加拿大個人稅務
基本須知及注意事項

JOSEPH Y K YAU FCPA, CA, FCMA

20 JULY 2019

Frequently Asked Questions:

A. Citizen vs Tax residency
B. Define tax residency
C. How to complete your tax return
D. Capital gain vs Revenue
E. Federal and Provincial tax
F. Individual tax filing to claim refund
G. Tax deadline

A. Citizenship vs Tax residency

A. Citizenship vs Tax residency

Citizenship is not the criteria used for Canadian taxation. Therefore, a Canadian citizen who is not resident in Canada and has no Canadian-sourced income would not be subject to Canadian taxation. A resident of Canada who is not a Canadian citizen would still be taxed on his or her world-wide income.

A taxpayer may be a “factual resident” or a “deemed resident”.

A person may be a deemed resident because he or she has sojourned in Canada for 183 days or more in a year.

A. Citizenship vs Tax residency

If you want the Canada Revenue Agency’s opinion on your residency status, complete either:

a) Form NR74, Determination of Residency Status (Entering Canada); or

b) Form NR73, Determination of Residency Status (Leaving Canada),

whichever applies, and send it to the International and Ottawa Tax Services Office. To get the most accurate opinion, provide as many details as possible on your form.

B. Define tax residency

B. Define tax residency

Significant residential ties to Canada include:

- A home in Canada;
- A spouse or common-law partner in Canada; and
- Dependants in Canada;

B. Define tax residency

Secondary residential ties that may be relevant include:

- Personal property in Canada, such as a car or furniture;
- Social ties in Canada, such as membership in Canadian recreational or religious organizations;
- Economic ties in Canada, such as Canadian bank accounts or credit cards
- A Canadian driver's licence;
- A Canadian passport; and
- Health insurance with a Canadian province or territory.

B. Define tax residency

To determine residence status, all of the relevant facts in each case must be considered, including residential ties with Canada and length of time, object, intent, and continuity while living inside and outside Canada.

C. How to complete your tax return

C. How to complete your tax return

1. Identification and other information
2. Date of entry in Canada
3. What income do you have to report?
   - Canadian taxable income to report for the part of the year you were not a resident; and
   - Worldwide incomes for the part of the year you were a resident of Canada

C. How to complete your tax return

4. What deductions can you claim?
   - Keep receipts and documents related to the following:
   - Medical expenses (combine family's expenses and claim by spouse with lower net income; choose optimal 12-month period ending in taxation year)
   - Donations (combine and claim in one spouse's return if combined total exceeds C$200)
   - Purchase and sale of properties (including rental properties, securities)
   - Rental operations – leases and expense invoices
   - Business operations – sales and expenditure invoices

C. How to complete your tax return

5. What non-refundable tax credits can you claim?
6. Refund or balance owing
   - Federal and provincial or territorial tax credits, and federal and provincial or territorial foreign tax credits

D. Capital gain vs Revenue

D. Capital gain vs Revenue

1. Watch out properties you owned before you arrived in Canada

   - A form T1135 should be completed if the taxpayer has foreign property with an aggregate cost over C$100,000 (excluding foreign person-use property, foreign property used exclusively in carrying on the taxpayer’s active business, and foreign investments included in Canadian registered mutual funds, RRSPs, RRIFs and RPPs). A Simplified reporting method using Form T1135 is also available for individuals who own specified foreign property with a total cost of less than C$250,000 throughout the year.

D. Capital gain vs Revenue

1. Watch out properties you owned before you arrived in Canada (continued)

   - If a Canadian resident has 1% or more equity interest in a foreign company and total held by him or her and related person is 10% or more, then the foreign company is a foreign affiliate. A controlled foreign affiliate is a foreign affiliate controlled:
     - by the taxpayer or by non-arm's length person(s) or jointly by the taxpayer and non-arm's length persons; OR
     - by the taxpayer and not more than four other residents of Canada; OR
     - by not more than four residents of Canada other than the taxpayer.

   The Form T1135 must be filed with a separate supplement for each foreign affiliate.

