

Module 1 – An overview of Canada’s tax system

Module objective

This module gives students an overview of the Canadian tax system, helps them become familiar with the different types of taxes, discusses the benefits of taxes, and explains where tax dollars go. It also gives students an understanding of their rights and responsibilities in relation to the Canada Revenue Agency (CRA).

Suggestions on how to teach this module

1. Ask the students if they think self-assessment is a reasonable and effective way of operating Canada’s tax system. Ask them how it compares with other possible ways of running the system.
2. Ask the students to read “Taxpayers rights and responsibilities.” Encourage discussion about this topic.
3. Ask the students to identify and list the various types of taxes.
4. Ask the students to record all their expenditures, or those of their parents, for a two-week period. They should then add up all the types of taxes they paid. Ask them to classify these taxes as direct or indirect, and identify which are proportional/flat, progressive, or regressive.
5. Ask the students to list some of the benefits that Canadians receive from taxes.
6. Ask the students what the positive characteristics of an income tax system are.

Note

At the end of this module, you will find transparencies to help you present the information to your students.

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An overview of Canada's tax system

Canada's tax system

Canada's tax system has evolved over many years to accommodate the needs of an increasingly complex society. However, the guiding principle has always been the same: our elected Parliament must have ultimate control over tax legislation.

The federal minister of finance proposes changes in the Government of Canada's tax policy by tabling budgets in Parliament. The reasons behind such changes in tax law are explained in budget documents issued by the Department of Finance Canada. After Parliament debates and approves the proposed legislation, it becomes law.

The Department of Finance Canada initiates tax policy, Parliament passes laws, and the CRA administers these laws.

The CRA is responsible for administering Canadian tax laws and supporting Canada's social and economic progress. It does this by overseeing various tax credit and benefit programs and collecting federal, provincial (except in Quebec), and territorial income taxes.

It also collects goods and services tax/harmonized sales tax (GST/HST), Canada Pension Plan contributions, and Employment Insurance premiums.

Finally, the CRA administers Canada's international tax agreements with other countries.

Self-assessment system

Canada bases its system of tax collection on the principle of self-assessment. The United States, the United Kingdom, Malaysia, Australia, and New Zealand also use this type of system. It is considered the most economical and efficient way to collect income tax.

Canadian residents and non-residents with Canadian income are responsible for making sure they have paid their taxes according to the *Income Tax Act*. Income and deductions are listed on the return so both the taxpayer and the CRA can calculate the taxes the taxpayer

has to pay. In this way, taxpayers can check to make sure they are receiving fair and equal treatment under the *Income Tax Act*. At the same time, the CRA can properly administer the tax laws.

The fairness and efficiency of the federal income tax system depends on both the CRA and taxpayers:

- the CRA is responsible for interpreting and applying the law in a uniform and impartial way; and
- taxpayers are responsible for making an honest self-assessment of their tax payable each year.

To make the system effective and easy to enforce, the CRA also relies on people other than taxpayers to help it fulfill some of its obligations. Employers, banks, and businesses that pay interest or dividends, and people making payments to non-residents of Canada, report and send payments to the CRA.

Transparency 1.1 summarizes these points. See Module 3 for information about how the CRA administers income taxes in Canada.

Taxpayers rights and responsibilities

Your rights

The *Declaration of Taxpayer Rights* was introduced in February 1985. The CRA continues to respect the rights outlined in the declaration, which has been revised and renamed *Your Rights*.

Your Rights combines rights found in the *Canadian Charter of Rights and Freedoms*, in statutes, and in common law. It is not a legal document, but it sets out the most important rights regarding the fair tax treatment of Canadians. *Your Rights* is at the end of the *General Income Tax and Benefit Guide*.

Your Rights states that taxpayers have the right:

- to expect the CRA to apply the law fairly and impartially;

- to be treated with courtesy, respect, and consideration;
- to expect that their personal and financial information is protected against unauthorized use or disclosure;
- to be served in the official language of their choice at designated bilingual offices;
- to get complete, accurate, and clear information about their rights, entitlements, and obligations;
- to every benefit allowed under the law; and
- to a formal review of their file if they believe they have not received their full entitlements under the law. If we cannot resolve the matter to their satisfaction, they have the right to appeal to the courts.

Taxpayers who feel their rights have not been respected are encouraged to speak with a CRA officer or supervisor, or consult Guide RC4213, *Your Rights*. The guide outlines a taxpayer's rights in greater detail.

Taxpayer responsibilities

Taxpayers are responsible for:

- filing a tax return by the deadline;
- paying the correct amount of tax;
- giving the CRA the necessary information to assess their return; and
- getting help when necessary.

What are taxes?

Tax is defined as a compulsory contribution levied on persons, property, or businesses for the support of government for economic and social operations. In other words, it is money paid to a government to fund its programs and services.

Below are some types of taxes that apply in Canada.

Income tax – A tax on the income of a person, a corporation, or a trust.

User tax – A tax paid to use a facility or service, such as a toll charged for using a bridge or road.

Commodity tax – A tax, such as a sales tax, on the consumption of products.

Transfer tax – A tax on the value of property when it changes ownership, such as when land is transferred under certain conditions.

Business transfer tax – A value-added tax, or a multi-stage sales tax, applied on the value of a product as it moves through the stages of production and distribution.

Classifying and identifying taxes

Taxes can be classified as either direct or indirect, and identified as either proportional/flat, progressive, or regressive:

- **Direct taxes** are taxes that are levied against the taxpayer who is responsible for paying the tax directly to the government. They include personal income tax, property tax, corporate tax, and estate tax.
- **Indirect taxes** are taxes that are levied against the taxpayer but collected by a third-party (such as a retail store) who is responsible for paying the tax to the government. They include sales tax, goods and services tax, fuel tax, and cigarette tax.
- **Proportional or flat taxes** are taxes that are applied at a constant rate against a taxpayer's income regardless of income level and type. They include corporate income tax.
- **With progressive taxes**, such as personal income tax, individuals pay a larger percentage of tax as their income increases.
- **With regressive taxes**, individuals pay a decreasing percentage of their income in tax as their income increases. A sales tax is considered to be regressive tax, since high-income earners pay a smaller part of their income in tax than middle-income earners when they buy a product.

Why pay taxes?

Many of the benefits we enjoy, and even take for granted, are made possible through taxes. Canada's tax system pays for roads, public utilities, education, health care, economic development, cultural activities, defence, and law enforcement, to name a few examples.

Tax revenue helps redistribute wealth to recipients of benefits, such as lower-income families, charities, students, retirees, and people with disabilities. It provides social services such as Old Age Security benefits, Employment Insurance benefits, the Canada Child Tax Benefit, and the Universal Child Care Benefit. It also offers incentives to large and small businesses, and boosts the economy in other ways.

Transparencies 1.2 and 1.3 show net revenues and spending, which are used to present an annual budget to Parliament. We can see from transparency 1.2 that personal and corporate income taxes are major contributors of revenue. Transparency 1.3 shows the Government's priorities as far as major spending goes. Two major components of the budget are servicing the public debt and payments to people.

Every year, the Department of Finance Canada publishes the *Annual Financial Report of the Government of Canada*. This report details budgetary revenue and expenditures. The report also indicates either a deficit or surplus in the federal budget for the fiscal year.

To get more information about federal government spending and budgetary issues, visit the Department of Finance Web site at www.fin.gc.ca, call 613-995-2855, or write to:

Distribution Centre
Department of Finance Canada
Ottawa ON K1A 0G5

You can also fax your request to 613-996-0518.

As well as providing revenue for the federal government's objectives, taxes help fund programs such as research, transportation, housing, welfare, recreation, foreign aid, and social development.

Explanation of budgetary expenditures

In 2004-2005, the federal government spent about **17 cents** of every revenue dollar to cover interest payments on the public debt. The public debt is the total of the annual shortfalls between what the federal government spends and what it collects.

For each dollar spent, the federal government also devotes a significant amount to programs and services, as shown below:

- **21.7%** for payments to people such as benefits to seniors and Employment Insurance payments.
- **21.3%** for transfers to other levels of government – This includes support to provinces and territories for their health care services and post-secondary education programs, social assistance and social services to low-income Canadians, and the Equalization Program.
- **12.7%** for other transfers – This includes programs for veterans, Aboriginals, industrial and regional development, job creation and training, agriculture, science and technology, energy, and transportation, plus grants and contributions for individuals and organizations. These transfers also include bilateral and multilateral aid, food, special development programs, and emergency relief.
- **7.1%** for defence spending.
- **3.8%** for subsidies to Crown corporations – This includes direct funding to the Canada Mortgage and Housing Corporation, the Canadian Broadcasting Corporation, and to cultural agencies such as the National Film Board and national museums.
- **16.1%** for operating and capital expenses – Operating and capital expenditures include the cost of defence, government administration, and the delivery of specific services to the public, such as:
 - health care to Aboriginals and veterans;
 - research undertaken by government departments;

- food inspection;
- Coast Guard and air and sea rescue;
- collection of taxes;
- operation of national parks and historic sites;
- operation of federal correctional institutions and provision of police services; and
- administration of programs.

Characteristics of a tax system

A tax system is defined by six characteristics:

- who pays the tax;
- the tax base;
- the rates to be applied to the base;
- general exemptions;
- general deductions; and
- other selective measures (e.g., how tax is to be paid).

These characteristics determine how much revenue is produced, how fair the tax system is, and its ability to produce economic growth.

What are the characteristics of a good tax system?

A good tax system needs to be structured so that all people at a certain economic level get the same tax treatment, no matter how they earn their income. The system must be arranged so that people at a higher economic level pay a larger share of taxes than those at a lower level.

As well, a tax system needs to be neutral so that it does not affect economic decisions. It should also be flexible, so it can be used to achieve specific economic objectives.

Finally, the process for administering the tax system has to be practical and efficient.

The federal government follows these guidelines when it applies new tax legislation:

Fairness – The tax system needs to ensure that all taxpayers share the tax burden equally. People with similar financial circumstances should receive the same tax treatment.

In other words, all high-income earners, whether they are individuals or corporations, pay their fair share of tax. Also, similar products should be subject to the same rate of sales tax.

Simplicity and compliance – People will be more willing to comply with tax laws if the system is simple and easy to understand.

Balance – Tax revenues raised through personal income tax should be distributed to those who need funds the most. Profitable corporations should pay more and the sales tax base should be expanded.

Stability – The federal government needs a stable and dependable source of tax revenue so it can manage the country's economy. The aim of tax reform is to make sure the federal government can achieve its economic objectives.

International competitiveness – The tax system should help Canadian businesses compete internationally.

Economic growth – The tax system should encourage growth through lower tax rates and a broader tax base. Business opportunities, rather than tax planning, would then be the driving force behind business decisions.

Canadian priorities – The tax system should help meet the national and regional social and economic needs that are priorities for most Canadians.

Transitional implementation – There should be transitional provisions for tax changes so Canadians are not in doubt about tax rules.

Consultation – The federal government is committed to consulting Canadians before making final legislative proposals for tax reform.

The self-assessment tax system

Taxpayers are responsible for making sure they have paid their taxes according to the law.

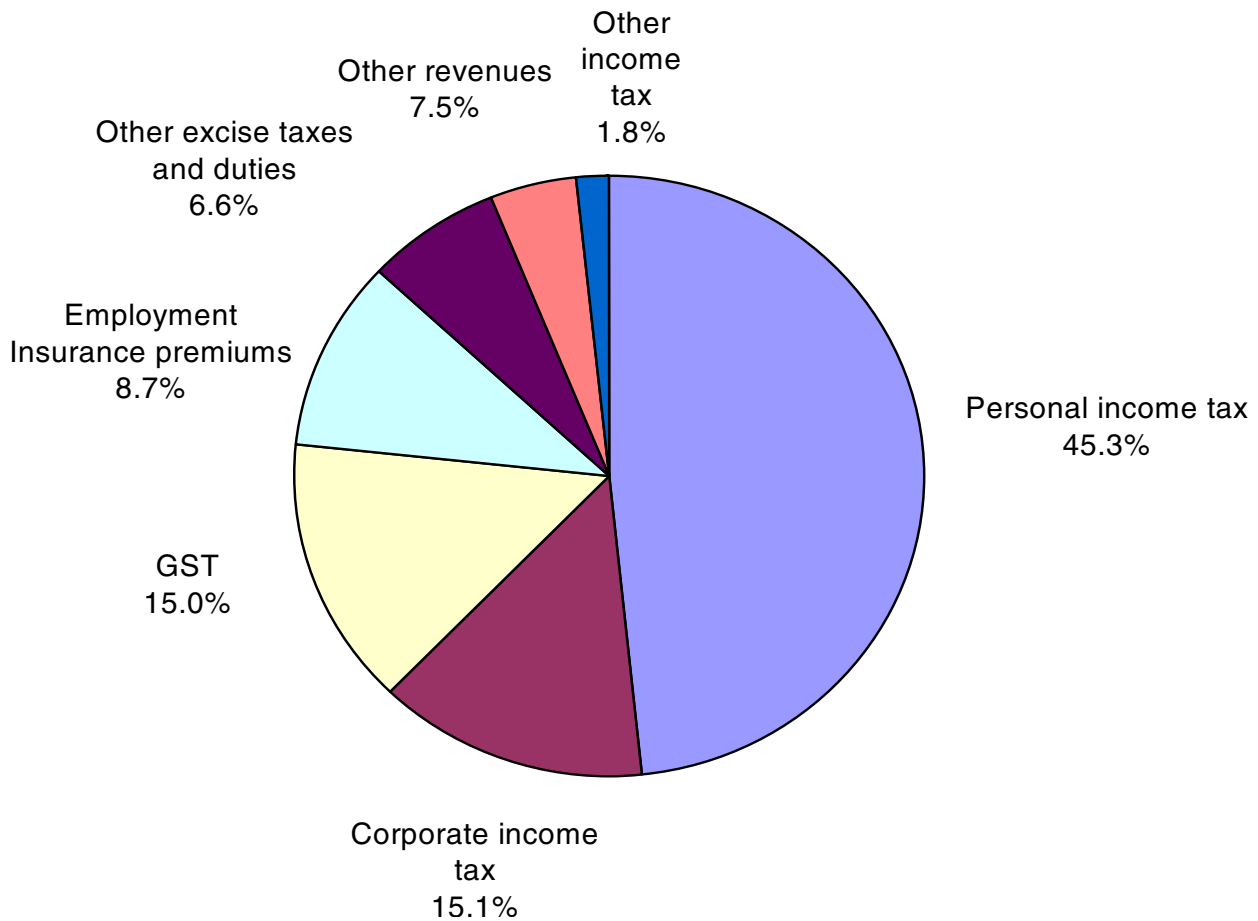
Taxpayers list their income and deductions on their return.

The fairness and efficiency of the federal income tax system depend on:

- **the CRA's interpretation and application of the law in a uniform and impartial manner; and**
- **taxpayers' self-assessment of their tax payable.**

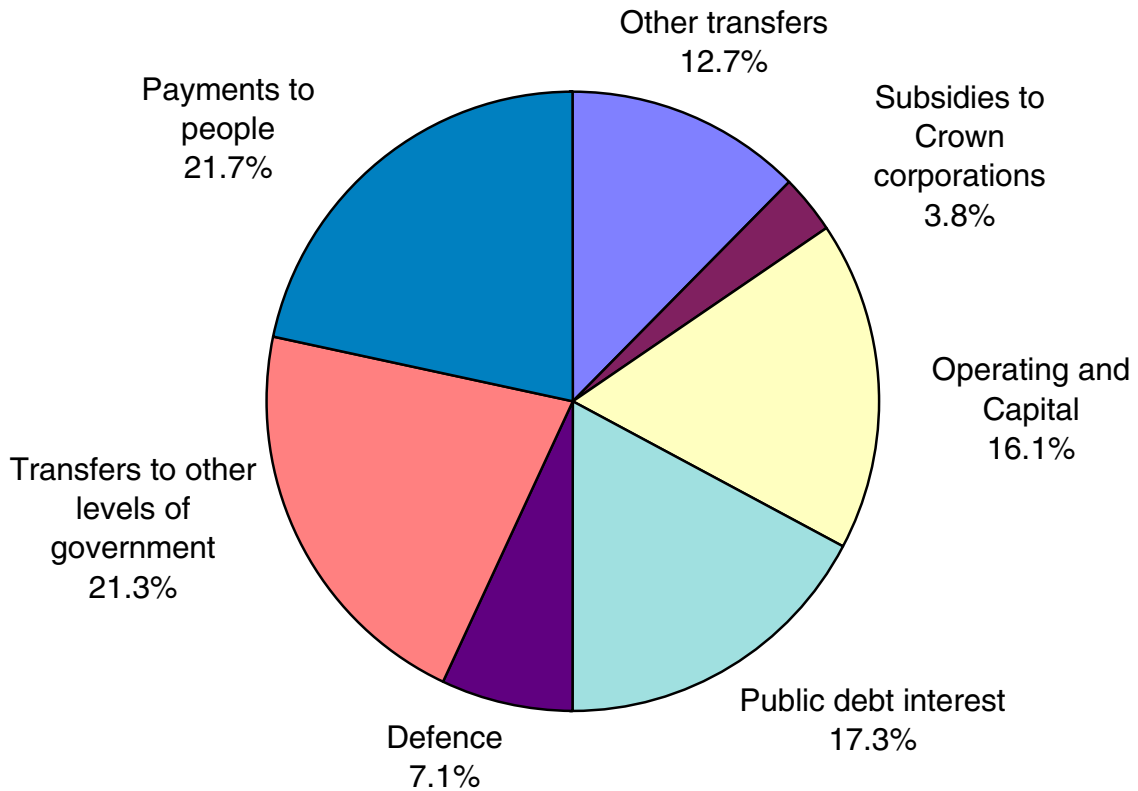
The CRA relies on other people and institutions, such as employers and banks, to help it fulfill some of its obligations.

