

FILING OUTCAN TAXES RESIDENCY STATUS

Canada Tax System: based on residency, not citizenship & self-assessed



DETERMINE YOUR RESIDENTIAL TIES

Primary (significant) residential ties with Canada:

- a home in Canada
- a spouse or common-law partner in Canada
- dependants in Canada

Secondary residential ties with Canada:

- personal property in Canada (car or furniture)
- social ties in Canada (recreational or religious memberships)
- economic ties in Canada (Canadian bank accounts or credit cards)
- a Canadian driver's licence
- a Canadian passport
- health insurance with a Canadian province or territory



DEEMED RESIDENTS OF CANADA FOR INCOME TAX PURPOSES

Deemed Residents will need to report their income.

- Must report world income (income from all sources, both inside and outside Canada) for the entire tax year.
- Can claim all deductions and non-refundable tax credits that apply to you.
- Are subject to federal tax and instead of paying provincial or territorial tax, you'll pay a federal surtax.
- Can claim all federal tax credits, but you cannot claim provincial or territorial tax credits.
- Are eligible to apply for the goods and services tax/harmonized sales tax (GST/HST) credit.



RESIDENCY STATUS

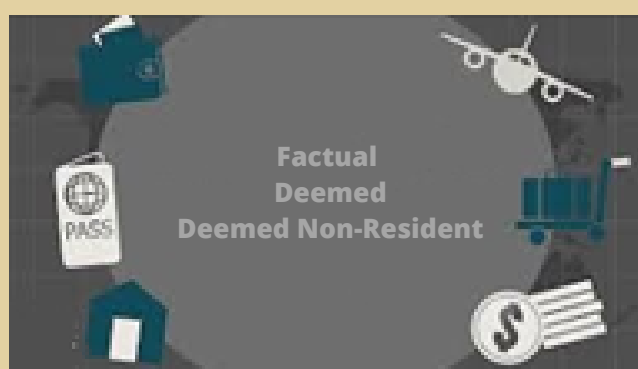
Determined on a case by case basis.

Your residency status depends on:

- Why and how long you are staying outside Canada.
- The ties you establish in your new country,
- How long and how often you return to Canada
- Your residential ties to Canada.

Under Canada's tax system, your income tax obligations to Canada are based on your residency status.

You need to know your residency status before you can know what your tax responsibilities and filing requirements to Canada are.



FACTUAL RESIDENTS OF CANADA FOR INCOME TAX PURPOSES

As a Factual Resident, your income is taxed as if you never left Canada.

- Report all income you receive from sources inside and outside Canada for the year and claim all deductions that apply to you.
- Claim all federal and provincial or territorial non-refundable tax credits that apply to you.
- Pay federal tax and provincial or territorial tax for the province or territory where you keep residential ties.
- Claim any federal and provincial or territorial refundable tax credits that apply to you.
- Be eligible for the GST/HST credit (goods and services tax/harmonized sales tax), and Canada child benefit.



DEEMED NON-RESIDENTS OF CANADA FOR INCOME TAX PURPOSES

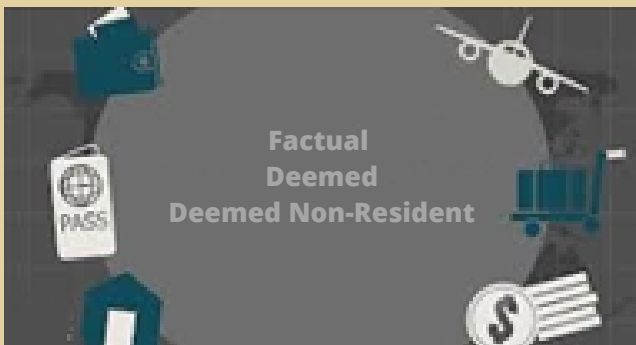
As a deemed non-resident of Canada, the same rules apply to you as a non-resident of Canada.

- As a non-resident of Canada, you pay tax on income you receive from sources in Canada.
- The type of tax you pay and the requirement to file an income tax return depend on the type of income you receive.

Canada has tax conventions or agreements (tax treaties) with many countries. The main purposes of tax treaties are to avoid double taxation and to prevent tax evasion.

FILING OUTCAN TAXES FACTUAL RESIDENTS

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DETERMINE YOUR RESIDENTIAL TIES

Primary (significant) residential ties with Canada:

- a home in Canada
- a spouse or common-law partner in Canada
- dependants in Canada

Secondary residential ties with Canada:

- personal property in Canada (car or furniture)
- social ties in Canada (recreational or religious memberships)
- economic ties in Canada (Canadian bank accounts or credit cards)
- a Canadian driver's licence
- a Canadian passport
- health insurance with a Canadian province or territory

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



YOUR TAX OBLIGATIONS

Factual Residents:

- Report all income you receive from sources inside and outside Canada for the year and claim all deductions that apply to you.
- Claim all federal and provincial or territorial non-refundable tax credits that apply to you.
- Pay federal tax and provincial or territorial tax for the province or territory where you keep residential ties.
- Claim any federal and provincial or territorial refundable tax credits that apply to you.
- Be eligible for the GST/HST credit (goods and services tax/harmonized sales tax), and Canada child benefit.



FACTUAL RESIDENTS OF CANADA FOR INCOME TAX PURPOSES

Factual Residents:

- You are a factual resident of Canada for tax purposes if you keep significant residential ties in Canada while living or travelling outside the country.
- The term factual resident means that, although you left Canada, you are still considered to be a resident of Canada for income tax purposes.