D. Capital gain vs Revenue

1. Watch out properties you owned before you arrived in Canada (continued)
   - There are also reporting requirements when a Canadian resident has made transfers or loans to a foreign trust (Form T1141) or when a Canadian resident has received distributions from or was indebted to a foreign trust (Form T1142).
   - Significant penalties apply when a taxpayer has not complied with foreign reporting rules.

D. Capital gain vs Revenue

2. Matrimonial home tax free exemption
3. Canadian taxable property C$848,252 (2018) tax free exemption

E. Federal and Provincial tax

E. Federal and Provincial tax

Federal tax rates for 2019

- 15% on the first C$47,630 of taxable income, +
- 20.5% on the next C$47,629 of taxable income (on the portion of taxable income over C$47,630 up to C$95,259), +
- 26% on the next $52,408 of taxable income (on the portion of taxable income over C$95,259 up to C$147,667), +
- 29% on the next $62,704 of taxable income (on the portion of taxable income over C$147,667 up to C$210,371), +
- 33% of taxable income over C$210,371.

E. Federal and Provincial tax

Provincial tax rates for 2019 - Ontario

- 5.05% on the first C$43,906 of taxable income, +
- 9.15% on the next C$43,907, +
- 11.16% on the next C$62,187, +
- 12.16% on the next C$70,000, +
- 13.16% on the amount over C$220,000

E. Federal and Provincial tax

Provincial tax rates for 2019 - Alberta

- 10% on the first C$131,220 of taxable income, +
- 12% on the next C$26,244, +
- 13% on the next C$52,488, +
- 14% on the next C$104,976, +
- 15% on the amount over C$314,928

E. Federal and Provincial tax

Provincial tax rates for 20179 - British Columbia

- 5.06% on the first C$40,707 of taxable income, +
- 7.7% on the next C$40,709, +
- 10.5% on the next C$12,060, +
- 12.29% on the next C$20,030, +
- 14.7% on the next C$40,394, +
- 16.8% on the amount over C$153,901

F. Individual tax filing to claim refund

F. Individual tax filing to claim refund

Are you eligible for benefits and credits?

	Married or common-law with children under 18 years old	Single with children under 18 years old	Married or common-law with no children	Single and 19 or older with no children
Canada child benefit	Yes	Yes	No	No
Goods and services tax/harmonized sales tax (GST/HST) credit	Yes	Yes	Yes	Yes
Provincial and territorial benefits and credits	Yes	Yes	Yes	Yes

F. Individual tax filing to claim refund

- The Canada child benefit is a monthly tax free payment for families with children under the age of 18, where the amount of payment is dependent on the number of children and the family net income. As adjusted family net income increases, the benefit is gradually reduced until it reaches zero.
- Federal home accessibility tax credit is available to qualifying individuals who is 65 years or older, or who is eligible to claim the disability tax credit in the taxation year, for eligible expenses for a qualifying renovation of an eligible dwelling to a maximum C$10,000 with tax credit at lowest tax rate of 15%.

F. Individual tax filing to claim refund

- The BC Home Renovation Tax Credit for seniors and persons with disabilities, worth up to a C$1,000 per year, is available to seniors 65 and over or a person with a disability or a family member living with a person with a disability, on eligible permanent home renovation expenditures. The maximum amount of credit is C$1,000 per year and is calculated as 10% of the qualifying renovation expense (maximum C$10,000 in expense). The credit is a refundable tax credit.
- The sale of a principal residence must be reported, along with any principal residence designation in 2019.

G. Tax deadline

G. Tax deadline

- Report income on calendar year basis
- 30 April of the year after the tax year; or
- If you on your spouse or common-law partner carried on a business in Canada, the return must be filed on or before 15 June of the year after the tax year
- A balance of tax owing must be paid on or before 30 April of the year after the tax year, regardless of the due date of the tax return, otherwise interest will be charged

The End

Thanks!

Tel: (852) 2528 3628

Fax: (852) 2865 1661

Email: enquiry@ckyaucpa.com