Where do tax dollars come from?



This chart is based on the *Annual Financial Report of the Government of Canada, Fiscal Year 2004-2005*. More information on the Canadian economy and government finances can be found at www.fin.gc.ca/access/ecfisce.html.

Where do your tax dollars go?



This chart is based on the *Annual Financial Report of the Government of Canada, Fiscal Year 2004-2005*. More information on the Canadian economy and government finances can be found at www.fin.gc.ca/access/ecfisce.html.

Module 2 – How are income taxes administered in Canada?

Module objectives

This module helps students understand the organization of the Canada Revenue Agency (CRA) and the income tax services that are available to them as taxpayers. The module also helps them understand how the CRA processes returns, collects taxes, handles appeals, and uses technology to improve service to taxpayers.

Suggestions on how to teach this module

1. Before you discuss the CRA's mandate, you might have to clarify or explain the word **mandate**. Ask for definitions from students. The meaning should include the basic idea that a mandate is support for a policy or course of action. You can then explain the mandate of the CRA.
2. Explain how the CRA provides services to taxpayers. Then you might have the students comment or suggest other ways in which the CRA can improve its services.
3. If you are near a tax centre, call and arrange for students to tour the centre.
4. Ask the students to make a list of everyday situations that require voluntary compliance. For example:
 - Driving – People have to voluntarily comply with speed limits and parking restrictions.
 - Census-taking – The accuracy of data is crucial for all users, both in government and in the private sector.
 - Enumerating – Enumerating voters ensures accuracy and prevents more than one vote per person.
 - Jury duty – Having people do jury duty helps to ensure equal justice for everyone.Ask the students how they think society would be affected if we didn't have voluntary compliance.
5. Ask the class why they think there is an appeal process. Look for answers such as the following:
 - It's a democratic right.
 - The *Charter of Rights and Freedoms* provides for it.
 - It's needed to ensure you've been treated fairly.
 - An appeal process allows for a second opinion on a technical point or interpretation.
6. Contact the Tax Court of Canada or the Federal Court of Appeal in your area and arrange for the students to observe how an appeal is heard in court.

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How are income taxes administered in Canada?

The mandate of the Canada Revenue Agency

The CRA's mandate is to promote compliance with Canada's tax and trade legislation and regulations through communication, quality service, and responsible enforcement, thereby contributing to the economic and social well-being of Canadians.

This includes:

- collecting income taxes, goods and services tax/harmonized sales tax (GST/HST), excise duties, Canada Pension Plan contributions, and Employment Insurance premiums;
- encouraging voluntary compliance with the law and discouraging tax avoidance;
- overseeing federal government initiatives, such as the Canada Child Tax Benefit program, the GST/HST credit, and the Universal Child Care Benefit;
- administering Canada's international tax agreements with other countries; and
- maintaining the public's confidence in the integrity of the tax system by administering tax and related legislation in an impartial way.

In its role of administering income taxes, the CRA collects federal income tax from individuals and provincial and territorial taxes for all provinces and territories except Quebec. It also collects federal, provincial, and territorial taxes from corporations for all provinces and territories except Ontario, Quebec, and Alberta.

The CRA administers provincial and territorial tax programs, and has the authority to enter into new partnerships with the provinces, territories, and other government bodies to administer non-harmonized taxes and other services.

The CRA administers the following provincial and territorial programs:

- Alberta Family Employment Tax Credit;

- BC Family Bonus;
- New Brunswick Child Tax Benefit;
- Newfoundland and Labrador Child Benefit;
- Newfoundland Harmonized Sales Tax Credit;
- Northwest Territories Child Benefit;
- Nova Scotia Child Benefit;
- Nunavut Child Benefit;
- Saskatchewan Child Benefit;
- Saskatchewan Sales Tax Credit; and
- Yukon Child Benefit.

The CRA's offices and services

Taxpayers can get information and conduct other types of business at most CRA offices across Canada.

The CRA offers its services, including telephone, Internet, and correspondence services, in both official languages.

The following is a brief overview of the structure of the CRA and some of the different services it provides.

CRA offices

Headquarters

Headquarters, which is located in Ottawa, is where the CRA sets its overall corporate direction and develops its programs and policies.

Regional offices

Six regional offices make sure that programs and policies are applied consistently across Canada. They co-ordinate the activities of the tax services offices located in their respective regions.

Tax services offices

Tax services offices are the main points of contact for taxpayers. They provide telephone

services, self-service display kiosks, and mail drop-off boxes.

Tax centres

Staff at the tax centres not only process and store returns, they also provide a complete range of taxpayer services. They send assessment notices, issue requests for refund cheques, and provide written explanations of tax assessments.

The International Tax Services Office

Canada's International Tax Services Office (ITSO), located in Ottawa, serves the special needs of taxpayers filing income tax or information returns as non-residents, factual or deemed residents, newcomers to Canada, and emigrants. Staff process non-resident individual and corporate returns, process requests for adjustments, maintain accounts of individuals and organizations that issue payments to non-residents of Canada, and answer telephone, counter, and written taxpayer enquiries.

CRA services

Internet

An important source of information is the CRA's Web site (www.cra.gc.ca). You can find a great deal of information and download most of the CRA's forms and publications from the site.

My Account

My Account (www.cra.gc.ca/myaccount) is a secure online service that gives you the convenience and flexibility of viewing and managing your personalized information, such as:

- your identification;
- refund or balance owing;
- instalment account;
- Registered retirement savings plan (RRSP);
- Home Buyers' Plan (HBP);
- Lifelong Learning Plan (LLP);
- direct deposit information;

- Canada Child Tax Benefit (CCTB);
- Universal Child Care Benefit (UCCB); and
- GST/HST credit and related provincial and territorial programs.

My Account also offers you different services such as:

- filing an objection online;
- authorizing a representative;
- changing your address; and
- changing your return.

Publications

Numerous publications are another way in which the CRA provides a wide range of information to the millions of Canadians who need it.

The main source of information for individuals is the *General Income Tax and Benefit Guide*. Other guides, as well as forms, pamphlets, interpretation bulletins, information circulars, and other publications, give more details on specific tax topics and help taxpayers understand the tax system.

To get forms and publications, visit our Web site at www.cra.gc.ca/forms or call **1-800-959-2221**.

T.I.P.S. (Tax Information Telephone Service)

T.I.P.S. (1-800-267-6999) offers general tax information about certain tax topics, as well as personal tax information. It also lets individuals find out whether or not they are eligible for payments such as the GST/HST credit. The *General Income Tax and Benefit Guide* contains T.I.P.S. numbers, topics, and dates during which service is available.

Community Volunteer Income Tax Program

The CRA organizes volunteers who complete basic tax returns for individuals with low incomes and simple tax situations. For more information, see the inside cover of the *Student Workbook*.

Help for taxpayers who have a hearing or speech impairment

Taxpayers who have a hearing or speech impairment can use an operator-assisted relay service to contact the CRA through the regular enquiry lines. In addition, the CRA can arrange to have a sign language interpreter available at an interview or meeting. Taxpayers who use a teletypewriter (TTY) can get information by calling **1-800-665-0354**.

Help for taxpayers with a visual impairment

Taxpayers who have a visual impairment can get publications and personalized correspondence in braille, large print, or etext (CD or diskette), or on audio cassette or MP3. For details, visit our Web site at www.cra.gc.ca/alternate or call **1-800-959-2221**. Although CRA staff do not complete returns, a taxpayer with a visual impairment can visit the enquiries counter of any tax services office, where staff can read and explain relevant income tax material.

Problem Resolution Program

The General Enquiries section of tax services offices solves most tax-related problems. However, cases that cannot be resolved through this section are handled on a priority basis through the Problem Resolution Program.

Advance rulings

It is sometimes difficult for taxpayers to know how certain situations will be treated. For a fee, the CRA offers rulings that interpret specific provisions of the law.

Small business information seminars

The CRA offers small business information seminars to inform new or prospective businesses about their rights and obligations regarding excise, GST/HST, and income tax, and about the services available to help them.

New Employer Visit Program

CRA officials are available, on request, to visit new employers on the employer's premises. They provide new employers with advice on GST/HST filing requirements and discuss concerns about recording, withholding, or reporting requirements for employee earnings,

tax, and Canada Pension Plan or Employment Insurance contributions.

Business telephone enquiries

Individuals with business-oriented questions can call **1-800-959-5525**.

Preretirement seminars

Through its tax services offices, the CRA can arrange special seminars that explain how the tax system affects retirement.

Electronic filing options

Individuals can file their returns electronically using EFILE, TELEFILE, or NETFILE.

All three methods provide:

- **Fast processing:** In most cases, an electronically filed return can be processed in about two weeks, resulting in faster assessment notices and refunds.
- **Greater accuracy:** Electronic filing eliminates the need for the CRA to manually key tax data.
- **Availability:** Electronic filing lets individuals send in their returns seven days a week.
- **Security:** State-of-the-art encryption technology and security procedures protect personal information at all times.
- **Electronic confirmation:** Users will receive an electronic confirmation that their return was received.
- **Environmentally friendly solution:** Electronic filing is a paper-free system.

EFILE – EFILE service providers prepare and transmit the returns.

TELEFILE – This is a method of filing a completed return electronically using a touch-tone telephone. Most people who receive a Special, T1S-A, or T1S-C package can use TELEFILE to file their return.

NETFILE – This tax-filing option lets individuals file income tax and benefit returns over the Internet using NETFILE-certified tax preparation software. You will have to use

software or a Web application that the CRA has certified. There may be a cost for you to buy a tax preparation software package or application, but the NETFILE service is free.

A number of companies offer free use of their certified software or Web application for individuals with low and modest income, while others charge a nominal fee. For more information, see www.netfile.gc.ca.

For more information about all of these tax-filing options, go to www.cra.gc.ca/eservices.

Direct deposit

Taxpayers can have their income tax refund, GST/HST credit, Universal Child Care Benefit, and Canada Child Tax Benefit payments (as well as payments from certain related provincial or territorial programs) deposited directly into their account at a financial institution in Canada.

Direct deposit offers security, dependability, and convenience. It eliminates the concern that cheques may be lost, damaged, or delayed.

Preauthorized payment plan

Taxpayers who pay their taxes by instalments can now authorize the CRA to automatically withdraw instalment payments from their account at a financial institution.

How the CRA processes individual returns

Returns are processed at one of seven tax centres (St. John's, Summerside, Jonquière, Shawinigan-Sud, Sudbury, Winnipeg, or Surrey) or at the International Tax Services Office.

Paper returns are sorted, reviewed, and labelled, and the information is entered into a computer, and corrected or validated as required. Assessment notices are sent along with refund cheques if applicable. The CRA usually processes paper returns within **four to six weeks**. Returns filed electronically can be processed in as little as six business days.

How the CRA collects income taxes

Payroll deductions

When Canadians file their returns each year, most of them have already paid all or part of their taxes through payroll deductions.

Employers deduct income tax, Canada Pension Plan contributions, and Employment Insurance premiums from their employees' pay cheques. The employers send these income tax deductions directly to the CRA.

Instalment payments

Instalments are periodic payments of income tax that individuals have to pay to the CRA to cover tax they would otherwise have to pay on April 30 of the following year. Someone who receives income from which no tax has been withheld, or from which not enough tax has been withheld, may have to pay tax by instalments.

This can happen if the person receives rental, investment, or self-employment income, certain pension payments, or income from more than one job.

Collecting tax in arrears

Most taxpayers whose assessments result in a balance owing pay these balances promptly with no intervention on the part of the CRA. However, to reinforce the fairness and equity of the self-assessment system for those taxpayers who pay their taxes on time, the CRA takes a firm and efficient approach when collecting outstanding accounts from taxpayers who have not paid their taxes. The CRA requires that these amounts be paid, and makes every reasonable effort to make sure that they are.

In most cases, if balances are not paid within 30 days of the date a *Notice of Assessment* or *Notice of Reassessment* is issued, a second request for the balance owing will be made either by mail or telephone.

If a balance remains outstanding and the taxpayer who owes taxes has not been in contact with the CRA to discuss payment of the debt, CRA staff may send this taxpayer a final letter. The letter will notify him or her that, if

full payment is not received or if other satisfactory arrangements are not made, the CRA may take legal action such as garnisheeing the person's income. The CRA may also start other legal action such as directing a sheriff to seize and sell assets.

Compliance

Each year, the Canada Revenue Agency (CRA) promotes compliance enforcement and taxpayer education through the following review programs:

- The **office examination program** is directed at taxpayers who have income that is not subject to tax deductions at source (e.g., the self-employed, professionals, farmers, and those who report rental, investment, and commission income). The program confirms that taxpayers are properly following the self-assessment system by examining taxpayers' books and records at their place of business. Staff may also contact taxpayers to ask for more information or documents to support claims made on their returns.
- The **non-filer/non-registrant program** enables the CRA to identify and take action against delinquent taxpayers who fail to file income tax or information returns according to the requirements of the *Income Tax Act*, or who fail to register or to be licensed under the *Excise Tax Act*.
- The **post review program** focuses on deductions taxpayers made when calculating taxable income, and on credits they claimed against tax payable. The program includes comparison to prior years' returns, third-party sources, and other databases, and may involve the request for additional supporting documents from taxpayers.
- In the **matching program**, CRA employees match data from copies of information slips that third parties have filed (e.g., employers' T4 slips and financial institutions' T5 slips) to information that taxpayers have reported on their returns.
- Staff in CRA's **payroll audit program** check the records of employers to make sure they

have deducted, remitted, and reported the proper amounts. They review business records to determine if unreported benefits were given to employees or shareholders. In addition, they ensure that employers deducted Canada Pension Plan contributions and Employment Insurance premiums correctly. They also verify that employers deducted tax from certain payments they made to non-residents.

- The objective of the **criminal investigations program** is to investigate, penalize, and recommend the prosecution of significant cases of tax fraud. The compliance strategy includes publicizing court convictions to encourage specific and voluntary compliance.

The underground economy

The CRA works to maintain the confidence of Canadians in the fairness and honesty of Canada's tax system. As part of its efforts to fight the underground economy, the CRA works with the provinces, territories, private sector, and other countries, to encourage compliance with Canada's tax laws and ensure that those who do not comply have no unfair advantage over honest taxpayers.

The CRA defines the **underground economy** as follows:

- income earned but not reported for tax purposes; and
- the sale of goods or services on which taxes or duties have not been paid.

These sales can be either legal or illegal from the CRA's point of view. They are considered underground economy when they are not reported for taxes or duties.

The underground economy leads to tax evasion, which is not a crime without victims. The consequences of the underground economy are:

- honest businesses are put at a competitive disadvantage;
- law-abiding taxpayers lose business because customers may decide not to accept their bids or prices which may be

higher than those of vendors who do not collect and remit sales taxes, report their income, and pay their fair share of income taxes;

- honest taxpayers bear the tax load of those who cheat;
- essential government programs, such as health and social services, are put at risk; and
- it can also be expensive for individual consumers who get involved in the underground economy and are left with no guarantee or recourse if anything should go wrong with the goods or services they bought.

The CRA has developed a balanced approach to fighting the underground economy. This approach includes:

- enforcement activities such as audits to penalize those who try to operate outside the system; and
- an educational strategy to increase awareness of the risks and consequences of participation in the underground economy.

The CRA is committed to combating the underground economy and maintaining Canadians' faith in the fairness of Canada's tax system. The CRA is planning more research to understand the best ways to communicate the effect of the underground economy to all Canadians.

Appeals

The CRA's Appeals Branch deals directly with disputes arising from assessments or determinations under the *Income Tax Act* and the *Excise Tax Act*, and rulings issued under the *Canada Pension Plan* and the *Employment Insurance Act*.

Income tax and GST/HST

When differences arise between taxpayers and the CRA, the *Income Tax Act* gives taxpayers the right to object. This right is affirmed in the guide called *Your Rights*. Also, the *Excise Tax Act* gives registrants and claimants the right to object when differences over GST/HST arise.

To support these rights, the CRA has instituted a straightforward objection and appeal process for taxpayers who want to contest their assessment.

The appeal process starts within the CRA itself, where disputes can often be resolved quickly and fairly.

Tax services offices and tax centres – Taxpayers who disagree with their assessment or reassessment notice(s), or determination or redetermination notice(s), should contact their tax services office or tax centre. Since most concerns result from misunderstandings about the explanations on the assessment, taxpayers usually receive satisfactory answers from these offices and are able to resolve the matter.

Filing an objection – If taxpayers are not satisfied after discussions with the tax services office or tax centre, they can make a formal objection. An appeals officer will conduct an impartial review of the case, contacting the taxpayer to discuss the issues.

Except for large corporations, the CRA will postpone collection action on the amount in dispute until 90 days after mailing the decision. However, we may start collection on a GST/HST assessment before we issue a decision on the objection.

The Tax Court of Canada – If taxpayers are still not satisfied, they can appeal to the Tax Court of Canada. The Court hears appeals under two distinct procedures: the informal and the general. Each procedure has specific advantages as well as restrictions and rules. Taxpayers can choose the procedure that is most appropriate for their case.

Other options – Both the taxpayer and the CRA have the right to take the tax court's decision to the Federal Court of Appeal. The appeal court's rulings, in turn, can be challenged through the Supreme Court of Canada, with that court's permission.

Canada Pension Plan (CPP) and Employment Insurance (EI)

The CRA administers provisions of the *Employment Insurance Act* and *Canada Pension Plan*. This involves deciding which employment

is insurable or pensionable, and collecting the payments that finance the two programs.

The CRA does not decide who should get EI or CPP benefits. Human Resources and Social Development Canada are responsible for these programs. However, the CRA does establish what types of employment the two programs cover, so the CRA's decisions can affect an individual's right to benefits.

