Income Tax Clinic 2018

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B. Comm, IQPF Certified Financial Planner
My background.....

- Financial Planner - ARCHER Wealth Management
- IQPF certification: Financial Planning
- B. Comm (U Laval) & Grad Studies (McGill)
Find this presentation.....

- SEARCH: “McGill prepare your taxes”
  or “McGill Frugal Scholar”
  or
- [https://www.mcgill.ca/studentaid/finances/prepare-your-taxes](https://www.mcgill.ca/studentaid/finances/prepare-your-taxes)

Note: Appendix (for extra info)
Scholarships and Student Aid Office
www.mcgill.ca/studentaid

- Offers advice on financial matters including
  - Budgeting
  - Debt management
  - Loan repayment

- Administers 13 government aid programs
  - Help students determining their government aid jurisdiction

- Administers University need-based programs
Frugal Scholar
Money Management Program

► Created for student by students
► Promote mindful spending habits
► Special events and workshops in the fall and winter

Budget Pie

- Food, 12%
- Rent, 35%
- Tele/Cell/Internet, 5%
- Heating/Electricity, 5%
- Transportation/Travel, 3%
- Amusements/Eating Out, 15%
- Pharmacy/Toiletries/Laundry, 3%
- Insurance/Emergency Fund, 5%
- Interest on Credit Card/Line of Credit, 10%
- "Latté Factor," 5%
Tax Clinic Goals

- **Tax Filing Basics** (focus on Students)
- **Sources** for tax information
- **Documents** to gather and keep
- **CRA & RevQC**: Differences
- **Students**: Income, deductions, credits
- **UFILE Demo** - online tax filing software
- **Ready to file 2017 & previous years**

*Caveat*: I cannot advise on your individual situation.
Why are there taxes?

To fund public services...

Health, Education, Transportation, Communication, Law & Order, Regulatory, Defense, Social services, Public Safety....
Who decides the tax laws?

• Federal budget, February 27 2018
  
  
  

• Quebec budget, March 27 2018
  
  
If you owe tax and don’t file....

The Government can:

- Impose fines/penalties
- Charge interest on unpaid taxes
- Prosecute, tax evasion & fraud
IMPORTANT ! File taxes to get your.....

- Tax Refunds $$$
- Tax Credits $$$
- “Carry forward” of credits
  - Tuition
  - Student loan interest
  - Moving expenses (if eligible)
TAX TIP - File your tax return!

“You must pay taxes. But there’s no law that says you gotta leave a tip.”

- Morgan Stanley advert
TAX Guides Available

CANADA POST
or
CRA Montreal office

DESJARDINS Bank
or
RevQC Montreal office
(Complexe Desjardins)
Online TAX Guides Available

Online **Guides** & Telephone Support:

- [http://www.cra-arc.gc.ca](http://www.cra-arc.gc.ca)
- [http://www.revenuquebec.ca](http://www.revenuquebec.ca)
Facebook Live Event: QC Tax Q & A

RevQC Facebook Live ‘Q & A’
Wednesday, April 4, 5pm to 7pm

https://www.facebook.com/events/1969197656675222/

Frequently Asked Questions...

- **Quebec:** 2 tax returns, **CRA & RevQC**
- Tax year = **calendar** year, not school year
- Deadline: **April 30**, each year, for prev. year
- **Prior years?** YES! Get refunds & credits (*Appendix*)
- **Will I Pay?** Most students **do not owe** taxes
- **Refunds?** Many receive REFUNDS / CREDITS
- **SIN** - Social Insurance Number is required
- Proof of **income, housing, tuition** etc.
A word about residency......

Income taxation in Canada:

- Based on **residency**, not citizenship
- Residency for tax purposes: not clearly defined
- “Significant residential ties”
  - House or apartment
  - Spouse & dependents
  - Bank accounts or credit cards;
  - Provincial Driver's licence or Health Insurance card
  - Length of time spent in Canada during the tax year
Do I have to file a return?

