to your return with these products and services:



Peace of Mind

One of our professionals is beside you from the moment you receive a CRA/RQ assessment or audit through the entire process.



Instant Refund

When you file with H&R Block, you could get your refund instantly.*



Pay With Refund

No need to pay out of pocket. We simply deduct the tax preparation fees from your refund.**



*At participating offices. H&R Block Instant Refund™ valid only on the federal portion of tax returns filed in Quebec. Some restrictions apply. Not everyone gets a refund. Not everyone is eligible for H&R Block Instant Refund™.

***Available at participating locations for an additional charge. The H&R Block Pay With Refund® service may not be available to you if, in the sole opinion of H&R Block, your tax return or situation is not suited to the H&R Block Pay With Refund® service.

We have filing options:



Stop by our office.

Walk-in or book an appointment to file with one of our Tax Experts.



Drop off your documents.

Simply drop off your documents during office hours, and we'll take care of the rest.



Upload from home using Remote Tax Expert.

Securely upload your documents from any device and work with a Tax Expert without having to visit an office.



Do it yourself with our tax software.



Thank you!

Any questions?