An employer or any other person affected by a decision that the CRA made at an earlier stage can ask for a determination (a final decision) from the CRA's Appeals Branch.

A CPP/EI appeals officer then does an impartial review of the case and will advise all of the parties involved of the decision.

If one of the parties affected by a decision disagrees with it, that person can appeal the decision to the Tax Court of Canada under the informal procedure. A Tax Court of Canada judgement is usually final and conclusive. However, under special circumstances, an individual can appeal to the Federal Court of Appeal, and even to the Supreme Court of Canada, with that court's permission.

Module 3 – Taxes and duties on goods and services in Canada

Module objective

This module helps students become familiar with the different duties and taxes that apply to goods and services in Canada.

Suggestions on how to teach this module

1. Goods and services tax/harmonized sales tax (GST/HST) is charged on most of the goods and services people buy, but there are a few exceptions. Ask the students to list goods and services on which we do not pay GST/HST.
2. Give each student a copy of Transparency 4.1. Explain and discuss how GST/HST works, using the example of a piece of furniture as it makes its way from the sawmill to the consumer.
3. Explain the four main obligations of a business under GST/HST.

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Other taxes and duties.....	3	Transparency	4

Taxes and duties on goods and services in Canada

Goods and services tax/harmonized sales tax (GST/HST)

GST is a 6% tax that applies to most goods and services in Canada. In some provinces, there are two taxes: GST and provincial sales tax (PST).

In Newfoundland and Labrador, Nova Scotia, and New Brunswick, GST and PST are combined to form the harmonized sales tax (HST).

HST applies to the same goods and services as GST, but at a rate of 14%. Of this, 6% is the federal part and 8% is the provincial part.

Although the consumer pays GST/HST, businesses are responsible for collecting and sending GST/HST to the federal government. Nearly two million businesses and organizations are registered to collect GST/HST. Businesses collect GST/HST on most of their sales and pay GST/HST on most of the purchases they make to operate the business.

When they file their GST/HST returns, businesses can claim a credit to recover the GST/HST they paid or owe on their business purchases by deducting it from the GST/HST they collected. If they pay more than they collect, they can claim a refund. If they collect more than they pay, they send that amount to the CRA.

GST/HST brought in revenue of more than \$29.8 billion in 2004-05.

How does GST/HST affect the consumer?

Most goods and services are taxed, except for:

- basic groceries;
- prescription drugs and most medical devices;
- most health, medical, and dental services;
- residential rents, including university residences and boarding houses;

- purchases of used homes;
- local or municipal bus services and passenger ferry services;
- legal aid services;
- most banking services; and
- most educational services, including tuition fees to publicly funded colleges and universities, and charges for certain courses in private vocational schools.

Although newly built and substantially renovated housing is subject to GST/HST, a special tax rebate is available for purchases of new and substantially renovated homes. Buyers will usually receive the rebate directly from the builder. This rebate is also available to individuals who build or substantially renovate their own homes.

To offset the impact of GST/HST for Canadians with low incomes, a GST/HST credit is paid four times a year in equal instalments to eligible families and single adults (19 or older). The amount of the credit depends on the family's size and the income of the parents or individual. Eligible families and individuals apply for this credit each year when they complete their personal income tax returns.

Transparency 4.1 on page 4 demonstrates how GST/HST works, and how it applies to businesses and consumers.

What are the obligations of a business under GST/HST?

Businesses act as agents of the Canada Revenue Agency (CRA) to collect and remit GST/HST.

Businesses, including organizations and individual entrepreneurs, have four main obligations under GST/HST:

- to register for GST/HST;
- to collect GST/HST from their customers;

- to report (file GST/HST returns) and send the net GST/HST due to the CRA (or to Revenu Québec, if they are operating in Quebec); and
- to keep books and records and make them available to CRA auditors (or to Revenu Québec auditors) to determine the amount of GST/HST due, or to prove the accuracy of any GST/HST return.

However, any business (except for taxi and limousine operators and non-resident performers selling admission to seminars and other events) with taxable revenues of \$30,000 or less in the last four consecutive calendar quarters or in a single calendar quarter are not required to register for GST/HST. These businesses can choose to register voluntarily. This limit is \$50,000 for public service bodies such as schools, municipalities, and non-profit organizations. That means that they do not charge their customers any GST/HST, but they cannot get credit for GST/HST they pay on purchases used to operate their business. For more information on registering for GST/HST, see Guide RC4022, *General Information for GST/HST Registrants*. You can get this guide from the CRA's Web site at www.cra.gc.ca/forms.

Businesses prepare and file GST/HST returns at regular intervals (monthly, quarterly, or annually) showing the amount of GST/HST they charged their customers, and the GST/HST they were charged on their purchases. The amount of GST/HST businesses remit is the difference between the GST/HST they charged on their sales and the GST/HST they paid or owe on their purchases—GST/HST collected minus GST/HST paid. If they paid more GST/HST than they charged in a particular filing period, the federal government will provide a GST/HST refund.

Other taxes and duties

The CRA collects an excise tax on a small range of goods, including wine, cigarettes, clocks and watches, jewellery, gasoline, diesel fuel, air conditioning units on motor vehicles,

and overweight vehicles. There are excise duties on beer, spirits, and other tobacco products made in Canada. The CRA also controls the production, packaging, and warehousing of these products.

Where GST/HST and excise tax both apply, the excise tax is applied first.

The CRA collects about \$8 billion a year in these other taxes and duties.

How are these taxes and duties administered?

The CRA handles these taxes and duties, except in the province of Quebec, where Revenu Québec manages GST for the CRA.

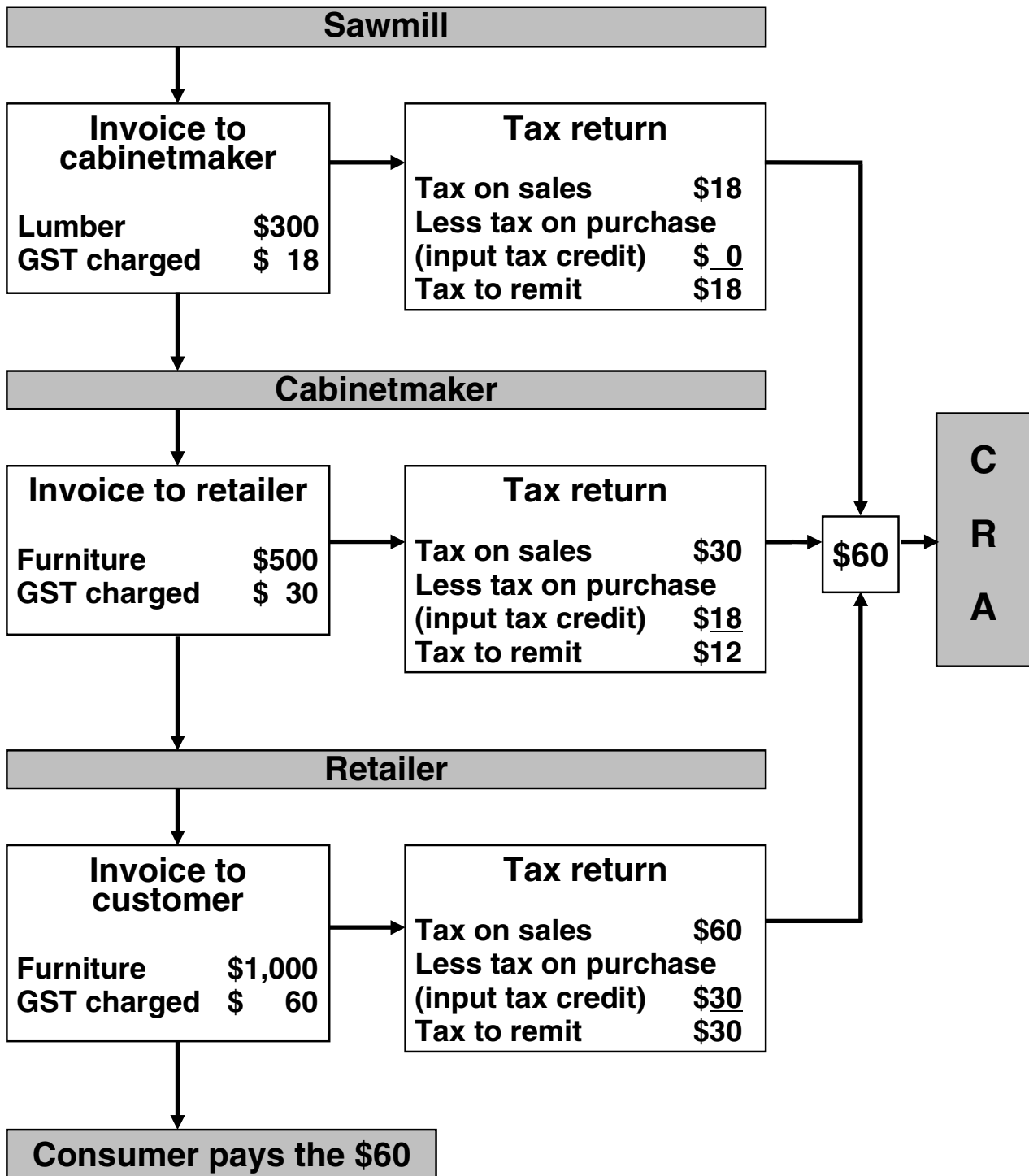
The laws for these taxes and duties are called the *Excise Act* and the *Excise Tax Act*.

To administer these taxes and duties, the CRA:

- interprets the laws, particularly to determine which goods and services are taxable and the goods' value for tax;
- participates in developing, with the Department of Finance Canada and the Department of Justice Canada, the laws for administering GST/HST;
- informs the public and businesses of their obligations under the laws to enable and encourage them to comply voluntarily with the laws;
- controls and regulates distilleries, breweries, and manufacturers of tobacco products and develops and conducts audit, investigation, and compliance programs;
- provides a formal system for objections and appeals; and
- processes GST/HST rebate claims, such as the visitor rebate and the new housing rebate.

How GST works

The diagram below shows how GST applies to a piece of furniture as it makes its way from a sawmill to a consumer in Ontario.



Module 4 – Solutions for the *Student Workbook*

Module objective

The accompanying *Student Workbook* introduces the students to the different parts of the T1 General *Income Tax and Benefit Return*, and the *General Income Tax and Benefit Guide – 2006* and its instructions for completing returns. The guide describes the deductions and credits individuals can claim and explains what information slips and official receipts should be included when filing a return.

After completing the workbook, the students will be able to complete a basic return for themselves with confidence, and even help family and friends with their returns.

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Solutions for the *Student Workbook*

Exercise A – Quiz

Q.1. Theodore applies for the GST/HST credit on his 2006 return. If he is eligible, when will we send the payments?

A.1. Generally, the GST/HST credit is paid quarterly. Therefore Theodore will receive the credit in July and October (2007), and January and April (2008).

You can find the answer to this question under the heading “Goods and services tax/harmonized sales tax (GST/HST) credit application” on page 13 of the *General Income Tax and Benefit Guide*.

Q.2. If a couple receives social assistance payments, which one should report the income if:

a) they have different net incomes?

b) they have the same net income?

A.2. a) The person with the higher net income (**without including** these payments or deducting the amounts on lines 214 or 235) has to report the payments, no matter whose name is on the slip.

b) The person whose name is on the slip has to report the payments.

You can find the answer to these questions under the heading “Line 145 – Social assistance payments” on page 23 of the *General Income Tax and Benefit Guide*.

Q.3. Natalia has repaid part of her Employment Insurance benefits. On which line of the return should this amount be deducted?

A.3. On line 232, “Other deductions.”

You can find the answer to this question under the subheading “Income amounts paid back” of “Line 232 – Other deductions” on page 29 of the *General Income Tax and Benefit Guide*.

Q.4. Which non-refundable tax credits can be transferred to a spouse or common-law partner?

A.4. The non-refundable tax credits that can be transferred to a spouse or common-law partner are:

- age amount;
- pension income amount;
- disability amount; and
- tuition, education, and textbook amounts as designated by the spouse or common-law partner.

You can find the answer to this question under the heading “Line 326 – Amounts transferred from your spouse or common-law partner” on page 41 of the *General Income Tax and Benefit Guide*.

Q.5. The university you attend has issued a receipt for \$3,500 for your eligible tuition fees. You have no income. Can one of your parents use this receipt?

A.5. Yes. To calculate the transfer, complete Schedule 11, *Tuition, Education, and Textbook Amounts*. Depending on your province or territory of residence, you may also need to complete Schedule (S11). Attach the completed schedule(s) to your return if you are filing one. Your **parent** will claim the transfer on line 324 of Schedule 1 and, depending on his or

her province or territory of residence, on line 5860 of Form 428. Do not attach your Form T2202 or T2202A, Schedule 11, or official receipts for tuition fees to your parent's return.

You can find the answer to this question under the heading "Line 323 – Tuition, education, and textbook amounts" on page 40 of the *General Income Tax and Benefit Guide*.

Q.6. Cathy has a net income of \$12,500. Her spouse, Gerry, has a net income of \$22,100. Their allowable medical expenses total \$1,800. How much of these expenses can they claim?

A.6. Cathy will claim the medical expenses since she is the spouse with the lower net income. The allowable amount would be calculated as follows:

Medical expenses	\$ 1,800
minus 3% of net income ($\$12,500 \times 3\%$)	<u>- 375</u>
Amount for medical expenses	\$ 1,425

You can find the answer to this question under the heading "Line 330 – Medical expenses for self, spouse or common-law partner, and your dependent children born in 1989 or later" on page 42 of the *General Income Tax and Benefit Guide*.

Q.7. Jane is a 20-year-old student who lives on campus and is supported by her parents. Can she claim the GST/HST credit? Explain.

A.7. Yes. She can claim the GST/HST credit because she was older than 18 and was resident in Canada at the end of 2006.

You can find the answer to this question under the heading "Are you eligible for the GST/HST credit?" on page 13 of the *General Income Tax and Benefit Guide*.

Q.8. Pat and Kim have been living common-law for a few years. If both apply separately for the GST/HST credit, will they get a larger amount?

A.8. Pat or Kim can receive the credit. No matter which one applies, the credit will be the same.

You can find the answer to this question under the heading "Goods and services tax/harmonized sales tax (GST/HST) credit application" on page 13 of the *General Income Tax and Benefit Guide*.

Q.9. Sue and Brad have been living together for two years. They have one child who is six months old. Can either of them claim an "amount for an eligible dependant" on line 305?

A.9. No, since they were living common-law, as defined in the *General Income Tax and Benefit Guide*.

You can find the answer to this question under the heading "Line 305 – Amount for an eligible dependant" on page 34 of the *General Income Tax and Benefit Guide*.

Q.10. Your only income in 2006 was \$6,250 in social assistance payments. What is your taxable income?

A.10. Your taxable income would be nil. However, you should enter the social assistance payments as income on line 145 and deduct them on line 250.

You can find the answer to this question under the heading "Line 145 – Social assistance payments" on page 23 of the *General Income Tax and Benefit Guide*.

Exercise B – True or false

- | | | |
|---|---------------------------------------|---------------------------------------|
| 1. All types of income are taxable. (“Total income”) | T <input type="checkbox"/> | F <input checked="" type="checkbox"/> |
| 2. You have to report interest income whether or not you receive an information slip. (line 121) | T <input checked="" type="checkbox"/> | F <input type="checkbox"/> |
| 3. You have to report social assistance payments and workers’ compensation payments on the return, but they are not taxable. (lines 144, 145, and 250)..... | T <input checked="" type="checkbox"/> | F <input type="checkbox"/> |
| 4. You have to report your earnings from tips. (line 104) | T <input checked="" type="checkbox"/> | F <input type="checkbox"/> |
| 5. Only a student can claim a credit for tuition fees. (lines 323 and 324)..... | T <input type="checkbox"/> | F <input checked="" type="checkbox"/> |
| 6. Only a student can claim the education and textbook amounts. (lines 323 and 324)..... | T <input type="checkbox"/> | F <input checked="" type="checkbox"/> |
| 7. If you moved 500 kilometres from your usual place of residence to start a summer job, you may be able to deduct your moving expenses. (line 219) | T <input checked="" type="checkbox"/> | F <input type="checkbox"/> |
| 8. You have to be 18 or older to apply for the GST/HST credit. (“GST/HST credit application”)..... | T <input type="checkbox"/> | F <input checked="" type="checkbox"/> |
| 9. If you don’t need to use your tuition fees this year and plan to carry them forward, you have to file a return. (“Before you start”)..... | T <input checked="" type="checkbox"/> | F <input type="checkbox"/> |

Exercise C – Determine the correct federal non-refundable tax credit amount(s)

- | | |
|--|----------------------|
| 1. What is the maximum “age amount”? | \$5,066 ... line 301 |
| 2. What is the maximum “spouse or common-law partner amount”?..... | \$7,505 ... line 303 |
| 3. What is the maximum “tuition, education, and textbook amounts” that can be transferred from a child?..... | \$5,000 ... line 324 |
| 4. What is the “disability amount” for this year?..... | \$6,741 ... line 316 |

Note

Individuals who qualify for the disability amount and who were under 18 at the end of the year may be able to claim an additional amount. For details, see line 316 in the *General Income Tax and Benefit Guide*.

- | | |
|--|----------------------|
| 5. What is the maximum “pension income amount”? | \$2,000 ... line 314 |
| 6. What is the maximum “amount for infirm dependants age 18 or older”? | \$3,933 ... line 306 |
| 7. What is the “basic personal amount”? | \$8,839 ... line 300 |
| 8. What is the full-time education amount per month? | \$ 400 ... line 323 |
| 9. What is the part-time education amount per month? | \$ 120 ... line 323 |
| 10. What is the full-time textbook amount per month? | \$ 65 ... line 323 |
| 11. What is the part-time textbook amount per month? | \$ 20 ... line 323 |
| 12. What is the “amount for an eligible dependant”? | \$7,505 ... line 305 |

Exercise D – Questions to a newspaper column

A newspaper has hired you as a tax expert. Readers have sent in the following questions for you to answer in your column.