1. **CRA** Tax Return (federal)
   http://www.cra-arc.gc.ca/doyouhavetofile

2. **RevQC** Tax Return (provincial)

Or, Ask the CRA!
http://www.cra-arc.gc.ca/E/pbg/tf/nr74/nr74-12e.pdf
Guides for New Residents

1. CRA “Newcomers” webpage
http://www.cra-arc.gc.ca/newcomers/

2. RevQC booklet “IN-119”

3. Social Insurance Number SIN/NAS
Guides for Students

Students - 2017 CRA booklet P105
https://www.canada.ca/content/dam/cra-arc/formspubs/pub/p105/p105-17e.pdf

CRA Videos

International Students
http://www.cra-arc.gc.ca/internationalstudents/

Out of Province Students
Tax Software - Online

UFile / Impôt-Expert
http://www.ufile.ca/tips-and-tools/file-for-free

TURBO-TAX / Impôt-Rapide
https://turbotax.community.intuit.ca/questions/1190102-can-i-file-for-free-using-turbotax

SIMPLE TAX  https://simpletax.ca/

H & R BLOCK  https://www.hrblock.ca/online-tax-software/

Volunteer Tax Prep Services in Montreal
Buzzwords (example calc in Appendix)

- **‘Income’** - money received, incl. foreign sources
- **‘Deduction’** - subtracted from “Income”, reduces Taxable Income
- **‘Tax Payable’** - Taxable Income x Tax Rates
- **‘Credit’** - subtracted from Tax Payable
- **‘Carry Forward’** - use credit in future tax return

Refund or Pay? = Tax Payable - Credits
Tax Filing 2017, Step-by-Step

1. **Residency for Tax Purposes**
2. **Tax Documents** (Employment, tuition, public transit, housing, moving, medical, banking, etc.)
3. **Tax software - “Questionnaire”**
4. Enter data for **Income, Deductions, Credits etc.**
   $$$$: **Refund or Pay ?**
5. Submit **Tax Returns** to **CRA & RevQC** by April 30
6. **Receive** Assessment Report from **CRA & RevQC**
Income for Students

- **Scholarships / Bursaries** (non-taxable)
- Research Grants (employment income)
- **Employment income** (salary, tips, bonuses)
- Employment Insurance payments (EI)
- Self-employment income
- RESP withdrawals (education savings)
- **Investment Income** (Interest, Dividends, etc.)
Non-Taxable Income (usually)

- Scholarships
- GST/HST/Solidarity credits rec’d
- Cash gifts
- Inheritances
- Tax Free Savings Acct (TFSA) income

- CA Child Benefit (CCB)
- QC Child Tax Benefit
- Child support rec’d
- Strike pay
- Life insurance
- Lottery winnings!
Deductions/Credits for Students

- Tuition fees
- GST/HST & Solidarity Credit
- Public Transit (ended 2017)
- Education & Books (ended 2016)
- Moving expenses, if eligible
- Medical expenses, if eligible
### Tax documents: WHERE?

<table>
<thead>
<tr>
<th>Category</th>
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<th>Details</th>
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</thead>
<tbody>
<tr>
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<td>T4A &amp; RL-1</td>
<td><strong>Scholarships, RESP</strong></td>
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<tr>
<td>Bank</td>
<td>T5 &amp; RL-3</td>
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Only in Quebec....

- Living alone credit
  (no flat mates, real “dwelling”)
- Foreign researchers, specialists, professors
- Quebec Drug Insurance Plan
  (for RAMQ card holders without private insurance)
Only in Quebec....

- **Solidarity Tax Credit (tax rebate)** for:
  - Quebec Sales tax (no receipts req’d!)
  - Municipal Property tax (**RL-31** for renters)
  - Northern town residents (certain QC towns)

**Estimate your Solidarity credit online!**
A word about the **RL-31**

**No RL-31?**

**Ask landlord; call, email, write!**

Landlord must provide **RL-1** to *each* person who *signed* a lease or sub-lease.


**Still no RL-31?**

**Call RevQC, not Régie des logements**

**RevQC** will explain how to proceed.

Have a copy your signed *lease* or *sub-lease*. 
Questions about the **RL-31** ......

