

5) Income Tax

Everyone has to pay taxes. The money collected is used by the government to pay for programs and services.

5 a) Why Should I File an Income Tax Return?

Whether you have a job or not, it is a good idea to file your income tax return. **By filing, you may be able to receive:**

- Income tax refund.
- Goods and Services Tax (GST) credit.
- Canada Child Tax Benefit payments.

Use your tax documents to qualify for other programs, like subsidized Health Insurance BC.

What if I don't file an income tax return?

- If the government owes you money, you won't get it back.
- If you owe the government money, you will pay a fine and interest.



What do I need?

- All your tax information slips, such as T3, T4, T4A or T5. These are mailed to you by the companies or agencies that paid you income during the year.
- Receipts for any credits that you can claim, i.e. training, charitable donations, etc.

5 b) How do I file?



Money in your pocket!

Filing income tax can actually put money in your pocket!

1. BC Government will subsidize health care for you if you are earning a low income. You must apply for this separately, but your tax return is used to prove your income.
Savings: \$50 or more each month!
2. You may qualify for a GST credit from the government. It is based on your income and is mailed to you every four months. **Savings: \$50 or more every four months!**

Your yearly savings: \$800 or more!

- Income tax forms are available at your local post office or by calling Canada Revenue Agency (CRA).

Canada
Revenue
Agency

- You can mail your income tax form and the required documents to CRA.
- You can also e-file your return. Keep all your documents in case CRA audits you.

Who can help me?

There is free help available to help you file your tax return.

Contact the CRA if your employer does not give you a T4 slip.

CRA gets a copy of your T4

Important!

Keep your documents for 6 years.

Check the CRA website

<http://www.cra-arc.gc.ca/tx/ndvdl/vlntr/nd-eng.html>

or call 1.800.959.8281

- CRA tax clinics.
- Non profit organizations that offer tax clinics.
- You can have a professional help you with filing your tax return. You have to pay for this service.

When do I file income tax?

Your tax return has to be filed on or before April 30th. If you don't owe CRA money, then you can file it later, but you will get the money CRA owes you later.

After you file your income tax return, you will get a Notice of Assessment in the mail. This document gives you a breakdown of taxes you paid, income earned, refund received, etc. It also tells you how much money you can contribute to your RRSP.

How does CRA know my income?

Your employer reports all your income to CRA.

Change of address

If you move, make sure you inform your employer (and previous employers during the year) and all government agencies that you deal with of your new address. This way, they can continue sending your cheques, information, Notice of Assessment, etc. to your new address.