- Q.1. I already filed my tax return, but today discovered a T4 slip I had forgotten. What should I do?
- A.1. To change a tax return you have already filed, **do not file another return** for that tax year. Ask for an adjustment to your return online at www.cra.gc.ca/myaccount or send to your tax centre a completed Form T1-ADJ, *T1 Adjustment Request*, or a signed letter with the details of your request. Include the year of the return you want the CRA to change, your social insurance number, name, address, and a telephone number where you can be reached during the day. Attach any supporting documents. (“After you file”)
- Q.2. Since filing my return, I have moved to another province. I am expecting a refund. How do I notify the Canada Revenue Agency of my change of address?
- A.2. You can change your address online at www.cra.gc.ca/myaccount, by telephone, or by writing to your tax centre. Be sure to sign your letter, and include your SIN and the date of your move. (“After you file”)
- Q.3. Do I need a social insurance number (SIN) to complete my return? If so, how do I get one?
- A.3. Yes, you need a SIN to file a return. Also, you have to give your SIN to anyone who prepares a tax information slip (such as a T4 slip) for you. To get an application, contact the nearest Human Resources and Social Development Canada (HRSDC) office, or visit their Web site at www.hrsdc.gc.ca. You will find the address and telephone number of HRSDC offices in the government section of your telephone book and on their Web site. (“Before you start”)
- Q.4. I borrowed money to pay my tuition fees. Can I claim the interest I paid on the loan?
- A.4. If you took out a loan under the *Canada Student Loans Act*, the *Canada Student Financial Assistance Act*, or under similar provincial or territorial government legislation, you can claim an amount for most of the interest you paid on that loan. You cannot claim interest paid on any other kind of loan, such as a personal loan or a line of credit, or on a student loan that has been combined with another kind of loan. (line 319)
- Q.5. Can I claim the fees I paid to live in a university residence in my claim for the tuition, education, and textbook amounts on my return?
- A.5. You cannot claim residence fees or board and lodging. (line 323)
- Q.6. I know I can't claim tuition fees of less than \$100. But last year, I took several courses and the fees added up to more than \$100. Can I claim these tuition fees on my return?
- A.6. If the total tuition fees you paid for the year to **each** educational institution are more than \$100, you can claim a credit for them on your return. (line 323)

Q.7. The *General Income Tax and Benefit Guide* doesn't tell me exactly what kinds of expenses I can deduct for moving. Where can I find more information?

A.7. Get Form T1-M, *Moving Expenses Deduction*, by visiting www.cra.gc.ca/forms or by calling 1-800-959-2221. The form contains detailed information about moving expenses and will help you determine how much you can claim. (line 219)

Q.8. I am single and do not have any income and I am eligible to receive the GST/HST credit. Do I have to file a return to get the GST/HST credit?

A.8. Yes, you have to apply for the credit each year, even if you received it the previous year. Make sure you complete the "GST/HST credit application" area on page 1 of the return. If you qualify, you will receive a payment four times a year.

Q.9. My boyfriend and I have been living together since September last year. Can I claim the "spouse or common-law partner amount" for him?

A.9. If you meet the criteria for living common-law (as defined in the "Identification" area in the *General Income Tax and Benefit Guide*), and if, at any time in the year, you supported your common-law partner whose net income was \$751 or less, you can claim \$7,505 on line 303. If your partner's net income was more than \$751, but less than \$8,256, calculate your claim at line 303. If his net income was \$8,256 or more, you cannot claim a spouse or common-law partner amount. (line 303)

Q.10. I have a great summer job working in a store. However, I have to buy nice clothes for work. Can I deduct the cost of my clothes as an employment expense on my return?

A.10. No, employees cannot claim expenses such as clothes. (line 229)

Tax example solutions

Example 1 – High school student

- You are a single 16-year-old high school student (born December 17, 1990) and live at home with your parents. During the summer of 2006, you worked part time as a server at Ali's Diner. In addition to your salary, you received \$2,000 in tips from working at the diner.
- In February 2007, Ali's Diner sends you the attached T4 slip.

Based on the information given, complete your 2006 return.

To complete this return, you will need the following:

- T1 General Return
- Schedule 1, Federal Tax
- Schedule 10, Employment Insurance (EI) and Provincial Parental Insurance Plan (PPIP) Premiums

Employer's name – Nom de l'employeur ALI'S DINER		Canada Revenue Agency / Agence du revenu du Canada		Year / Année: 2006		T4 STATEMENT OF REMUNERATION PAID / ÉTAT DE LA RÉMUNÉRATION PAYÉE	
Business Number / Numéro d'entreprise: 54		Province of employment / Province d'emploi: 10		Employment income – line 101 / Revenus d'emploi – ligne 101: 14 3,200 00		Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437: 22 103 71	
Social insurance number / Numéro d'assurance sociale: 12 123 456 789		Exempt – Exemption: 28 <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308: 16		EI insurable earnings / Gains assurables d'AE: 24	
Employment code / Code d'emploi: 29		Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308: 17		CPP-QPP pensionable earnings / Gains ouvrant droit à pension – RPC-RRQ: 26		Union dues – line 212 / Cotisations syndicales – ligne 212: 44	
Employee's name and address – Nom et adresse de l'employé Last name (in capital letters) – Nom de famille (en lettres majuscules): LAST NAME First name – Prénom: FIRST NAME Initials – Initiales: ADDRESS		Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312: 18 59 84		RPP contributions – line 207 / Cotisations à un RPA – ligne 207: 20		Charitable donations – see the back / Dons de bienfaisance – voir au verso: 46	
Other information (see the back) / Autres renseignements (voir au verso):		Pension adjustment – line 206 / Facteur d'équivalence – ligne 206: 52		Employee's PPIP premiums – see the back / Cotisations de l'employé au RPAP – voir au verso: 55		RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB: 50	
T4 (06)		Employee's PPIP insurable earnings / Gains assurables du RPAP: 56		Box – Case / Amount – Montant: <input type="text"/>		Box – Case / Amount – Montant: <input type="text"/>	



Income Tax and Benefit Return

Complete all the sections that apply to you in order to benefit from amounts to which you are entitled.

QC 1

Identification

Attach your personal label here. Correct any wrong information. If you are not attaching a label, print your name and address below.

First name and initial
First name

Last name
Last name

Mailing address: Apt No – Street No Street name
Street address

PO Box _____ RR _____

City _____ Prov./Terr. **X X** Postal code **X X X X X X**

Information about you

Enter your social insurance number (SIN) if you are not attaching a label: **1 2 3 4 5 6 7 8 9**

Enter your date of birth: Year **1 9 9 0** Month **1 2** Day **1 7**

Your language of correspondence: English Français
 Votre langue de correspondance :

Check the box that applies to your marital status on December 31, 2006
 (see the "Marital status" section in the guide for details)

1 Married 2 Living common-law 3 Widowed
 4 Divorced 5 Separated 6 Single

Information about your residence

Enter your province or territory of residence on **December 31, 2006**: **QC**

Enter the province or territory where you **currently** reside if it is not the same as that shown above for your mailing address: _____

If you were self-employed in 2006, enter the province or territory of self-employment: _____

If you **became** or **ceased** to be a resident of Canada in 2006, give the date of:
 entry Month _____ Day _____ or departure Month _____ Day _____

Information about your spouse or common-law partner (if you checked box 1 or 2 above)

Enter his or her SIN if it is not on the label, or if you are not attaching a label: _____

Enter his or her first name: _____

Enter his or her net income for 2006 to claim certain credits: (see the guide for details) _____

Enter the amount of Universal Child Care Benefit included in his or her net income above (see the guide for details): _____

Check this box if he or she was self-employed in 2006: 1

Person deceased in 2006

If this return is for a **deceased person**, enter the date of death: Year _____ Month _____ Day _____

Do not use this area

Elections Canada THIS SECTION APPLIES ONLY TO CANADIAN CITIZENS. **DO NOT ANSWER THIS QUESTION IF YOU ARE NOT A CANADIAN CITIZEN.**

As a Canadian citizen, I authorize the Canada Revenue Agency to provide my name, address, and date of birth to Elections Canada for the National Register of Electors. Yes 1 No 2

Your authorization is required each year. This information will be used only for purposes permitted under the *Canada Elections Act*.

Goods and services tax/harmonized sales tax (GST/HST) credit application

See the guide for details.

Are you applying for the GST/HST credit? Yes 1 No 2

Do not use this area	172					171				
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Your guide contains valuable information to help you complete your return.

When you come to a line on the return that applies to you, look up the line number in the guide for more information.

Please answer the following question:

Did you own or hold foreign property at any time in 2006 with a total cost of more than CAN\$100,000? (read the "Foreign income" section in the guide for details) **266** Yes 1 No 2

If yes, attach a completed Form T1135.

If you had dealings with a non-resident trust or corporation in 2006, see the "Foreign income" section in the guide.

As a Canadian resident, you have to report your income from all sources both inside and outside Canada.

Total income

Employment income (box 14 on all T4 slips)	101	3,200	00
Commissions included on line 101 (box 42 on all T4 slips)	102		
Other employment income	104+	2,000	00
Old Age Security pension (box 18 on the T4A(OAS) slip)	113+		
CPP or QPP benefits (box 20 on the T4A(P) slip)	114+		
Disability benefits included on line 114 (box 16 on the T4A(P) slip)	152		
Other pensions or superannuation	115+		
Universal Child Care Benefit (see the guide)	117+		
Employment Insurance and other benefits (box 14 on the T4E slip)	119+		
Taxable amount of dividends (eligible and other than eligible) from taxable Canadian corporations (see the guide and attach Schedule 4)	120+		
Taxable amount of dividends other than eligible dividends, included on line 120, from taxable Canadian corporations	180		
Interest and other investment income (attach Schedule 4)	121+		
Net partnership income: limited or non-active partners only (attach Schedule 4)	122+		
Rental income	Gross 160	Net 126+	
Taxable capital gains (attach Schedule 3)		127+	
Support payments received	Total 156	Taxable amount 128+	
RRSP income (from all T4RSP slips)		129+	
Other income		130+	
Self-employment income (see lines 135 to 143 in the guide)			
Business income	Gross 162	Net 135+	
Professional income	Gross 164	Net 137+	
Commission income	Gross 166	Net 139+	
Farming income	Gross 168	Net 141+	
Fishing income	Gross 170	Net 143+	
Workers' compensation benefits (box 10 on the T5007 slip)	144		
Social assistance payments	145+		
Net federal supplements (box 21 on the T4A(OAS) slip)	146+		
	Add lines 144, 145, and 146 (see line 250 in the guide).	=	▶ 147+
	Add lines 101, 104 to 143, and 147.		
	This is your total income. 150 =	5,200	00

← Attach your Schedule 1 (federal tax) here.
Also attach here any other schedules, information slips, forms, receipts, and documents that you need to include with your return.

Net income

Enter your **total income** from line 150. 150 **5,200 00**

Pension adjustment (box 52 on all T4 slips and box 34 on all T4A slips)	206		
Registered pension plan deduction (box 20 on all T4 slips and box 32 on all T4A slips)	207		
RRSP deduction (see Schedule 7 and attach receipts)	208+		
Saskatchewan Pension Plan deduction (maximum \$600)	209+		
Annual union, professional, or like dues (box 44 on all T4 slips and receipts)	212+		
Child care expenses (attach Form T778)	214+		
Disability supports deduction	215+		
Business investment loss	Gross 228	Allowable deduction 217+	
Moving expenses		219+	
Support payments made	Total 230	Allowable deduction 220+	
Carrying charges and interest expenses (attach Schedule 4)		221+	
Deduction for CPP or QPP contributions on self-employment and other earnings (attach Schedule 8)		222+	•
Deduction for PPIP premiums on self-employment income (attach Schedule 10)		223+	•
Exploration and development expenses (attach Form T1229)		224+	
Other employment expenses		229+	
Clergy residence deduction		231+	
Other deductions		Specify: 232+	
	Add lines 207 to 224, 229, 231, and 232.	233=	▶ -
Line 150 minus line 233 (if negative, enter "0"). This is your net income before adjustments.			234= 5,200 00
Social benefits repayment (if you reported income on line 113, 119, or 146, see line 235 in the guide)		235-	•
Line 234 minus line 235 (if negative, enter "0"). If you have a spouse or common-law partner, see line 236 in the guide.			236= 5,200 00
This is your net income.			236= 5,200 00

Taxable income

Canadian Forces personnel and police deduction (box 43 on all T4 slips)	244		
Employee home relocation loan deduction (box 37 on all T4 slips)	248+		
Security options deductions	249+		
Other payments deduction (if you reported income on line 147, see line 250 in the guide)	250+		
Limited partnership losses of other years	251+		
Non-capital losses of other years	252+		
Net capital losses of other years	253+		
Capital gains deduction	254+		
Northern residents deductions (attach Form T2222)	255+		
Additional deductions	256+		
	Add lines 244 to 256.	257=	▶ -
Line 236 minus line 257 (if negative, enter "0")			260= 5,200 00
This is your taxable income.			260= 5,200 00

Use your taxable income to calculate your federal tax on Schedule 1.

T1-2006

Federal Tax

Schedule 1

Complete this schedule to claim your federal non-refundable tax credits and to calculate your net federal tax.

You must attach a copy of this schedule to your return.

Enter your taxable income from line 260 of your return.			5,200	00	1
Use the amount on line 1 to determine which ONE of the following columns you have to complete.	If line 1 is \$36,378 or less	If line 1 is more than \$36,378 but not more than \$72,756	If line 1 is more than \$72,756 but not more than \$118,285	If line 1 is more than \$118,285	
Enter the amount from line 1.	5,200				2
Base amount	0 0, 0 0 0	0 0	3 6, 3 7 8 0 0	3 7 2, 7 5 6 0 0	3 1 1 8, 2 8 5 0 0
Line 2 minus line 3 (cannot be negative)	= 5,200				4 =
Rate	x 15.25%	x 22%	x 26%	x 29%	5 x
Multiply line 4 by line 5.	= 793				6 =
Tax on base amount	0, 0 0 0	0 0	7 5, 5 4 8 0 0	7 1 3, 5 5 1 0 0	7 2 5, 3 8 8 0 0
Add lines 6 and 7.	= 793				8 =

Federal non-refundable tax credits (Read the guide for details about these credits.)

Basic personal amount	claim \$8,839	300	8,839	00	9
Age amount (if you were born in 1941 or earlier)	(maximum \$5,066)	301	+		10
Spouse or common-law partner amount:					
Base amount	8,256			00	
Minus: his or her net income (from page 1 of your return)	-				
Result: (if negative, enter "0")	=	(maximum \$7,505)	▶ 303		11
Amount for an eligible dependant (attach Schedule 5)	(maximum \$7,505)	305	+		12
Amount for infirm dependants age 18 or older (attach Schedule 5)		306	+		13
CPP or QPP contributions:					
through employment from box 16 and box 17 on all T4 slips	(maximum \$1,910.70)	308	+		• 14
on self-employment and other earnings (attach Schedule 8)		310	+		• 15
Employment Insurance premiums (see the guide)	(maximum \$596.70)	312	+	48 96	• 16
Provincial Parental Insurance Plan (PPIP) premiums paid (amount from box 55 on all T4 slips)	(maximum \$237.12)	375	+		• 17
PPIP premiums payable on employment income (attach Schedule 10)		376	+	13 31	• 18
PPIP premiums payable on self-employment income (attach Schedule 10)		378	+		• 19
Canada employment amount (see the guide)	(maximum \$250)	363	+	250 00	20
Public transit passes amount (see the guide)		364	+		21
Adoption expenses		313	+		22
Pension income amount	(maximum \$2,000)	314	+		23
Caregiver amount (attach Schedule 5)		315	+		24
Disability amount (for self)		316	+		25
Disability amount transferred from a dependant		318	+		26
Interest paid on your student loans		319	+		27
Tuition, education, and textbook amounts (attach Schedule 11)		323	+		28
Tuition, education, and textbook amounts transferred from a child		324	+		29
Amounts transferred from your spouse or common-law partner (attach Schedule 2)		326	+		30
Medical expenses for self, spouse or common-law partner, and your dependent children born in 1989 or later (see the guide)	330				
Minus: \$1,884 or 3% of line 236, whichever is less	=				
Subtotal (if negative, enter "0")	=				(A)
Allowable amount of medical expenses for other dependants (see the calculation at line 331 in the guide and attach Schedule 5)	331	+			(B)
Add lines (A) and (B).	=	▶ 332	+		31
Add lines 9 to 31.	335	=	9,151	27	32

Multiply the amount on line 32 by 15.25%. **338** = **1,395 57** **33**

Donations and gifts (**attach** Schedule 9) **349** + **34**

Total federal non-refundable tax credits: add lines 33 and 34. **350** = **1,395 57** **35**

Net federal tax

Enter the amount from line 8 on the other side.	793	00	36
Federal tax on split income (from line 5 of Form T1206)	424+		• 37
Add lines 36 and 37. 404=	793	00	▶ 793 00 38

Enter the amount from line 35 on the other side.	350	1,395	57	39
Federal dividend tax credit (see line 425 in the guide)	425+			• 40
Overseas employment tax credit (attach Form T626)	426+			41
Minimum tax carryover (attach Form T691)	427+			• 42
Add lines 39 to 42. =	1,395	57	▶ -	1,395 57 43

Basic federal tax: line 38 minus line 43 (if negative, enter "0") 429= 0 00 44

Federal foreign tax credit:

Where you **only** have foreign non-business income, calculate your federal foreign tax credit below. Otherwise, use Form T2209, *Federal Foreign Tax Credits*, if you have foreign business income. **Enter on this line the amount that you calculated.**

	405-		45
Federal tax: line 44 minus line 45 (if negative, enter "0") 406=		0	00 46

Total federal political contributions (attach receipts)	409		
Federal political contribution tax credit (see the guide)	410		• 47
Investment tax credit (attach Form T2038(IND))	412+		• 48
Labour-sponsored funds tax credit			
Net cost 413		Allowable credit 414+	• 49
Add lines 47 to 49. 416=			▶ - 50
Line 46 minus line 50 (if negative, enter "0")			
(if you have an amount on line 37 above, see Form T1206) 417=		0	00 51
Additional tax on RESP accumulated income payments (attach Form T1172)	418+		52
Net federal tax: add lines 51 and 52.			
Enter this amount on line 420 of your return. 420=		0	00 53

Federal foreign tax credit: (see lines 431 and 433 in the guide)

Make a separate calculation for each foreign country. Enter on line 45 above the result from line (i) or (ii), whichever is **less**.