1. I have not signed a sub-lease. Is the landlord required to give me an **RL-31**?
   
   **NO; to be eligible for an **RL-31**, you must have signed:**
   
   • a *lease*, with the landlord or
   
   • a *sub-lease* with the tenant

2. My co-tenant rec’d an **RL-31**; I have not. Do I use his **RL-31** for my Solidarity credit?
   
   **NO; **RL-31** must be in your name.**
Quebec Drug Insurance (RAMQ)

- Have a Quebec Health card?
- Covered by McGill health insurance all year? Specify in the software!
  \[\text{“Your own group insurance plan all year”}\]
- Not covered all year? Must specify your particular situation.
Tax Receipts to keep

- **Moving** expenses: travel, hotel, food, movers...
- **Medical** expenses - drugs, physiotherapy, dental, vision, medical tests, insurance premiums....
- **Public Transit** (STM, STL, AMT, RTM etc.) ends 2017
- **Student loan** interest paid
- Charitable donations
- **All** tax documents from the Government
- Business income & expenses,
- Home renovations for owners,
- Children’s activities
TAX TIPS: Tax Forms & Receipts

• Get **electronic** Tax Forms, if possible
• Scan & Store electronic copies
• Sign up for **My Account** & **Direct Deposit**
• Keep copies of tax documents, **6 years**
• Keep **contact details** UP-TO-DATE
• FEBRUARY - MARCH, tax forms available
Credits - For Students

1. Tuition
2. Education & Textbooks (ends 2016)
   Tax forms: T2202A & RL-8

- Transferable to one of:
  Parent / Grandparent / Spouse
  OR
  Carry forward to FUTURE tax year
**Refundable Credits - Say “YES”!**

**GST Tax Credit (CRA)**
- Rebate of Federal sales tax
- Canadian resident, age => 19
- No receipts required for sales tax

**Solidarity Tax Credit (RevQC)**
- Rebate of Quebec sales tax and property tax
- No receipts required for sales tax
- **RL-31** from Landlord
Credit - Student Loan Interest

Student Loan Interest paid from your bank statement

- Carry forward for 5 years
- Only student can claim this credit
Credit - Student Loan Interest


**Loans from:**
- Canada Student Loans
- Canada Student Financial Assistance
- Apprentice Loans
- Certain Quebec govt. Student Loans programs
- Other provincial student loans programs
Non-Refundable Credits

- **Basic Personal Amount** *(CRA & RevQC)*

- **Living alone, if eligible** *(RevQC)*
  
  [Link](http://www.revenuquebec.ca/en/citoyen/declaration/produire/comment/aideligne/ligne361.aspx)

- **Public Transit** *(CRA)* final year 2017
  

- **Medical Expenses, if eligible** *(CRA & RevQC)*
  
  [Link](http://www.cra-arc.gc.ca/medical/)
  [Link](http://www.revenuquebec.ca/en/citoyen/credits/frais_med/)

- **Employment Amt** *(CRA)* & **Deduction for workers** *(RevQC)*
  
Recap: Tax Filing 2017, Step-by-Step

1. Determine **Residency for Tax Purposes**
2. Get a **SIN** (Social Insurance Number)
3. Set up **My Account & Direct Deposit** with **CRA & RevQC**
4. Gather **Tax Documents** (Employment, tuition, public transit, moving, medical, banking, etc.)
5. Create **UFile acct** & answer questions
6. Enter data for **Income, Deductions & Credits**
Then the software will....

- **Add Income** - employment, EI, investments, capital gains, scholarships, business..., incl. foreign sources

- **Minus Deductions** - RRSP, moving expenses, union fees-CRA, childcare, pension contributions, losses etc.

  **Result**: Taxable Income

- **Taxes Payable** = Taxable Income x Tax Rates

- **Minus Credits** - tuition, moving, medical, public transit, donations, union fees-RevQC, disability....
Recap: Tax Filing 2017, Step-by-Step

4. UFile calculates your result
   $$$: Refund or Pay ?

5. UFile sends Tax Returns, online, to CRA & RevQC
   or
   You print them and send by mail

6. CRA & RevQC Assessment available
SEE APPENDIX
Additional links & info ..........
Ready to File!

UFile demo......
APPENDIX Content

- Prepare to File
- UFILE example print screens
- Filing prior tax years
- Modify a return, already filed
- Useful links
- Example tax calculation
Before UFile, Get Ready!
International Students- Residency

1. Resident;
   You established significant residential ties with Canada

2. Deemed resident*;
   You have not established significant residential ties but
   You are in Canada for >= 183 days

3. Non-resident;
   You have not established significant residential ties and
   You are in Canada for < 183 days

4. Deemed non-resident*;
   Your ties with home country make you a resident of your home country

   *Note: depends on tax treaty with your home country
Social Insurance Number

ServiceCanada.gc.ca

1-800-206-7218

**NOTE:** Not eligible to get a SIN?
Complete form **T1261**, submit to **CRA**.

‘My Account’ & ‘Direct Deposit’

**CRA**

https://www.canada.ca/en/revenue-agency/services/e-services/e-services-individuals/account-individuals.html

http://www.cra-arc.gc.ca/gncy/dd/menu-eng.html

**RevQC**


Mailing Addresses

http://www.cra-arc.gc.ca/cntct/t1ddr-eng.html
Canada Revenue Agency
Tax Centre 4695 Shawinigan-Sud Boulevard
Shawinigan QC  G9P 5H9

Revenu Québec
C. P. 3000, succursale Place-Desjardins
Montréal (Québec)  H5B 1A4
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1. **TAX TIPs - UFile software!**

1. How to enter *Quebec Drug Insurance Plan* info?

   - **If covered** by Private Health Insurance all year,
     
     "1. Your own group insurance plan all year"
     
     or
     
     "2. Group insurance plan of spouse or parent, all year"

   - **If not covered** by Private Health Insurance all year,
     
     "4. Exceptions, .... all year"
     
     or
     
     "5. Exceptions, .... part of the year"

     and then
     
     **Choose the menu item** that most suits your situation.
Enter Quebec Drug Insurance Plan info: 1 or 2

Quebec prescription drug insurance information

Quebec residents over age 17 must pay premiums to the Quebec prescription drug insurance plan when they file their income tax returns. However, you are not required to pay if you are covered throughout the year by your own group insurance plan such as provided by an employer, or by the group insurance plan of your spouse or a parent.

You are also not required to pay if other exceptions apply. If you select exceptions (situation 4 or 5) in the question below, you will be asked to specify the exceptions that applied to you and, if applicable, the months of the exceptions.

For more information on the premium payable under the Québec prescription drug insurance plan, click here.

Specify the situation that applied to you in 2017 for the purpose of the Quebec prescription drug insurance:

1. Your own group insurance plan, all year
2. Group insurance plan of spouse or a parent, all year
3. Québec prescription drug insurance plan, all year
4. Exceptions, Québec prescription drug insurance plan, all year
5. Exceptions, Québec prescription drug insurance plan, part of the year

Previous  Next
Enter Quebec Drug Insurance Plan info: 3 or 4
TAX TIPs - UFile software!

2. How to enter the Solidarity Tax Credit info?
   - In left side menu, select *Solidarity tax credit* section
   - Answer the questions
   - Enter the data from the RL-31 form

**Note:** You have signed a lease or sub-lease and you are unable to obtain an RL-1 from your landlord.

Enter 0’s in *Dwelling number*, and call RevQC for instructions on where to send a copy of your lease
Enter Solidarity Tax Credit Information 1

Schedule D - Quebec solidarity tax credit

The information entered here is used to fill out Quebec Schedule D called Solidarity Tax Credit.

If you have a spouse who ordinarily lives with you, only one of you can claim the solidarity tax credit for both of you.

To receive the tax credit, you must be registered for direct deposit. If you have not already registered, you can do so:

- online on Revenu Quebec website at www.revenu.gouv.qc.ca/rel
- by enclosing with your return a blank cheque marked VOID on the front and bearing your name and social insurance number;
- by completing a Request for Direct Deposit (Form UM-2 V).

Answer all the questions below.

At December 31, 2017

Answer the questions below with regards to your situation on December 31, 2017.

A. Information about you

Throughout the year 2017, did you live in a dwelling, either alone or only with one or more people under 18? Yes

Is the address of your principal residence on December 31, 2017 the same as the one in your tax return? Yes

Is your principal residence located in a northern village? (This information is used only for the estimated calculation of the solidarity tax credit) No
Owner, tenant or subtenant

Complete this section if, on December 31, 2017 you or your spouse were tenant, subtenant or owner of your place of residence.

If you or your spouse received a RL-31 for an eligible dwelling in which you lived in on December 31, 2017, you must enter your RL-31 in this page.

Important
The owner of a building where an eligible dwelling is located must give a RL-31 to each person who, at December 31, 2017, was a tenant or subtenant of the dwelling. If you or your spouse has not received an RL-31 by mid-March 2018, contact the owner of the building where your dwelling was located.

If your place of residence was located in a territory where municipal tax bills are not issued, the body that has jurisdiction over the territory that does not establish municipal tax must submit a RL-31 to each person who, on December 31, 2017, was the owner of a residence in that territory.