Non-business income tax paid to a foreign country	431		•(i)
Net foreign non-business income * 433		X	
Net income **		Basic federal tax ***	= (ii)

* Reduce this amount by any income from that foreign country for which you claimed a capital gains deduction, and by any income from that country that was, under a tax treaty, either exempt from tax in that country or deductible as exempt income in Canada (included on line 256). Also reduce this amount by the lesser of lines E and F on Form T626.

** Line 236 plus the amount on line 4 of Form T1206, minus the total of the amounts on lines 244, 248, 249, 250, 253, 254, and minus any amount included on line 256 for foreign income deductible as exempt income under a tax treaty, income deductible as net employment income from a prescribed international organization, or non-taxable tuition assistance from box 21 of the T4E slip. If the result is less than the amount on line 433, enter your **Basic federal tax***** on line (ii).

*** Line 44 plus the amount on lines 40 and 41, and minus any refundable Quebec abatement (line 440) and any federal refundable First Nations abatement (line 441 on the return for residents of Yukon).

Employment Insurance (EI) and Provincial Parental Insurance Plan (PPIP) Premiums

Complete this schedule to determine EI and PPIP premium amounts if:

- you reported employment income (including employment income from outside Canada) of more than \$2,000 and one of your T4 slips has a **province of employment other than Quebec** in box 10; or
- you reported net self-employment income of more than \$2,000 on lines 135 to 143 of your return; or
- the total of employment income (including employment income from outside Canada) and net self-employment income you reported is more than \$2,000.

Attach a copy of this schedule to your return. See lines 312, 376, 378, and 450 in the guide for more information.

Part A – PPIP premiums payable on employment income

Employment income from box 14 of all your T4 slips ^(a) where the province of employment is other than Quebec (including employment income from outside Canada)	377	3,200	00	1
Maximum insurable income		\$57,000	00	2
Total of PPIP insurable earnings from box 56 of all your T4 slips where Quebec is the province of employment (if box 56 is blank, enter the amount from box 14 of the T4 slip ^(a))	380	0	00	3
Line 2 minus line 3 (if negative, enter "0")	=	57,000	00	▶ 4
Enter the amount from line 1 or line 4, whichever is less .		3,200	00	5
Multiply the amount on line 5 by 0.416%.	×	0.416%		
Enter this amount on line 376 of Schedule 1. (maximum \$237.12)	=	13	31	▶ 6

Part B – Employment Insurance overpayment calculation

Total EI insurable earnings (box 24, or if blank, box 14 of all your T4 slips ^(a))	(maximum \$39,000)	3,200	00	7
Multiply the amount on line 7 by 1.53%.		×	1.53%	
Required premiums	(maximum \$596.70)	=	48	96
Total EI premiums (box 18 of all your T4 slips ^(b))		59	84	9
Amount on line 8	–	48	96	10
Line 9 minus line 10 (if negative, enter "0")	=	10	88	▶ 11
Enter the amount from line 11 on line 450 of your federal return.				
Enter on line 312 of Schedule 1 the amount on line 8 or line 9, whichever is less.				

Part C – PPIP premiums payable on self-employment

Net business income (amount on line 27 of Schedule L of your income tax return for Quebec)	379			12
Maximum insurable income		\$57,000	00	13
Employment income (box 14 of all your T4 slips ^(a) , including employment income from outside Canada) or if there is an amount in box 56, enter that amount.	–			14
Line 13 minus line 14 (if negative, enter "0")	=			15
Enter the amount from line 12 or line 15, whichever is less .				16
Multiply the amount on line 16 by 0.737%.	×	0.737%		
(maximum \$420.09)	=			▶ 17
Deduction for PPIP premiums on self-employment income:				
Amount from line 17		×	43.555%	= ▶ 18
Enter the amount from line 18 on line 223 of your federal return.				
Tax credit for PPIP premiums on self-employment income:				
Amount from line 17			19	
Amount from line 18	–		20	
Line 19 minus line 20 (if negative, enter "0")	=			▶ 21
Enter the amount from line 21 on line 378 of Schedule 1 (maximum \$237.12).				

(a) If you have employment income for which you did not get a T4 slip, enter that amount.

(b) If you have employment income for which you did not get a T4 slip, enter the EI premiums shown on your pay stubs.

Employer's name – Nom de l'employeur

SAM'S SHOE STORE



Canada Revenue Agency

Agence du revenu du Canada

Year
Année

2006

T4

**STATEMENT OF REMUNERATION PAID
ÉTAT DE LA RÉMUNÉRATION PAYÉE**

Employment income – line 101
Revenus d'emploi – ligne 101

14

2,600 00

22

Income tax deducted – line 437
Impôt sur le revenu retenu – ligne 437

101 00

54 Business Number
Numéro d'entreprise

10 Province of employment
Province d'emploi

16 Employee's CPP contributions – line 308
Cotisations de l'employé au RPC – ligne 308

24 EI insurable earnings
Gains assurables d'AE

12 Social insurance number
Numéro d'assurance sociale

123 456 789

28 **X** Exempt – Exemption
CPP - QPP EI PPIP
RPC - RRQ AE RPAP

29 Employment code
Codé d'emploi

17 Employee's QPP contributions – line 308
Cotisations de l'employé au RRQ – ligne 308

26 CPP-QPP pensionable earnings
Gains ouvrant droit à pension - RPC-RRQ

18 Employee's EI premiums – line 312
Cotisations de l'employé à l'AE – ligne 312

48 62

44 Union dues – line 212
Cotisations syndicales – ligne 212

Employee's name and address – Nom et adresse de l'employé

Last name (in capital letters) – Nom de famille (en lettres majuscules) First name – Prénom Initials – Initiales

LAST NAME

FIRST NAME

ADDRESS

20 RPP contributions – line 207
Cotisations à un RPA – ligne 207

46 Charitable donations – see the back
Dons de bienfaisance – voir au verso

52 Pension adjustment – line 206
Facteur d'équivalence – ligne 206

50 RPP or DPSP registration number
N° d'agrément d'un RPA ou d'un RPDB

55 Employee's PPIP premiums – see the back
Cotisations de l'employé au RPAP – voir au verso

56 PPIP insurable earnings
Gains assurables du RPAP

Other information
(see the back)

Box – Case

Amount – Montant

Box – Case

Amount – Montant

Box – Case

Amount – Montant

Autres renseignements
(voir au verso)

Box – Case

Amount – Montant

Box – Case

Amount – Montant

Box – Case

Amount – Montant

T4 (06)



Income Tax and Benefit Return

Complete all the sections that apply to you in order to benefit from amounts to which you are entitled.

QC 1

Identification

Attach your personal label here. Correct any wrong information. If you are not attaching a label, print your name and address below.

First name and initial
First name

Last name
Last name

Mailing address: Apt No – Street No Street name
Street address

PO Box RR

City Prov./Terr. Postal code
City | X | X | | X | X | X | X | X | X | X

Information about you

Enter your social insurance number (SIN) if you are not attaching a label: 1 2 3 4 5 6 7 8 9

Year Month Day
 Enter your date of birth: 1 9 8 9 1 1 1 3

Your language of correspondence: English Français
 Votre langue de correspondance:

Check the box that applies to your marital status on December 31, 2006
 (see the "Marital status" section in the guide for details)

1 Married 2 Living common-law 3 Widowed
 4 Divorced 5 Separated 6 Single

Information about your residence

Enter your province or territory of residence on **December 31, 2006**: QC

Enter the province or territory where you **currently** reside if it is not the same as that shown above for your mailing address:

If you were self-employed in 2006, enter the province or territory of self-employment:

If you **became** or **ceased** to be a resident of Canada in 2006, give the date of:
 entry Month Day or departure Month Day

Information about your spouse or common-law partner (if you checked box 1 or 2 above)

Enter his or her SIN if it is not on the label, or if you are not attaching a label:

Enter his or her first name:

Enter his or her net income for 2006 to claim certain credits: (see the guide for details)

Enter the amount of Universal Child Care Benefit included in his or her net income above (see the guide for details):

Check this box if he or she was self-employed in 2006: 1

Person deceased in 2006

If this return is for a **deceased person**, enter the date of death: Year Month Day

Do not use this area

Elections Canada THIS SECTION APPLIES ONLY TO CANADIAN CITIZENS.
DO NOT ANSWER THIS QUESTION IF YOU ARE NOT A CANADIAN CITIZEN.

As a Canadian citizen, I authorize the Canada Revenue Agency to provide my name, address, and date of birth to Elections Canada for the National Register of Electors. Yes 1 No 2
 Your authorization is required each year. This information will be used only for purposes permitted under the *Canada Elections Act*.

Goods and services tax/harmonized sales tax (GST/HST) credit application

See the guide for details.

Are you applying for the GST/HST credit? Yes 1 No 2

Do not use this area	172					171				
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Your guide contains valuable information to help you complete your return.

When you come to a line on the return that applies to you, look up the line number in the guide for more information.

Please answer the following question:

Did you own or hold foreign property at any time in 2006 with a total cost of more than CAN\$100,000? (read the "Foreign income" section in the guide for details) **266** Yes 1 No 2

If yes, attach a completed Form T1135.

If you had dealings with a non-resident trust or corporation in 2006, see the "Foreign income" section in the guide.

As a Canadian resident, you have to report your income from all sources both inside and outside Canada.

Total income

Employment income (box 14 on all T4 slips)	101	6,200	00
Commissions included on line 101 (box 42 on all T4 slips)	102		
Other employment income	104+		
Old Age Security pension (box 18 on the T4A(OAS) slip)	113+		
CPP or QPP benefits (box 20 on the T4A(P) slip)	114+		
Disability benefits included on line 114 (box 16 on the T4A(P) slip)	152		
Other pensions or superannuation	115+		
Universal Child Care Benefit (see the guide)	117+		
Employment Insurance and other benefits (box 14 on the T4E slip)	119+		
Taxable amount of dividends (eligible and other than eligible) from taxable Canadian corporations (see the guide and attach Schedule 4)	120+		
Taxable amount of dividends other than eligible dividends, included on line 120, from taxable Canadian corporations	180		
Interest and other investment income (attach Schedule 4)	121+		
Net partnership income: limited or non-active partners only (attach Schedule 4)	122+		
Rental income	Gross 160	Net 126+	
Taxable capital gains (attach Schedule 3)		127+	
Support payments received	Total 156	Taxable amount 128+	
RRSP income (from all T4RSP slips)		129+	
Other income		130+	
Self-employment income (see lines 135 to 143 in the guide)			
Business income	Gross 162	Net 135+	
Professional income	Gross 164	Net 137+	
Commission income	Gross 166	Net 139+	
Farming income	Gross 168	Net 141+	
Fishing income	Gross 170	Net 143+	
Workers' compensation benefits (box 10 on the T5007 slip)	144		
Social assistance payments	145+		
Net federal supplements (box 21 on the T4A(OAS) slip)	146+		
	Add lines 144, 145, and 146 (see line 250 in the guide).	=	▶ 147+
	Add lines 101, 104 to 143, and 147.		
	This is your total income .	150 =	6,200 00

← Attach your Schedule 1 (federal tax) here.
Also attach here any other schedules, information slips, forms, receipts, and documents that you need to include with your return.

Net income

Enter your **total income** from line 150. 150 **6,200 00**

Pension adjustment (box 52 on all T4 slips and box 34 on all T4A slips)	206		
Registered pension plan deduction (box 20 on all T4 slips and box 32 on all T4A slips)	207		
RRSP deduction (see Schedule 7 and attach receipts)	208+		
Saskatchewan Pension Plan deduction (maximum \$600)	209+		
Annual union, professional, or like dues (box 44 on all T4 slips and receipts)	212+		
Child care expenses (attach Form T778)	214+		
Disability supports deduction	215+		
Business investment loss	Gross 228	Allowable deduction 217+	
Moving expenses		219+	
Support payments made	Total 230	Allowable deduction 220+	
Carrying charges and interest expenses (attach Schedule 4)		221+	
Deduction for CPP or QPP contributions on self-employment and other earnings (attach Schedule 8)		222+	•
Deduction for PPIP premiums on self-employment income (attach Schedule 10)		223+	•
Exploration and development expenses (attach Form T1229)		224+	
Other employment expenses		229+	
Clergy residence deduction		231+	
Other deductions		Specify: 232+	
	Add lines 207 to 224, 229, 231, and 232.	233=	▶ -
Line 150 minus line 233 (if negative, enter "0"). This is your net income before adjustments.			234= 6,200 00
Social benefits repayment (if you reported income on line 113, 119, or 146, see line 235 in the guide)		235-	•
Line 234 minus line 235 (if negative, enter "0"). If you have a spouse or common-law partner, see line 236 in the guide.			236= 6,200 00
This is your net income.			

Taxable income

Canadian Forces personnel and police deduction (box 43 on all T4 slips)	244		
Employee home relocation loan deduction (box 37 on all T4 slips)	248+		
Security options deductions	249+		
Other payments deduction (if you reported income on line 147, see line 250 in the guide)	250+		
Limited partnership losses of other years	251+		
Non-capital losses of other years	252+		
Net capital losses of other years	253+		
Capital gains deduction	254+		
Northern residents deductions (attach Form T2222)	255+		
Additional deductions	256+		
	Add lines 244 to 256.	257=	▶ -
Line 236 minus line 257 (if negative, enter "0")			260= 6,200 00
This is your taxable income.			

Use your taxable income to calculate your federal tax on Schedule 1.

Complete this schedule to claim your federal non-refundable tax credits and to calculate your net federal tax.

You must attach a copy of this schedule to your return.

Enter your **taxable income** from line 260 of your return. 6,200 | 00 1

Use the amount on line 1 to determine which **ONE** of the following columns you have to complete.

	If line 1 is \$36,378 or less	If line 1 is more than \$36,378 but not more than \$72,756	If line 1 is more than \$72,756 but not more than \$118,285	If line 1 is more than \$118,285
Enter the amount from line 1.	<u>6,200</u> <u>00</u> 2			
Base amount	<u>0 0, 0 0 0</u> <u>0 0</u> 3	- 36, 3 7 8 0 0 3	- 7 2, 7 5 6 0 0 3	- 1 1 8, 2 8 5 0 0 3
Line 2 minus line 3 (cannot be negative)	= <u>6,200</u> <u>00</u> 4	=	=	=
Rate	× 15.25% 5	× 22% 5	× 26% 5	× 29% 5
Multiply line 4 by line 5.	= <u>945</u> <u>50</u> 6	=	=	=
Tax on base amount	<u>0, 0 0 0</u> <u>0 0</u> 7	+ 5, 5 4 8 0 0 7	+ 1 3, 5 5 1 0 0 7	+ 2 5, 3 8 8 0 0 7
Add lines 6 and 7.	= <u>945</u> <u>50</u> 8	=	=	=

Federal non-refundable tax credits (Read the guide for details about these credits.)