Were you or your spouse tenants (received a RL-31) or owners on December 31, 2017?

Tenant or subtenant (RL-31)

Please select to whom a RL-31 was issued

Your name

Dwelling number

AAAAA-BBBBB-99999
TAX TIPS - UFile software!

3. How to enter Employment & EI income?
   - In "Interview setup" page, select Employment income and employment insurance benefits
   - Enter your T4 & T4E information in T4 and employment income

4. How to enter T4A scholarship / bursary income?
   - In "Interview setup" page, select Pension and Other Income
   - Enter your T4A scholarship/bursary information in Pension and Other Income, Other Information, Box 105 in drop-down menu

http://community.ufile.ca/topic/6951-how-and-where-to-declare-quebec-student-bursary-income
### T4 - Statement of Remuneration Paid (RL-1) with QPP contributions

Copy the amounts from your T4 employment income slip (and Quebec RL-1 from the same employer) to the corresponding box numbers here. If a box is blank on your slip, do not enter zero here - leave it blank.

<table>
<thead>
<tr>
<th>Employer’s name</th>
<th></th>
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<tbody>
<tr>
<td>Employment income</td>
<td></td>
</tr>
<tr>
<td>RL-1 box A - Employment income</td>
<td></td>
</tr>
<tr>
<td>Employee’s QPP contributions (RL-1 Box B)</td>
<td></td>
</tr>
<tr>
<td>Employee’s EI premiums (RL-1 Box C)</td>
<td></td>
</tr>
<tr>
<td>RPP contributions (RL-1 Box D)</td>
<td></td>
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<tr>
<td>Pension adjustment</td>
<td></td>
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<tr>
<td>Employee’s CPP premiums (RL-1 Box E)</td>
<td></td>
</tr>
<tr>
<td>Income tax deducted</td>
<td></td>
</tr>
<tr>
<td>RL-1 box E - Quebec income tax withheld</td>
<td></td>
</tr>
</tbody>
</table>

**Fields (Columns):**

- **A**: Employer’s name
- **B**: Employment income
- **C**: Employee’s QPP contributions
- **D**: Employee’s EI premiums
- **E**: RPP contributions
- **F**: Pension adjustment
- **G**: Employee’s CPP premiums
- **H**: Income tax deducted
- **I**: RL-1 box E - Quebec income tax withheld
Enter a Scholarship / Bursary
4. How to enter tuition fees, then carry forward or transfer tuition credits to parent/spouse/g-parent?

- In Interview setup page, select *Tuition and education expenses*, then Save.

- In the left side menu, select *Tuition and education expense*

- Enter your *Tuition and Education amounts* (line 323)

- In item *Unused tuition and education amounts*, select “*Transfer to parent not processed*”. Or if you prefer, select “*Transfer to parent not processed*”. 

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**TAX TIPS - UFile software!**
## Current year tuition and education amounts

As of January 1, 2017, the federal education and textbook amounts have been eliminated.

### T2202A, TL11A, TL11B, TL11C

Eligible tuition fees paid for 2017 (Enter description in first field, amount in the $ field)

McGill University: $2,000.00

### T2202A, TL11A, TL11B, TL11C

#### Column A - Part-time months

- Months of part-time post-secondary studies

#### Column B - Full-time months

- Months of full-time post-secondary studies

### T2202A, TL11A, TL11B, TL11C

#### Column C - Full-time months

- Months of full-time post-secondary studies

### RL-8, box A, Quebec only

- Amount for post-secondary studies

- Charitable donations on T2202A

If you wish to claim a specific amount of credit for tuition or examination fees used on Quebec Schedule T, enter the amount here. Otherwise leave the fields blank.

- Credit at the rate of 20%
Transfer Tuition Credit

Credit at the rate of 20%

Credit at the rate of 8%

If your income is low, you may have unused current year tuition, education and textbook amounts. You can transfer these unused amounts to your spouse or to a parent to reduce their federal and Quebec tax. The maximum transfer is the lesser of your unused amount or $5,000. Unused amounts that are not transferred will be carried forward for you to use next year.

Treatment of unused tuition, education and textbook amounts

If you selected Transfer… as an option above, and you wish to transfer all your unused amount, enter it here.