Basic personal amount	claim <u>\$8,839</u> <u>300</u>	<u>8,839</u> <u>00</u> 9
Age amount (if you were born in 1941 or earlier)	(maximum <u>\$5,066</u>) <u>301</u> +	
Spouse or common-law partner amount:		
Base amount	<u>8,256</u> <u>00</u>	
Minus: his or her net income (from page 1 of your return)	-	
Result: (if negative, enter "0")	= (maximum <u>\$7,505</u>) <u>303</u> +	11
Amount for an eligible dependant (attach Schedule 5)	(maximum <u>\$7,505</u>) <u>305</u> +	12
Amount for infirm dependants age 18 or older (attach Schedule 5)	<u>306</u> +	13
CPP or QPP contributions:		
through employment from box 16 and box 17 on all T4 slips	(maximum <u>\$1,910.70</u>) <u>308</u> +	• 14
on self-employment and other earnings (attach Schedule 8)	<u>310</u> +	• 15
Employment Insurance premiums (see the guide)	(maximum <u>\$596.70</u>) <u>312</u> +	<u>94</u> <u>86</u> • 16
Provincial Parental Insurance Plan (PPIP) premiums paid (amount from box 55 on all T4 slips)	(maximum <u>\$237.12</u>) <u>375</u> +	• 17
PPIP premiums payable on employment income (attach Schedule 10)	<u>376</u> +	<u>25</u> <u>79</u> • 18
PPIP premiums payable on self-employment income (attach Schedule 10)	<u>378</u> +	• 19
Canada employment amount (see the guide)	(maximum <u>\$250</u>) <u>363</u> +	<u>250</u> <u>00</u> 20
Public transit passes amount (see the guide)	<u>364</u> +	21
Adoption expenses	<u>313</u> +	22
Pension income amount	(maximum <u>\$2,000</u>) <u>314</u> +	23
Caregiver amount (attach Schedule 5)	<u>315</u> +	24
Disability amount (for self)	<u>316</u> +	25
Disability amount transferred from a dependant	<u>318</u> +	26
Interest paid on your student loans	<u>319</u> +	27
Tuition, education, and textbook amounts (attach Schedule 11)	<u>323</u> +	28
Tuition, education, and textbook amounts transferred from a child	<u>324</u> +	29
Amounts transferred from your spouse or common-law partner (attach Schedule 2)	<u>326</u> +	30
Medical expenses for self, spouse or common-law partner, and your dependent children born in 1989 or later (see the guide)	<u>330</u>	
Minus: \$1,884 or 3% of line 236, whichever is less	=	
Subtotal (if negative, enter "0")	= (A)	
Allowable amount of medical expenses for other dependants (see the calculation at line 331 in the guide and attach Schedule 5)	<u>331</u> +	(B)
Add lines (A) and (B).	= <u>332</u> +	31
Add lines 9 to 31.	<u>335</u> =	<u>9,209</u> <u>65</u> 32

Multiply the amount on line 32 by 15.25%. 338 = 1,404 | 47 33

Donations and gifts (**attach** Schedule 9) 349 + 34

Total federal non-refundable tax credits: add lines 33 and 34. 350 = 1,404 | 47 35

Net federal tax

Enter the amount from line 8 on the other side.	945	50	36
Federal tax on split income (from line 5 of Form T1206)	424+		• 37
Add lines 36 and 37. 404=	945	50	▶ 945 50 38

Enter the amount from line 35 on the other side.	350	1,404	47	39
Federal dividend tax credit (see line 425 in the guide)	425+			• 40
Overseas employment tax credit (attach Form T626)	426+			41
Minimum tax carryover (attach Form T691)	427+			• 42
Add lines 39 to 42. =	1,404	47	▶ -	1,404 47 43

Basic federal tax: line 38 minus line 43 (if negative, enter "0") 429= 0 | 00 44

Federal foreign tax credit:

Where you **only** have foreign non-business income, calculate your federal foreign tax credit below. Otherwise, use Form T2209, *Federal Foreign Tax Credits*, if you have foreign business income. **Enter on this line the amount that you calculated.**

	405-		45
Federal tax: line 44 minus line 45 (if negative, enter "0") 406=		0	00 46

Total federal political contributions (attach receipts)	409		
Federal political contribution tax credit (see the guide)	410		• 47
Investment tax credit (attach Form T2038(IND))	412+		• 48
Labour-sponsored funds tax credit			
Net cost 413		Allowable credit 414+	• 49
Add lines 47 to 49. 416=			▶ - 50
Line 46 minus line 50 (if negative, enter "0")			
(if you have an amount on line 37 above, see Form T1206) 417=		0	00 51
Additional tax on RESP accumulated income payments (attach Form T1172)	418+		52
Net federal tax: add lines 51 and 52.			
Enter this amount on line 420 of your return. 420=		0	00 53

Federal foreign tax credit: (see lines 431 and 433 in the guide)

Make a separate calculation for each foreign country. Enter on line 45 above the result from line (i) or (ii), whichever is **less**.

Non-business income tax paid to a foreign country		431		•(i)
Net foreign non-business income * 433	X	Basic federal tax ***	=	(ii)
Net income **				

* Reduce this amount by any income from that foreign country for which you claimed a capital gains deduction, and by any income from that country that was, under a tax treaty, either exempt from tax in that country or deductible as exempt income in Canada (included on line 256). Also reduce this amount by the lesser of lines E and F on Form T626.

** Line 236 plus the amount on line 4 of Form T1206, minus the total of the amounts on lines 244, 248, 249, 250, 253, 254, and minus any amount included on line 256 for foreign income deductible as exempt income under a tax treaty, income deductible as net employment income from a prescribed international organization, or non-taxable tuition assistance from box 21 of the T4E slip. If the result is less than the amount on line 433, enter your **Basic federal tax***** on line (ii).

*** Line 44 plus the amount on lines 40 and 41, and minus any refundable Quebec abatement (line 440) and any federal refundable First Nations abatement (line 441 on the return for residents of Yukon).

Employment Insurance (EI) and Provincial Parental Insurance Plan (PPIP) Premiums

Complete this schedule to determine EI and PPIP premium amounts if:

- you reported employment income (including employment income from outside Canada) of more than \$2,000 and one of your T4 slips has a **province of employment other than Quebec** in box 10; or
- you reported net self-employment income of more than \$2,000 on lines 135 to 143 of your return; or
- the total of employment income (including employment income from outside Canada) and net self-employment income you reported is more than \$2,000.

Attach a copy of this schedule to your return. See lines 312, 376, 378, and 450 in the guide for more information.

Part A – PPIP premiums payable on employment income

Employment income from box 14 of all your T4 slips ^(a) where the province of employment is other than Quebec (including employment income from outside Canada)	377	6,200	00	1
Maximum insurable income		\$57,000	00	2
Total of PPIP insurable earnings from box 56 of all your T4 slips where Quebec is the province of employment (if box 56 is blank, enter the amount from box 14 of the T4 slip ^(a))	380	0	00	3
Line 2 minus line 3 (if negative, enter "0")	=	57,000	00	▶ 4
Enter the amount from line 1 or line 4, whichever is less .		6,200	00	5
Multiply the amount on line 5 by 0.416%.	×	0.416%		
Enter this amount on line 376 of Schedule 1. (maximum \$237.12)	=	25	79	▶ 6

Part B – Employment Insurance overpayment calculation

Total EI insurable earnings (box 24, or if blank, box 14 of all your T4 slips ^(a))	(maximum \$39,000)	6,200	00	7
Multiply the amount on line 7 by 1.53%.		×	1.53%	
Required premiums	(maximum \$596.70)	=	94	86
Total EI premiums (box 18 of all your T4 slips ^(b))		115	94	9
Amount on line 8	–	94	86	10
Line 9 minus line 10 (if negative, enter "0")	=	21	08	▶ 11
Enter the amount from line 11 on line 450 of your federal return.				
Enter on line 312 of Schedule 1 the amount on line 8 or line 9, whichever is less.				

Part C – PPIP premiums payable on self-employment

Net business income (amount on line 27 of Schedule L of your income tax return for Quebec)	379			12
Maximum insurable income		\$57,000	00	13
Employment income (box 14 of all your T4 slips ^(a) , including employment income from outside Canada) or if there is an amount in box 56, enter that amount.	–			14
Line 13 minus line 14 (if negative, enter "0")	=			15
Enter the amount from line 12 or line 15, whichever is less .				16
Multiply the amount on line 16 by 0.737%.	×	0.737%		
(maximum \$420.09)	=			▶ 17
Deduction for PPIP premiums on self-employment income:				
Amount from line 17		×	43.555%	= ▶ 18
Enter the amount from line 18 on line 223 of your federal return.				
Tax credit for PPIP premiums on self-employment income:				
Amount from line 17			19	
Amount from line 18	–		20	
Line 19 minus line 20 (if negative, enter "0")	=			▶ 21
Enter the amount from line 21 on line 378 of Schedule 1 (maximum \$237.12).				

(a) If you have employment income for which you did not get a T4 slip, enter that amount.

(b) If you have employment income for which you did not get a T4 slip, enter the EI premiums shown on your pay stubs.

Example 3 – College student

- Your friend Tam has asked you to help him complete his 2006 return. He will turn 19 on May 21, 2007. He attends college full time in his hometown. Tam is single and lives with his parents.
- Tam paid tuition fees of \$2,750 for the courses he took in 2006. The T2202A slip from his college shows these fees. It also shows the number of months for which he can claim the education and textbook amounts on his return.
- During the year, Tam worked part time at Betty's Bakery and earned \$4,900.
- In February 2007, Tam receives the attached information slips in the mail.

Based on the information given, complete Tam's 2006 return.

Can Tam transfer any of his tuition, education, and textbook amounts to a parent or grandparent?

To complete this return, you will need the following:

- T1 General Return
- Schedule 1, Federal Tax
- Schedule 10, Employment Insurance (EI) and Provincial Parental Insurance Plan (PPIP) Premiums
- Schedule 11, Federal Tuition, Education, and Textbook Amounts

Employer's name – Nom de l'employeur BETTY'S BAKERY		Canada Revenue Agency Agence du revenu du Canada		Year / Année: 2006		T4 STATEMENT OF REMUNERATION PAID ÉTAT DE LA RÉMUNÉRATION PAYÉE	
Business Number / Numéro d'entreprise: 54		Province of employment / Province d'emploi: 10		Employment income – line 101 / Revenus d'emploi – ligne 101: 14 4,900 00		Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437: 22 200 00	
Social insurance number / Numéro d'assurance sociale: 12 123 456 789		Employment code / Code d'emploi: 29		Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308: 16 69 30		EI insurable earnings / Gains assurables d'AE: 24	
Exempt – Exemption: 28 (CPP - QPP, EI, PPIP, RPC - RRQ, AE, RPAP)		Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308: 17		Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312: 18 91 63		CPP-QPP pensionable earnings / Gains ouvrant droit à pension – RPC-RRQ: 26	
Employee's name and address – Nom et adresse de l'employé Last name (in capital letters) – Nom de famille (en lettres majuscules): CHO First name – Prénom: TAM Initials – Initiales: 45 MAIN STREET TOWN, PROVINCE, POSTAL CODE		RPP contributions – line 207 / Cotisations à un RPA – ligne 207: 20		Pension adjustment – line 206 / Facteur d'équivalence – ligne 206: 52		Union dues – line 212 / Cotisations syndicales – ligne 212: 44	
Other information (see the back): Box – Case Amount – Montant		Charitable donations – see the back / Dons de bienfaisance – voir au verso: 46		Employee's PPIP premiums – see the back / Cotisations de l'employé au RPAP – voir au verso: 55		RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB: 50	
Autres renseignements (voir au verso): Box – Case Amount – Montant		PPIP insurable earnings / Gains assurables du RPAP: 56		Other information (see the back): Box – Case Amount – Montant		Autres renseignements (voir au verso): Box – Case Amount – Montant	
T4 (06)							



Canada Revenue Agency

Agence du revenu du Canada

**TUITION, EDUCATION, AND TEXTBOOK AMOUNTS CERTIFICATE
CERTIFICAT POUR FRAIS DE SCOLARITÉ, MONTANT RELATIF AUX ÉTUDES
ET MONTANT POUR MANUELS**

T2202A (06)
For student
Pour l'étudiant **1**

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by the Minister of Human Resources and Social Development (HRSD).
- Tuition fees paid in respect of the calendar year to any one institution have to be more than \$100. Fees paid to a post-secondary institution have to be for courses taken at the post-secondary level. Fees paid to an institution certified by HRSD have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
- For 2006, students calculate the **textbook amount** on **Schedule 11** of their tax return based on the number of months in full-time or part-time attendance indicated below.
- Délivrez ce certificat à un étudiant qui était inscrit, au cours de l'année civile, à un programme de formation admissible ou à un programme de formation déterminé dans un établissement postsecondaire, comme un collège ou une université, ou dans un établissement reconnu par le ministre des Ressources humaines et Développement social (RHDS).
- Les frais de scolarité payés à un établissement quelconque pour une année civile doivent dépasser 100 \$. Les frais payés à un établissement postsecondaire doivent viser des cours de niveau postsecondaire. Les frais payés à un établissement reconnu par RHDS doivent viser des cours suivis en vue d'acquies ou d'améliorer des compétences professionnelles, et l'étudiant doit avoir 16 ans ou plus avant la fin de l'année.
- Pour 2006, les étudiants calculent le **montant pour manuels** sur l'**annexe 11** de leur déclaration de revenus d'après le nombre de mois inscrits à temps plein ou à temps partiel indiqué ci-dessous.

Name of program or course – Nom du programme ou du cours SPORTS ADMINISTRATION				Student number – Numéro d'étudiant 12-345		
Name and address of student – Nom et adresse de l'étudiant						
CHO TAM						
45 MAIN STREET						
TOWN, PROVINCE K1S 1W3						
Session periods, part-time and full-time Périodes d'études à temps partiel et à temps plein				A Eligible tuition fees, part-time and full-time sessions Frais de scolarité admissibles pour études à temps partiel et à temps plein	Number of months for: Nombre de mois pour :	
From – De		To – À			B Part-time Temps partiel	C Full-time Temps plein
Y – A	M	Y – A	M			
06	01	06	04	1,375.00		4
06	09	06	12	1,375.00		4
Totals Totaux				2,750.00		8

Name and address of educational institution – Nom et adresse de l'établissement d'enseignement

COLLEGE OF ANYTOWN

Information for students: See the back of copy 1. If you want to transfer all or part of your tuition, education, and textbook amounts, complete the back of copy 2.
Renseignements pour les étudiants : Lisez le verso de la copie 1. Si vous désirez transférer une partie ou la totalité de vos frais de scolarité et de vos montants relatifs aux études et aux manuels, remplissez le verso de la copie 2.

- Complete **Schedule 11, Tuition, Education, and Textbook Amounts**, to calculate the **federal amount** you can claim on line 323 of Schedule 1, *Federal Tax*; the maximum amount you can transfer to a designated individual; and the amount, if any, you can carry forward to a future year.
- Also complete provincial or territorial **Schedule (S11), Provincial (or Territorial) Tuition and Education Amounts**, if you resided in a province or territory other than Quebec on December 31, to calculate the **provincial or territorial amount** you can claim on line 5856 of Form 428; the maximum amount you can transfer to a designated individual; and the amount, if any, you can carry forward to a future year.
- You can claim a **full-time** education amount if you were enrolled in a **qualifying educational program** as a full-time student. For more information on this and on the **textbook amount**, see pamphlet P105, *Students and Income Tax*, which is available from our Web site at www.cra.gc.ca/forms.
- You can claim a **part-time** education amount if you were enrolled in a **specified educational program**. Such a program lasts at least 3 consecutive weeks and requires a minimum of 12 hours of instruction each month on courses in the program.
- You can claim a **part-time** education amount if you were enrolled as a part-time student in a **qualifying educational program** and you qualify for the disability amount, or you could not be enrolled full time in such a program because of a mental or physical impairment, as certified by a medical doctor, optometrist, audiologist, occupational therapist, psychologist, or speech-language pathologist. If either of these situations applies to you, complete Form T2202, *Education and Textbook Amounts Certificate*, to claim the full-time education amount.
- For information on the **unused current-year** tuition, education, and textbook amounts you can transfer, see line 323 in your General tax guide and, if applicable, line 5856 in the provincial or territorial pages of your forms book.

- If you transfer unused amounts to your spouse or common-law partner, he or she has to complete **federal Schedule 2, Federal Amounts Transferred From Your Spouse or Common-Law Partner**, and, if applicable, **provincial or territorial Schedule (S2), Provincial (or Territorial) Amounts Transferred From Your Spouse or Common-Law Partner**.

Designation for the transfer of an amount to a spouse or common-law partner, parent, or grandparent

I designate _____, my _____
(Individual's name) (Relationship to you)
to claim:

- (1) \$ _____ on line 324 of his or her **federal Schedule 1**, or on line 360 of his or her **federal Schedule 2**, as applicable;
- (2) \$ _____ on line 5860 of his or her **provincial or territorial Form 428**, or on line 5909 of his or her **provincial or territorial Schedule (S2)**, as applicable.

Note 1: Line (1) above cannot be more than line 23 of your **federal Schedule 11**.

Note 2: If you resided in a province or territory other than Quebec on December 31, line (2) above cannot be more than line 19 of your **provincial or territorial Schedule (S11)**. If you resided in Quebec on December 31, an entry is not required on line (2) above.

Note 3: If you did not reside in the same province or territory as the designated individual on December 31, special rules may apply. For more details, call **1-800-959-8281**.

Student's name (print) and signature	Social insurance number	Date
--------------------------------------	-------------------------	------



Income Tax and Benefit Return

Complete all the sections that apply to you in order to benefit from amounts to which you are entitled.

Identification

Attach your personal label here. Correct any wrong information. If you are not attaching a label, print your name and address below.

First name and initial
Tam

Last name
Cho

Mailing address: Apt No – Street No Street name
45 Main Street

PO Box _____ RR _____

City **Town** Prov./Terr. **X X** Postal code **K 1 S 1 W 3**

QC 1

Information about you

Enter your social insurance number (SIN) if you are not attaching a label: **1 2 3 4 5 6 7 8 9**

Enter your date of birth: Year **1 9 8 8** Month **0 5** Day **2 1**

Your language of correspondence: English Français
Votre langue de correspondance :

Check the box that applies to your marital status on December 31, 2006
(see the "Marital status" section in the guide for details)

1 Married 2 Living common-law 3 Widowed
4 Divorced 5 Separated 6 Single

Information about your residence

Enter your province or territory of residence on **December 31, 2006**: **QC**

Enter the province or territory where you **currently** reside if it is not the same as that shown above for your mailing address: _____

If you were self-employed in 2006, enter the province or territory of self-employment: _____

If you **became** or **ceased** to be a resident of Canada in 2006, give the date of:
entry Month _____ Day _____ or departure Month _____ Day _____

Information about your spouse or common-law partner (if you checked box 1 or 2 above)

Enter his or her SIN if it is not on the label, or if you are not attaching a label: _____

Enter his or her first name: _____

Enter his or her net income for 2006 to claim certain credits: (see the guide for details) _____

Enter the amount of Universal Child Care Benefit included in his or her net income above (see the guide for details): _____

Check this box if he or she was self-employed in 2006: 1

Person deceased in 2006

If this return is for a **deceased person**, enter the date of death: Year _____ Month _____ Day _____

Do not use this area

Elections Canada THIS SECTION APPLIES ONLY TO CANADIAN CITIZENS.
DO NOT ANSWER THIS QUESTION IF YOU ARE NOT A CANADIAN CITIZEN.