Portion of unused amount you wish to transfer (maximum $5,000)

For Quebec tax purposes you can transfer unused Quebec schedule T amounts to a parent or carry them forward to use in future years.

Treatment of unused Quebec tuition and examination fees tax credits (Quebec Schedule T)

If you selected Transfer, enter the amount to transfer here. Note that the program will automatically limit the amount actually transferred to the Quebec unused amount available.

For Quebec tax purposes you can transfer Quebec post-secondary education tax credits from Schedule S to your parents. They cannot be carried forward.

Treatment of Quebec post-secondary education tax credits (Quebec Schedule S).

If you selected Transfer, enter the amount to transfer here. Note that the program will automatically limit the amount actually transferred to the amount available.
5. If you can’t file electronically (1st tax return) print from **UFile** and mail the returns.

   - In “**Tax Return**” section, in left menu, follow “**Assembly Instructions p1 & p2**”

   - Print at **least**:
     - the **T1** for the **CRA**, 4 pages
     - the **TP-1** for **Revenu Quebec**, 4 pages
     - any schedule or **Worksheet** with data for you
     - the forms you need to **sign**
Assembly Instructions

Name: LYNN BENNETT

Assembling the federal tax return

If you file your tax return by mail, the attachments should be arranged in the order indicated below. You should also ensure that the return is signed where required.

Mail to:

If you do not know the address of your CRA district office, you can go to the CRA website https://www.canada.ca/en/revenue-agency/corporate/contact-information/where-mail-your-paper-t1-return.html

You only need to send to CRA those pages with [CRA] printed on the top left hand corner.

Order of assembly (per IC97-2):
- T1 General – Condensed, pages 1 and 2. All other applicable enclosures should be attached horizontally to the top left-hand corner of page T1.KFS of the condensed return.
- Information slips T4, then all others in any order (NR4, T3, T5, etc.)
- All other schedules (Not included in the T1 General – Condensed)
- Other forms (Not included in the T1 General – Condensed)
- All other receipts
- T1 General – Condensed, page T1.KFS and page 3

The taxpayer should sign the following:
- T1 General – Condensed, page 3

Assembling the Quebec tax return

In order to speed up the processing of the return, we recommend that you use the self-adhesive identification label received in the mail or the label from the cover of the general income tax guide.

Simply transfer the label to the appropriate section of form TP1-W-W.

Taxpayers are no longer required to submit the computer-generated version of the income tax return to Revenue Quebec.
TAX TIPS - UFile software!

6. How to enter the student discount code CFS1981?

- Make sure you have entered your *Tuition and Education amounts* in the *Tuition and education expense* section.

- Select "*Special offer*" in UFile's left menu, enter ‘Free for Students’ special offer code: *CFS1981*.
Free for Students special offer

UFile.ca, together with the Canadian Federation of Students (CFS), is pleased to offer a special promotion that lets students prepare and file their 2017 tax returns free of charge. To take advantage of this special offer, get your UFile/CFS code from the Canadian Federation of Students Web site and copy it below.

Enter the Canadian Federation of Students Free for Students special offer code (7 characters).

CFS1981
Filing Prior Tax Years

Start with first year you had:

- Tuition fees or
- Income or
- Student loan interest paid

In order to maximize your:

- GST & Solidarity credits (avail for prior years)
- “Carry forward” of tuition, moving, interest
- Tax Refunds
- RRSP contribution room
TAX TIP - Filing Prior Tax Years in UFile

Option 1, say 2015 = 1st year at university

- Choose 2015, enter data & print
- File CRA & RevQC, paper copy
- Wait for assessment report from each (8-12 weeks)
- Then submit electronically, in order: 2016 & 2017!
TAX TIP - Filing Prior Tax Years in UFile

Option 2, say 2015 is 1st year at university
- Choose 2015, enter data, print
- Then, choose 2016, enter data, print
- Then, choose 2017, enter data, print
- Mail Federal returns (all years) to CRA address
- Mail QC returns (all years) to RevQC address
- Wait for assessment from both (2-3 months)
- Next year, file 2018 electronically!
TAX TIP - Filing Prior Tax Years

Then, **ENJOY**!

- Your **GST & Solidarity** tax rebates $$
- Your **TUITION**, & other credits, carried forward
- Your tax **REFUNDS** $$, if any
- Your **RRSP** contribution room, for the future
Modifying a Return, already filed

**CRA**
http://www.cra-arc.gc.ca/changereturn

**RevQC**
For 2018 - tax legislation

<table>
<thead>
<tr>
<th><strong>Federal budget, February 27 2018</strong></th>
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<tr>
<th><strong>Quebec budget, March 27 2018</strong></th>
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Other Income Sources

- Taxable capital gains
- Business income
- Rental income
- Income from foreign sources
- Employment Insurance payments
- Trust Income

- Worker’s Compensation benefits
- Social services benefits
- Universal Child Care Benefit (ended 2016)
- Support payments received
Other Deductions to Income

- Pension plan contributions
- Deduction for Workers (QC)
- Support payments made
- Child care expenses
- RRSP contributions
- Capital losses that offset capital gains
- Business losses
- Clergy Residence
Refundable Credits - Money Back!

- **GST Tax Credit (CA)**
  - Rebate of Federal sales tax
  - Canadian resident, age => 19
    - No receipts required for sales tax

- **Solidarity Tax Credit (QC)**
  - Rebate of Quebec sales tax, property tax
    - No receipts required for sales tax
    - RL-31 from Landlord
**Refundable Credits - Money Back!**

**For Low Income Taxpayers**
- Working Income Tax Benefit
- Medical Expenses Supplement (if eligible)
  


**For Families**
- Children’s fitness CA - ended 2017
  
  Children’s activities QC
  
Deductions & Credits - For Workers

- Canada Employment Amount (CA)
- Deduction for workers (QC)
- WITB (CA)  [http://www.cra-arc.gc.ca/bnfts/wtb/menu-eng.html](http://www.cra-arc.gc.ca/bnfts/wtb/menu-eng.html)
- CPP or QPP contributions
- EI premiums
- PPIP premiums
Non-Refundable Credits - For Anyone

- Charitable Donations
- 1st-Time Donor's Super Credit (final year 2017)
- First Time Home buyer ($750)
- Professional & Union dues
- Child Care Expenses, if eligible
More **Non-Refundable** Credits

- Disability
- Volunteer Firefighter / Search and Rescue Volunteer, $450
- Political Contributions
- Dividends
- Investment Expenses
Non-Refundable Credits for Families

- Spouse or partner
- Eligible dependent
- Single parent (QC)
- Family Tax Cut (CA), final year 2015
- Children's arts (CA), final year 2016
- Medical expenses: self, spouse & dependent children (if >3% of Net income)
- Caregiver for impaired dependent (changes in 2017)
- Adoption expenses
Benefits & Credits for Disability

- Benefits & credits for DISABLED taxpayers, students, dependents, & caregivers
  
  Required: medical form T2201 from doctor
  
  [link](http://www.cra-arc.gc.ca/E/pbg/tf/t2201/README.html)

- CRA
  
  [link](http://www.cra-arc.gc.ca/disability/),
  [link](http://www.cra-arc.gc.ca/tdgllry/ndvdlss/srs-txmsrs-pwd-lnks-eng.html)

- RevQC
  
  [link](http://www.revenuquebec.ca/en/sepf/formulaires/in/in-132.aspx)

RDSP / REEI - REGISTERED DISABILITY SAVINGS PLAN

[link](http://www.cra-arc.gc.ca/tx/ndvdlss/tpcs/rdsp-reei/menu-eng.html)
## Benefits & Credits For Seniors

- Pension income, CPP, QPP, OAS, GIS
- Age amount credit >65
- Pension income deduction, $2000
- Seniors’ activities credit
- Home Support services credit
- Independent living
- GST & Solidarity etc.....


RevQC differences...

- Foreign researcher, specialist, professor
- Living alone credit
- Solidarity credit
- Graduates working in remote regions
- Tuition fee minimum can be >1 school
- QC Deduction for workers
- Donations (cultural, ecological, art/music)
- Childcare while seeking employment
- Certain “eco” home renovations
- Union fees treated as tax credit not income deduction
RevQC health “taxes”...