As a Canadian citizen, I authorize the Canada Revenue Agency to provide my name, address, and date of birth to Elections Canada for the National Register of Electors. Yes 1 No 2
Your authorization is required each year. This information will be used only for purposes permitted under the *Canada Elections Act*.

Goods and services tax/harmonized sales tax (GST/HST) credit application

See the guide for details.

Are you applying for the GST/HST credit? Yes 1 No 2

Do not use this area	172					171				
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Your guide contains valuable information to help you complete your return.

When you come to a line on the return that applies to you, look up the line number in the guide for more information.

Please answer the following question:

Did you own or hold foreign property at any time in 2006 with a total cost of more than CAN\$100,000? (read the "Foreign income" section in the guide for details) **266** Yes 1 No 2

If yes, attach a completed Form T1135.

If you had dealings with a non-resident trust or corporation in 2006, see the "Foreign income" section in the guide.

As a Canadian resident, you have to report your income from all sources both inside and outside Canada.

Total income

Employment income (box 14 on all T4 slips)	101	4,900	00
Commissions included on line 101 (box 42 on all T4 slips)	102		
Other employment income	104+		
Old Age Security pension (box 18 on the T4A(OAS) slip)	113+		
CPP or QPP benefits (box 20 on the T4A(P) slip)	114+		
Disability benefits included on line 114 (box 16 on the T4A(P) slip)	152		
Other pensions or superannuation	115+		
Universal Child Care Benefit (see the guide)	117+		
Employment Insurance and other benefits (box 14 on the T4E slip)	119+		
Taxable amount of dividends (eligible and other than eligible) from taxable Canadian corporations (see the guide and attach Schedule 4)	120+		
Taxable amount of dividends other than eligible dividends, included on line 120, from taxable Canadian corporations	180		
Interest and other investment income (attach Schedule 4)	121+		
Net partnership income: limited or non-active partners only (attach Schedule 4)	122+		
Rental income	Gross 160	Net 126+	
Taxable capital gains (attach Schedule 3)		127+	
Support payments received	Total 156	Taxable amount 128+	
RRSP income (from all T4RSP slips)		129+	
Other income		130+	
Self-employment income (see lines 135 to 143 in the guide)			
Business income	Gross 162	Net 135+	
Professional income	Gross 164	Net 137+	
Commission income	Gross 166	Net 139+	
Farming income	Gross 168	Net 141+	
Fishing income	Gross 170	Net 143+	
Workers' compensation benefits (box 10 on the T5007 slip)	144		
Social assistance payments	145+		
Net federal supplements (box 21 on the T4A(OAS) slip)	146+		
	Add lines 144, 145, and 146 (see line 250 in the guide).	=	▶ 147+
	Add lines 101, 104 to 143, and 147.		
	This is your total income. 150 =	4,900	00

← Attach your Schedule 1 (federal tax) here.
Also attach here any other schedules, information slips, forms, receipts, and documents that you need to include with your return.

Net income

Enter your **total income** from line 150. 150 **4,900 00**

Pension adjustment (box 52 on all T4 slips and box 34 on all T4A slips)		206	
Registered pension plan deduction (box 20 on all T4 slips and box 32 on all T4A slips)		207	
RRSP deduction (see Schedule 7 and attach receipts)		208+	
Saskatchewan Pension Plan deduction	(maximum \$600)	209+	
Annual union, professional, or like dues (box 44 on all T4 slips and receipts)		212+	
Child care expenses (attach Form T778)		214+	
Disability supports deduction		215+	
Business investment loss	Gross 228	Allowable deduction 217+	
Moving expenses		219+	
Support payments made	Total 230	Allowable deduction 220+	
Carrying charges and interest expenses (attach Schedule 4)		221+	
Deduction for CPP or QPP contributions on self-employment and other earnings (attach Schedule 8)		222+	•
Deduction for PPIP premiums on self-employment income (attach Schedule 10)		223+	•
Exploration and development expenses (attach Form T1229)		224+	
Other employment expenses		229+	
Clergy residence deduction		231+	
Other deductions	Specify:	232+	
	Add lines 207 to 224, 229, 231, and 232.	233=	▶ -
Line 150 minus line 233 (if negative, enter "0"). This is your net income before adjustments.		234=	4,900 00
Social benefits repayment (if you reported income on line 113, 119, or 146, see line 235 in the guide)		235-	•
Line 234 minus line 235 (if negative, enter "0"). If you have a spouse or common-law partner, see line 236 in the guide.		236=	4,900 00
This is your net income.			

Taxable income

Canadian Forces personnel and police deduction (box 43 on all T4 slips)	244		
Employee home relocation loan deduction (box 37 on all T4 slips)	248+		
Security options deductions	249+		
Other payments deduction (if you reported income on line 147, see line 250 in the guide)	250+		
Limited partnership losses of other years	251+		
Non-capital losses of other years	252+		
Net capital losses of other years	253+		
Capital gains deduction	254+		
Northern residents deductions (attach Form T2222)	255+		
Additional deductions	256+		
	Add lines 244 to 256.	257=	▶ -
Line 236 minus line 257 (if negative, enter "0")		260=	4,900 00
This is your taxable income.			

Use your taxable income to calculate your federal tax on Schedule 1.

T1-2006

Federal Tax

Schedule 1

Complete this schedule to claim your federal non-refundable tax credits and to calculate your net federal tax.

You must attach a copy of this schedule to your return.

Enter your taxable income from line 260 of your return.			4,900	00	1
Use the amount on line 1 to determine which ONE of the following columns you have to complete.	If line 1 is \$36,378 or less	If line 1 is more than \$36,378 but not more than \$72,756	If line 1 is more than \$72,756 but not more than \$118,285	If line 1 is more than \$118,285	
Enter the amount from line 1.	4,900	00	2	2	2
Base amount	0 0, 0 0 0	0 0	3 - 36, 3 7 8 0 0	3 - 7 2, 7 5 6 0 0	3 - 1 1 8, 2 8 5 0 0
Line 2 minus line 3 (cannot be negative)	= 4,900	00	4 =	4 =	4 =
Rate	x 15.25%	5 x 22%	5 x 26%	5 x 29%	5
Multiply line 4 by line 5.	= 747	25	6 =	6 =	6 =
Tax on base amount	0, 0 0 0	0 0	7 + 5, 5 4 8 0 0	7 + 1 3, 5 5 1 0 0	7 + 2 5, 3 8 8 0 0
Add lines 6 and 7.	= 747	25	8 =	8 =	8 =

Federal non-refundable tax credits (Read the guide for details about these credits.)

Basic personal amount	claim \$8,839	300	8,839	00	9
Age amount (if you were born in 1941 or earlier)	(maximum \$5,066)	301	+		10
Spouse or common-law partner amount:					
Base amount	8,256	00			
Minus: his or her net income (from page 1 of your return)	-				
Result: (if negative, enter "0")	=		(maximum \$7,505)	303	+
Amount for an eligible dependant (attach Schedule 5)	(maximum \$7,505)	305	+		12
Amount for infirm dependants age 18 or older (attach Schedule 5)		306	+		13
CPP or QPP contributions:					
through employment from box 16 and box 17 on all T4 slips (maximum \$1,910.70)		308	+	69	30
on self-employment and other earnings (attach Schedule 8)		310	+		15
Employment Insurance premiums (see the guide) (maximum \$596.70)		312	+	74	97
Provincial Parental Insurance Plan (PPIP) premiums paid (amount from box 55 on all T4 slips) (maximum \$237.12)		375	+		17
PPIP premiums payable on employment income (attach Schedule 10)		376	+	20	38
PPIP premiums payable on self-employment income (attach Schedule 10)		378	+		19
Canada employment amount (see the guide) (maximum \$250)		363	+	250	00
Public transit passes amount (see the guide)		364	+		21
Adoption expenses		313	+		22
Pension income amount (maximum \$2,000)		314	+		23
Caregiver amount (attach Schedule 5)		315	+		24
Disability amount (for self)		316	+		25
Disability amount transferred from a dependant		318	+		26
Interest paid on your student loans		319	+		27
Tuition, education, and textbook amounts (attach Schedule 11)		323	+		28
Tuition, education, and textbook amounts transferred from a child		324	+		29
Amounts transferred from your spouse or common-law partner (attach Schedule 2)		326	+		30
Medical expenses for self, spouse or common-law partner, and your dependent children born in 1989 or later (see the guide)	330				
Minus: \$1,884 or 3% of line 236, whichever is less	=				
Subtotal (if negative, enter "0")	=		(A)		
Allowable amount of medical expenses for other dependants (see the calculation at line 331 in the guide and attach Schedule 5)	331	+			
Add lines (A) and (B).	=		332	+	31
Add lines 9 to 31.	335	=	9,253	65	32

Multiply the amount on line 32 by 15.25%. **338** = **1,411** **18** **33**

Donations and gifts (attach Schedule 9) **349** + **34**

Total federal non-refundable tax credits: add lines 33 and 34. **350** = **1,411** **18** **35**

Net federal tax

Enter the amount from line 8 on the other side.	747	25	36
Federal tax on split income (from line 5 of Form T1206)	424+		• 37
Add lines 36 and 37. 404=	747	25	▶ 747 25 38

Enter the amount from line 35 on the other side.	350	1,411	18	39
Federal dividend tax credit (see line 425 in the guide)	425+			• 40
Overseas employment tax credit (attach Form T626)	426+			41
Minimum tax carryover (attach Form T691)	427+			• 42
Add lines 39 to 42. =	1,411	18	▶ -	1,411 18 43

Basic federal tax: line 38 minus line 43 (if negative, enter "0") 429= 0 00 44

Federal foreign tax credit:

Where you **only** have foreign non-business income, calculate your federal foreign tax credit below. Otherwise, use Form T2209, *Federal Foreign Tax Credits*, if you have foreign business income. **Enter on this line the amount that you calculated.**

	405-		45
Federal tax: line 44 minus line 45 (if negative, enter "0") 406=		0	00 46

Total federal political contributions (attach receipts)	409		
Federal political contribution tax credit (see the guide)	410		• 47
Investment tax credit (attach Form T2038(IND))	412+		• 48
Labour-sponsored funds tax credit			
Net cost 413		Allowable credit 414+	• 49
Add lines 47 to 49. 416=			▶ - 50
Line 46 minus line 50 (if negative, enter "0")			
(if you have an amount on line 37 above, see Form T1206) 417=		0	00 51
Additional tax on RESP accumulated income payments (attach Form T1172)	418+		52
Net federal tax: add lines 51 and 52.			
Enter this amount on line 420 of your return. 420=		0	00 53

Federal foreign tax credit: (see lines 431 and 433 in the guide)

Make a separate calculation for each foreign country. Enter on line 45 above the result from line (i) or (ii), whichever is **less**.

Non-business income tax paid to a foreign country		431		•(i)
Net foreign non-business income * 433	X	Basic federal tax ***	=	(ii)
Net income **				

* Reduce this amount by any income from that foreign country for which you claimed a capital gains deduction, and by any income from that country that was, under a tax treaty, either exempt from tax in that country or deductible as exempt income in Canada (included on line 256). Also reduce this amount by the lesser of lines E and F on Form T626.

** Line 236 plus the amount on line 4 of Form T1206, minus the total of the amounts on lines 244, 248, 249, 250, 253, 254, and minus any amount included on line 256 for foreign income deductible as exempt income under a tax treaty, income deductible as net employment income from a prescribed international organization, or non-taxable tuition assistance from box 21 of the T4E slip. If the result is less than the amount on line 433, enter your **Basic federal tax***** on line (ii).

*** Line 44 plus the amount on lines 40 and 41, and minus any refundable Quebec abatement (line 440) and any federal refundable First Nations abatement (line 441 on the return for residents of Yukon).

Employment Insurance (EI) and Provincial Parental Insurance Plan (PPIP) Premiums

Complete this schedule to determine EI and PPIP premium amounts if:

- you reported employment income (including employment income from outside Canada) of more than \$2,000 and one of your T4 slips has a **province of employment other than Quebec** in box 10; or
- you reported net self-employment income of more than \$2,000 on lines 135 to 143 of your return; or
- the total of employment income (including employment income from outside Canada) and net self-employment income you reported is more than \$2,000.

Attach a copy of this schedule to your return. See lines 312, 376, 378, and 450 in the guide for more information.

Part A – PPIP premiums payable on employment income

Employment income from box 14 of all your T4 slips ^(a) where the province of employment is other than Quebec (including employment income from outside Canada)	377	4,900	00	1
Maximum insurable income		\$57,000	00	2
Total of PPIP insurable earnings from box 56 of all your T4 slips where Quebec is the province of employment (if box 56 is blank, enter the amount from box 14 of the T4 slip ^(a))	380	–	0	00 3
Line 2 minus line 3 (if negative, enter "0")	=	57,000	00	▶ 57,000 00 4
Enter the amount from line 1 or line 4, whichever is less .		4,900	00	5
Multiply the amount on line 5 by 0.416%.	×	0.416%		
Enter this amount on line 376 of Schedule 1. (maximum \$237.12)	=	20	38	▶ 20 38 6

Part B – Employment Insurance overpayment calculation

Total EI insurable earnings (box 24, or if blank, box 14 of all your T4 slips ^(a))	(maximum \$39,000)	4,900	00	7
Multiply the amount on line 7 by 1.53%.			×	1.53%
Required premiums	(maximum \$596.70)	=	74	97 8
Total EI premiums (box 18 of all your T4 slips ^(b))		91	63	9
Amount on line 8	–	74	97	10
Line 9 minus line 10 (if negative, enter "0")	=	16	66	▶ 16 66 11
Enter the amount from line 11 on line 450 of your federal return.				
Enter on line 312 of Schedule 1 the amount on line 8 or line 9, whichever is less.				

Part C – PPIP premiums payable on self-employment

Net business income (amount on line 27 of Schedule L of your income tax return for Quebec)	379			12
Maximum insurable income		\$57,000	00	13
Employment income (box 14 of all your T4 slips ^(a) , including employment income from outside Canada) or if there is an amount in box 56, enter that amount.	–			14
Line 13 minus line 14 (if negative, enter "0")	=			15
Enter the amount from line 12 or line 15, whichever is less .				16
Multiply the amount on line 16 by 0.737%.	×	0.737%		
(maximum \$420.09)	=			▶ 17
Deduction for PPIP premiums on self-employment income:				
Amount from line 17		×	43.555%	= ▶ 18
Enter the amount from line 18 on line 223 of your federal return.				
Tax credit for PPIP premiums on self-employment income:				
Amount from line 17				19
Amount from line 18	–			20
Line 19 minus line 20 (if negative, enter "0")	=			▶ = 21
Enter the amount from line 21 on line 378 of Schedule 1 (maximum \$237.12).				

(a) If you have employment income for which you did not get a T4 slip, enter that amount.

(b) If you have employment income for which you did not get a T4 slip, enter the EI premiums shown on your pay stubs.

See line 323 in the guide for more information.

Only the student can complete this federal schedule and attach it to his or her return. Use it to:

- calculate your tuition, education, and textbook amounts;
- determine the amount available to transfer to a designated individual; and
- determine the unused amount, if any, available for you to carry forward to a future year.

Tuition, education, and textbook amounts claimed by the student for 2006

Unused federal tuition and education amounts from your 2005 Notice of Assessment or Notice of Reassessment 0 00 1
 Eligible tuition fees paid for 2006 320 2,750 00 2

Education and textbook amounts for 2006

Calculating your part-time amount: use column B of Forms T2202, T2202A, TL11A, and TL11C. Do not include any month that is also included in column C.

Only one claim per month (maximum 12 months)

Education amount:

number of months from column B × \$120 = 3

Textbook amount:

number of months from column B × \$20 = + 4
 Line 3 plus line 4 = ▶ 321+ 5

Calculating your full-time amount: use column C of Forms T2202, T2202A, TL11A, and TL11C.

Only one claim per month (maximum 12 months)

Education amount:

number of months from column C 8 × \$400 = 3,200 00 6

Textbook amount:

number of months from column C 8 × \$65 = 520 00 7
 Line 6 plus line 7 = 3,720 00 ▶ 322+ 3,720 00 8

Total 2006 tuition, education, and textbook amounts:

Add lines 2, 5, and 8. = 6,470 00 ▶ + 6,470 00 9

Total available tuition, education, and textbook amounts: add lines 1 and 9. = 6,470 00 10

Taxable income from line 260 of your return 4,900 00 11

Total of lines 9 to 26 of your Schedule 1 9,253 65 12

Line 11 minus line 12 (if negative, enter "0") = 0 00 13

Unused tuition and education amounts claimed for 2006:

Amount from line 1 or line 13, whichever is less 0 00 ▶ 0 00 14

Line 13 minus line 14 = 0 00 15

2006 tuition, education, and textbook amounts claimed for 2006:

Amount from line 9 or line 15, whichever is less + 0 00 16

Total tuition, education, and textbook amounts claimed for 2006: add lines 14 and 16. 0 00 17

Enter this amount on line 323 of Schedule 1. = 0 00 17

Transfer/Carryforward of unused amount

Amount from line 10 6,470 00 18

Amount from line 17 0 00 19

Total unused amount Line 18 minus line 19 = 6,470 00 20

If you are transferring an amount to another individual, continue on line 21.

Otherwise, enter the amount from line 20 on line 25.

Enter the amount from line 9; if it is more than \$5,000, enter \$5,000. 5,000 00 21

Amount from line 16 0 00 22

Maximum transferable Line 21 minus line 22 (if negative, enter "0") = 5,000 00 23

You can transfer all or part of the amount on line 23 to your spouse or common-law partner, or to your or your spouse or common-law partner's parent or grandparent. To do this, you have to designate the individual on your Form T2202, T2202A, TL11A, or TL11C and specify the federal amount that you are transferring to him or her. Enter the amount you are transferring on line 24 below.