- Quebec Drug Insurance (RAMQ),
  - unless covered by private insurance
  - however, eligible medical expense
- Health Contribution; based on income (ended 2017)
- Health Services Fund; based on income (non-employment)
- Health insurance paid by employer is taxable
Registered Savings / Investment Accounts Approved by CRA:

TFSA / CÉLI - TAX-FREE SAVINGS ACCOUNT

RESP / REÉÉ - REGISTERED EDUCATION SAVINGS PLAN

RRSP / REÉR - REGISTERED RETIREMENT SAVINGS PLAN
http://www.cra-arc.gc.ca/tx/ndvdlstpcs/rrsp-reer/rrsps-eng.html

RDSP / REEI - REGISTERED DISABILITY SAVINGS PLAN
TFSA / CÉLI - TAX-FREE SAVINGS ACCOUNT

- CA resident, 18 years old, SIN
- $5500 annual deposit limit (as of Jan 2018)
- CASH & investments (stocks, bonds, mutual funds, ETFs, etc.)
- Where?: Bank, insurance / trust company, credit union
- Deposit limits accumulate: 2009 / Year of 18th b-day
- Income is TAX FREE: interest, dividends, capital gains
- TAX FREE !

**NOTE**: Tricky for CA non-residents & US citizens

**Income Tax and Benefit Guide 2017**  
[https://www.canada.ca/content/dam/cra-arc/migration/cra-arc/E/pub/tg/5000-g/5000g-17e.pdf](https://www.canada.ca/content/dam/cra-arc/migration/cra-arc/E/pub/tg/5000-g/5000g-17e.pdf)

**Do I have to file a return?**  
[http://www.cra-arc.gc.ca/doyouhavetofile](http://www.cra-arc.gc.ca/doyouhavetofile)

**GST/HST Credit – New Residents of Canada**  

**Students and Income Tax 2017**  
[https://www.canada.ca/content/dam/cra-arc/formspubs/pub/p105/p105-17e.pdf](https://www.canada.ca/content/dam/cra-arc/formspubs/pub/p105/p105-17e.pdf)

**Scholarships, fellowships, bursaries, study grants**  

**Scholarship Exemption – Part-time enrolment**  


Determining Residence Status


Ask the CRA!

Submit an NR4 form for an opinion on your residency status  [http://www.cra-arc.gc.ca/E/pbg/tf/nr74/nr74-12e.pdf](http://www.cra-arc.gc.ca/E/pbg/tf/nr74/nr74-12e.pdf)
GST/HST Tax Credit (CA)  [http://www.cra-arc.gc.ca/bnfts/gsthst/menu-eng.html](http://www.cra-arc.gc.ca/bnfts/gsthst/menu-eng.html)


Understand your tax forms

Getting your tax forms

Deductions, Credits, Expenses
Working Income Tax Benefit *(renamed 2018)*
http://www.cra-arc.gc.ca/bnfts/wtb/menu-eng.html

UCCB & Canada Child Tax benefit *(replaced 2016)*
http://www.cra-arc.gc.ca/bnfts/cctb/menu-eng.html


Canada Employment Amount


QC Tax Credit List  http://www.revenuquebec.ca/en/citoyen/credits/

Foreign researchers & specialists

Living Alone Credit (QC only)
Tuition Tax Credit

Solidarity credit

Moving Expenses

Medical Expenses
Example:

Simple Tax Calculation
1. Taxable Income

Income

Less

Deductions

Equals

Taxable Income

Example

$10,000

-

$2,000

_____

$8,000
2. Taxes Payable

Example

Taxable Income

$8,000

Tax Rate (Federal, 1st tax bracket)

15%

Federal Taxes Payable

$1,200
3. Calculate **Refund or Pay**

- **Subtract** Taxes already paid:
  - Payroll
  - Instalments

- **Subtract**:
  - Tax Credits
  - Quebec Abatement, 16.5%

RESULT: **Refund or Pay?**
4. **Refund or Pay?**

Fed Taxes Payable

*Less*

Tax Paid already

Tax Credits

*Equals*

Refund or Pay

**Example**

$1,200

- ($1,500)

( $ 500)

= 

**Refund $800**
If you don’t file, you can **LOSE** out on.....

- **Tax Refunds** $$$
- **Tax Credits** $$$
- “Carry forward” of credits
  - Tuition
  - Student loan interest
  - Moving expenses
If you don’t file, you can **LOSE** out on....

- **Aid $** for students, parents, employees, small business, etc.
- Access to **mortgage & other credit** (banks want to see tax history)
- **RRSP contribution rights** are **earned**
  Must file tax return to accumulate contribution room (unlike TFSA)
TAX TIP - File your tax return!

“You must pay taxes. But there’s no law that says you gotta leave a tip.”

- Morgan Stanley advert