Note: If your spouse or common-law partner is claiming an amount for you on line 303 or line 326 of his or her Schedule 1, you cannot transfer an amount to your or your spouse or common-law partner's parent or grandparent.

Federal amount transferred (cannot be more than line 23) 327 5,000 00 24

Unused federal amount available to carry forward to a future year Line 20 minus line 24 = 1,470 00 25

The person claiming the transfer should not attach this schedule to his or her return.



Canada Revenue Agency

Agence du revenu du Canada

**TUITION, EDUCATION, AND TEXTBOOK AMOUNTS CERTIFICATE
CERTIFICAT POUR FRAIS DE SCOLARITÉ, MONTANT RELATIF AUX ÉTUDES
ET MONTANT POUR MANUELS**

T2202A (06)
For student
Pour l'étudiant **1**

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by the Minister of Human Resources and Social Development (HRSD).
- Tuition fees paid in respect of the calendar year to any one institution have to be more than \$100. Fees paid to a post-secondary institution have to be for courses taken at the post-secondary level. Fees paid to an institution certified by HRSD have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
- For 2006, students calculate the **textbook amount** on **Schedule 11** of their tax return based on the number of months in full-time or part-time attendance indicated below.
- Délivrez ce certificat à un étudiant qui était inscrit, au cours de l'année civile, à un programme de formation admissible ou à un programme de formation déterminé dans un établissement postsecondaire, comme un collège ou une université, ou dans un établissement reconnu par le ministre des Ressources humaines et Développement social (RHDS).
- Les frais de scolarité payés à un établissement quelconque pour une année civile doivent dépasser 100 \$. Les frais payés à un établissement postsecondaire doivent viser des cours de niveau postsecondaire. Les frais payés à un établissement reconnu par RHDS doivent viser des cours suivis en vue d'acquies ou d'améliorer des compétences professionnelles, et l'étudiant doit avoir 16 ans ou plus avant la fin de l'année.
- Pour 2006, les étudiants calculent le **montant pour manuels** sur l'**annexe 11** de leur déclaration de revenus d'après le nombre de mois inscrits à temps plein ou à temps partiel indiqué ci-dessous.

Name of program or course – Nom du programme ou du cours SPORTS ADMINISTRATION				Student number – Numéro d'étudiant 12-345		
Name and address of student – Nom et adresse de l'étudiant						
CHO TAM						
45 MAIN STREET						
TOWN, PROVINCE K1S 1W3						
Session periods, part-time and full-time Périodes d'études à temps partiel et à temps plein				A Eligible tuition fees, part-time and full-time sessions Frais de scolarité admissibles pour études à temps partiel et à temps plein	Number of months for: Nombre de mois pour:	
From – De		To – À			B Part-time Temps partiel	C Full-time Temps plein
Y – A	M	Y – A	M			
06	01	06	04	1,375.00		4
06	09	06	12	1,375.00		4
Totals Totaux				2,750.00		8

Name and address of educational institution – Nom et adresse de l'établissement d'enseignement

COLLEGE OF ANYTOWN

Information for students: See the back of copy 1. If you want to transfer all or part of your tuition, education, and textbook amounts, complete the back of copy 2.
Renseignements pour les étudiants : Lisez le verso de la copie 1. Si vous désirez transférer une partie ou la totalité de vos frais de scolarité et de vos montants relatifs aux études et aux manuels, remplissez le verso de la copie 2.

- Complete **Schedule 11, Tuition, Education, and Textbook Amounts**, to calculate the **federal amount** you can claim on line 323 of Schedule 1, *Federal Tax*; the maximum amount you can transfer to a designated individual; and the amount, if any, you can carry forward to a future year.
- Also complete provincial or territorial **Schedule (S11), Provincial (or Territorial) Tuition and Education Amounts**, if you resided in a province or territory other than Quebec on December 31, to calculate the **provincial or territorial amount** you can claim on line 5856 of Form 428; the maximum amount you can transfer to a designated individual; and the amount, if any, you can carry forward to a future year.
- You can claim a **full-time** education amount if you were enrolled in a **qualifying educational program** as a full-time student. For more information on this and on the **textbook amount**, see pamphlet P105, *Students and Income Tax*, which is available from our Web site at www.cra.gc.ca/forms.
- You can claim a **part-time** education amount if you were enrolled in a **specified educational program**. Such a program lasts at least 3 consecutive weeks and requires a minimum of 12 hours of instruction each month on courses in the program.
- You can claim a **part-time** education amount if you were enrolled as a part-time student in a **qualifying educational program** and you qualify for the disability amount, or you could not be enrolled full time in such a program because of a mental or physical impairment, as certified by a medical doctor, optometrist, audiologist, occupational therapist, psychologist, or speech-language pathologist. If either of these situations applies to you, complete Form T2202, *Education and Textbook Amounts Certificate*, to claim the full-time education amount.
- For information on the **unused current-year** tuition, education, and textbook amounts you can transfer, see line 323 in your General tax guide and, if applicable, line 5856 in the provincial or territorial pages of your forms book.

- If you transfer unused amounts to your spouse or common-law partner, he or she has to complete **federal Schedule 2, Federal Amounts Transferred From Your Spouse or Common-Law Partner**, and, if applicable, **provincial or territorial Schedule (S2), Provincial (or Territorial) Amounts Transferred From Your Spouse or Common-Law Partner**.

Designation for the transfer of an amount to a spouse or common-law partner, parent, or grandparent

I designate LEE CHO, my father
(Individual's name) (Relationship to you)

to claim:

(1) \$ 5,000.00 on line 324 of his or her **federal Schedule 1**, or on line 360 of his or her **federal Schedule 2**, as applicable;

(2) \$ _____ on line 5860 of his or her **provincial or territorial Form 428**, or on line 5909 of his or her **provincial or territorial Schedule (S2)**, as applicable.

Note 1: Line (1) above cannot be more than line 23 of your **federal Schedule 11**.

Note 2: If you resided in a province or territory other than Quebec on December 31, line (2) above cannot be more than line 19 of your **provincial or territorial Schedule (S11)**. If you resided in Quebec on December 31, an entry is not required on line (2) above.

Note 3: If you did not reside in the same province or territory as the designated individual on December 31, special rules may apply. For more details, call **1-800-959-8281**.

Student's name (print) and signature <i>JAM CHO</i>	Social insurance number 123 456 789	Date 04-30-2007
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Example 4 - University student

- Your friend Sue is a single university student (born August 2, 1987) who lived in residence at the university during the school year.
- The attached T2202A slip that the university gave her shows she paid tuition fees of \$2,500 for the courses she took during 2006. According to the slip she can claim the education and textbook amounts for eight months. She wants to carry forward any amount she cannot use this year.
- During the year, she received a scholarship of \$3,500 from her university. This amount is shown on the attached T4A slip.
- Sue moved to her parents' home for the summer months (a distance of 500 kilometres) and got a job there at Information. She completed Form T1-M, *Moving Expenses Deduction*, listing her expenses of \$300 for the move, and determined that she can claim the expenses on her return.
- She earned \$12,300 at Information during the summer and they sent her the attached T4 slip.
- She received \$52 interest from her savings account at the bank. This amount is shown on the attached T5 slip that the bank sent her.

Based on the information given, complete Sue's 2006 return.

To complete this return, you will need the following:

- T1 General Return
- Schedule 1, Federal Tax
- Schedule 10, *Employment Insurance (EI) and Provincial Parental Insurance Plan (PPIP) Premiums*
- Schedule 11, *Federal Tuition, Education, and Textbook Amounts*

Employer's name – Nom de l'employeur		Canada Revenue Agency	Agence du revenu du Canada	T4			
INFORMATION		Year Année	2006		STATEMENT OF REMUNERATION PAID ÉTAT DE LA RÉMUNÉRATION PAYÉE		
		14	12,300 00		22	1,995 00	
Business Number Numéro d'entreprise		10	Employee's CPP contributions – line 308 Cotisations de l'employé au RPC – ligne 308		24		Income tax deducted – line 437 Impôt sur le revenu retenu – ligne 437
Social insurance number Numéro d'assurance sociale		12	435 60		26		Employee's QPP contributions – line 308 Cotisations de l'employé au RRQ – ligne 308
123 456 789		28	Employee's EI premiums – line 312 Cotisations de l'employé à l'AE – ligne 312		26		CPP-QPP pensionable earnings Gains ouvrant droit à pension – RPC-RRQ
Exempt – Exemption CPP - QPP EI PPIP RPC - RRQ AE RPAP		29	230 01		44		Union dues – line 212 Cotisations syndicales – ligne 212
Employee's name and address – Nom et adresse de l'employé		Province of employment Province d'emploi		20		RPP contributions – line 207 Cotisations à un RPA – ligne 207	
Last name (in capital letters) – Nom de famille (en lettres majuscules)		10		52		Charitable donations – see the back Dons de bienfaisance – voir au verso	
First name – Prénom		29		55		RPP or DPSP registration number N° d'agrément d'un RPA ou d'un RPDB	
Initials – Initiales		29		56		PPIP insurable earnings Gains assurables du RPAP	
BROWN		29					
SUE		29					
555 MAIN STREET		29					
TOWN, PROVINCE Y2C 6Z4		29					
Other information (see the back)		Box – Case		Amount – Montant		Box – Case	
Autres renseignements (voir au verso)		Box – Case		Amount – Montant		Box – Case	
		Box – Case		Amount – Montant		Box – Case	
		Box – Case		Amount – Montant		Box – Case	



Canada Revenue Agency / Agence du revenu du Canada

Year / Année: **2006** T4A

STATEMENT OF PENSION, RETIREMENT, ANNUITY, AND OTHER INCOME / ÉTAT DU REVENU DE PENSION, DE RETRAITE, DE RENTE OU D'AUTRES SOURCES

16 Pension or superannuation Prestations de retraite ou autres pensions	18 Lump-sum payments Paiements forfaitaires	20 Self-employed commissions Commissions d'un travail indépendant	22 Income tax deducted Impôt sur le revenu retenu	24 Annuities Rentes	26 Eligible retiring allowances Allocations de retraite admissibles	27 Non-eligible retiring allowances Allocations de retraite non admissibles
28 Other income 3,500.00 Autres revenus	30 Patronage allocations Répartitions selon l'apport commercial	32 Registered pension plan contributions (past service) Cotisations à un régime de pension agréé (services passés)	34 Pension adjustment Facteur d'équivalence	36 Pension plan registration number Numéro d'agrément du régime de pension	40 RESP accumulated income payments Paiements de revenu accumulé d'un REEE	42 RESP educational assistance payments Paiements d'aide aux études d'un REEE
46 Charitable donations Dons de bienfaisance	12 Social insurance number 123 456 789 Numéro d'assurance sociale	38 Footnote codes Codes de notes	13 Business Number (BN) Numéro d'entreprise (NE)	14 Recipient's number Numéro du bénéficiaire	61 Payer's Business Number (BN) Numéro d'entreprise (NE) du payeur	

Recipient's name and address – Nom et adresse du bénéficiaire
Last name (in capital letters) – Nom de famille (en lettres majuscules): **BROWN**
First name – Prénom: **SUE**
Initials – Initiales: _____
Address: **555 MAIN STREET
TOWN, PROVINCE Y2C 6Z4**

Payer's name – Nom du payeur: **UNIVERSITY OF YOUR TOWN**

Footnote code explanation / Explication des codes de notes: Also complete box 38 / Remplir aussi case 38



Canada Revenue Agency / Agence du revenu du Canada

Year / Année: **2006**

T5 STATEMENT OF INVESTMENT INCOME / ÉTAT DES REVENUS DE PLACEMENTS

24 Dividends from Canadian corporations – Dividendes de sociétés canadiennes Actual amount of eligible dividends Montant réel des dividendes déterminés	25 Taxable amount of eligible dividends Montant imposable des dividendes déterminés	26 Federal credit - Crédit fédéral Dividend tax credit for eligible dividends Crédit d'impôt pour dividendes déterminés	13 Interest from Canadian sources Intérêts de source canadienne 52.00	18 Capital gains dividends Dividendes sur gains en capital
10 Actual amount of dividends other than eligible dividends Montant réel des dividendes autres que des dividendes déterminés	11 Taxable amount of dividends other than eligible dividends Montant imposable des dividendes autres que des dividendes déterminés	12 Dividend tax credit for dividends other than eligible dividends Crédit d'impôt pour dividendes autres que des dividendes déterminés	21 Report code Code du feuillet	22 Recipient identification number Numéro d'identification du bénéficiaire 123 456 789
Other information (see the back) / Autres renseignements (voir au verso)			23 Recipient type Type de bénéficiaire	

Recipient's name (last name first) and address – Nom, prénom et adresse du bénéficiaire: **BROWN SUE
555 MAIN STREET
TOWN, PROVINCE Y2C 6Z4**

Payer's name and address – Nom et adresse du payeur: **BANK**

Currency and identification codes / Codes de devise et d'identification: 27 Foreign currency / Devises étrangères, 28 Transit – Succursale, 29 Recipient account / Numéro de compte du bénéficiaire

For information, see the back. / Pour obtenir des renseignements, lisez le verso. 3636



Canada Revenue Agency

Agence du revenu du Canada

**TUITION, EDUCATION, AND TEXTBOOK AMOUNTS CERTIFICATE
CERTIFICAT POUR FRAIS DE SCOLARITÉ, MONTANT RELATIF AUX ÉTUDES
ET MONTANT POUR MANUELS**

T2202A (06)
For student
Pour l'étudiant **1**

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by the Minister of Human Resources and Social Development (HRSD).
- Tuition fees paid in respect of the calendar year to any one institution have to be more than \$100. Fees paid to a post-secondary institution have to be for courses taken at the post-secondary level. Fees paid to an institution certified by HRSD have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
- For 2006, students calculate the **textbook amount** on **Schedule 11** of their tax return based on the number of months in full-time or part-time enrollment indicated below.
- Délivrez ce certificat à un étudiant qui était inscrit, au cours de l'année civile, à un programme de formation admissible ou à un programme de formation déterminé dans un établissement postsecondaire, comme un collège ou une université, ou dans un établissement reconnu par le ministre des Ressources humaines et Développement social (RHDS).
- Les frais de scolarité payés à un établissement quelconque pour une année civile doivent dépasser 100 \$. Les frais payés à un établissement postsecondaire doivent viser des cours de niveau postsecondaire. Les frais payés à un établissement reconnu par RHDS doivent viser des cours suivis en vue d'acquérir ou d'améliorer des compétences professionnelles, et l'étudiant doit avoir 16 ans ou plus avant la fin de l'année.
- Pour 2006, les étudiants calculent le **montant pour manuels** sur l'**annexe 11** de leur déclaration de revenus d'après le nombre de mois inscrits à temps plein ou à temps partiel indiqué ci-dessous.

Name of program or course – Nom du programme ou du cours COMPUTER SCIENCE				Student number – Numéro d'étudiant 12-345																																									
Name and address of student – Nom et adresse de l'étudiant																																													
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>BROWN SUE 555 MAIN STREET TOWN, PROVINCE Y2C 6Z4</p> </div> <table border="1" style="width: 35%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th colspan="4" style="font-size: small;">Session periods, part-time and full-time Périodes d'études à temps partiel et à temps plein</th> <th rowspan="3" style="font-size: small;">A Eligible tuition fees, part-time and full-time sessions Frais de scolarité admissibles pour études à temps partiel et à temps plein</th> <th colspan="2" style="font-size: small;">Number of months for: Nombre de mois pour :</th> </tr> <tr> <th colspan="2" style="font-size: x-small;">From – De</th> <th colspan="2" style="font-size: x-small;">To – À</th> <th style="font-size: x-small;">B Part-time Temps partiel</th> <th style="font-size: x-small;">C Full-time Temps plein</th> </tr> <tr> <th style="font-size: x-small;">Y – A</th> <th style="font-size: x-small;">M</th> <th style="font-size: x-small;">Y – A</th> <th style="font-size: x-small;">M</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td style="font-size: x-small;">06</td> <td style="font-size: x-small;">01</td> <td style="font-size: x-small;">06</td> <td style="font-size: x-small;">04</td> <td style="font-size: x-small;">1,250.00</td> <td></td> <td style="font-size: x-small;">4</td> </tr> <tr> <td style="font-size: x-small;">06</td> <td style="font-size: x-small;">09</td> <td style="font-size: x-small;">06</td> <td style="font-size: x-small;">12</td> <td style="font-size: x-small;">1,250.00</td> <td></td> <td style="font-size: x-small;">4</td> </tr> <tr> <td colspan="4" style="font-size: x-small;">Totals Totaux</td> <td style="font-size: x-small;">2,500.00</td> <td></td> <td style="font-size: x-small;">8</td> </tr> </tbody> </table> </div>						Session periods, part-time and full-time Périodes d'études à temps partiel et à temps plein				A Eligible tuition fees, part-time and full-time sessions Frais de scolarité admissibles pour études à temps partiel et à temps plein	Number of months for: Nombre de mois pour :		From – De		To – À		B Part-time Temps partiel	C Full-time Temps plein	Y – A	M	Y – A	M			06	01	06	04	1,250.00		4	06	09	06	12	1,250.00		4	Totals Totaux				2,500.00		8
Session periods, part-time and full-time Périodes d'études à temps partiel et à temps plein				A Eligible tuition fees, part-time and full-time sessions Frais de scolarité admissibles pour études à temps partiel et à temps plein	Number of months for: Nombre de mois pour :																																								
From – De		To – À			B Part-time Temps partiel	C Full-time Temps plein																																							
Y – A	M	Y – A	M																																										
06	01	06	04	1,250.00		4																																							
06	09	06	12	1,250.00		4																																							
Totals Totaux				2,500.00		8																																							
Name and address of educational institution – Nom et adresse de l'établissement d'enseignement																																													
SUE'S UNIVERSITY																																													

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