SITUATIONS WHERE YOU COULD BE CONSIDERED A FACTUAL RESIDENT

Factual Residents:

- Working temporarily outside Canada
- Teaching or attending school in another country
- Commuting (going back and forth daily or weekly) from Canada to your place of work in the United States (U.S.)
- Vacationing outside Canada
- Spending part of the year in the U.S., for example, for health reasons or on vacation



RESSOURCES

Which tax package should you use:

For each tax year that you're a factual resident of Canada for tax purposes, use the Income Tax Package for the province or territory where you keep residential ties.

Generally, this is the province or territory where you lived before you left Canada.

Filing due date:

Generally, must be filed on or before:

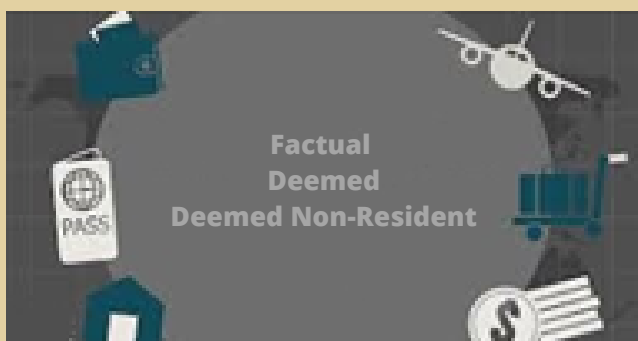
April 30 of the year after the tax year

June 15 of the year after the tax year, if you or your spouse or common-law partner carried on a business in Canada

Can NETFILE

FILING OUTCAN TAXES DEEMED RESIDENTS

Canada Tax System: based on residency, not citizenship & self-assessed



DETERMINE YOUR RESIDENTIAL TIES

Deemed Residents:

- You may be a deemed resident of Canada for tax purposes if you have severed residential ties with Canada.
- Your situation is defined under subsection 250(1) of the Income Tax Act, such as:
 - A member of the Canadian Forces
 - An officer or servant of Canada or a province



YOUR TAX OBLIGATIONS

Deemed Residents:

- Must report your world income (income from all sources, both inside and outside Canada) for the entire tax year
- Can claim all deductions and non-refundable tax credits that apply to you
- Are subject to federal tax and instead of paying provincial or territorial tax you'll pay a federal surtax
- Can claim all federal tax credits, but you cannot claim provincial or territorial tax credits
- Are eligible for the GST/HST credit



DEEMED RESIDENTS OF CANADA FOR INCOME TAX PURPOSES

Deemed Residents will need to report their income.

- Must report world income (income from all sources, both inside and outside Canada) for the entire tax year.
- Can claim all deductions and non-refundable tax credits that apply to you.
- Are subject to federal tax and instead of paying provincial or territorial tax, you'll pay a federal surtax.
- Can claim all federal tax credits, but you cannot claim provincial or territorial tax credits.
- Are eligible to apply for the goods and services tax/harmonized sales tax (GST/HST) credit.



SITUATIONS WHERE YOU COULD BE CONSIDERED DEEMED RESIDENT

Deemed Residents:

- A member of the Canadian Forces
- A member of the Canadian Forces overseas school staff and you choose to file an income tax return as a deemed resident of Canada.
- A federal or provincial government employee and you were either a resident of Canada just before being posted abroad or you received a representation allowance during the tax year
- A person working under a Global Affairs Canada assistance program if you were a resident of Canada at any time during the three month period just before you began your duties abroad
- A dependent child of someone who falls into one of the categories described above and your net world income in 2020 was not more than \$13,229



RESSOURCES

Which tax package should you use:

If you are a deemed resident, for the tax year you leave Canada and for all following years that you are outside Canada, use the Income Tax and Benefit Package (for non-residents and deemed residents of Canada).

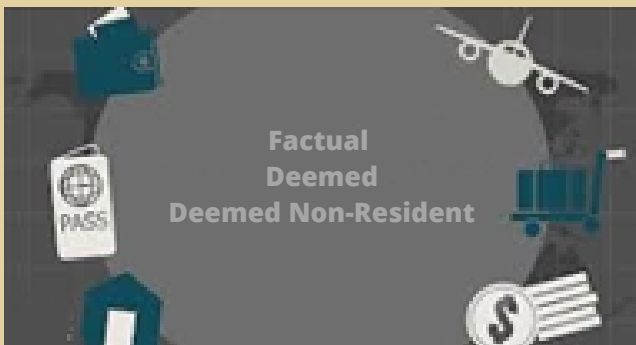
Filing due date:

Generally, must be filed on or before:
April 30 of the year after the tax year
June 15 of the year after the tax year, if you or your spouse or common-law partner carried on a business in Canada

Must send return by mail

FILING OUTCAN TAXES DEEMED RESIDENTS LIVED IN QUEBEC BEFORE LEAVING CANADA

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DETERMINE YOUR RESIDENTIAL TIES

Deemed Residents:

- You may be a deemed resident of Canada for tax purposes if you have severed residential ties with Canada.
- Your situation is defined under subsection 250(1) of the Income Tax Act, such as:
 - A member of the Canadian Forces
 - An officer or servant of Canada or a province



YOUR TAX OBLIGATIONS

Deemed Residents:

- Must report your world income (income from all sources, both inside and outside Canada) for the entire tax year
- Can claim all deductions and non-refundable tax credits that apply to you
- Are subject to federal tax and instead of paying provincial or territorial tax you'll pay a federal surtax
- Can claim all federal tax credits, but you cannot claim provincial or territorial tax credits
- Are eligible for the GST/HST credit



DEEMED RESIDENTS OF CANADA FOR INCOME TAX PURPOSES

Deemed Residents will need to report their income.

- Must report world income (income from all sources, both inside and outside Canada) for the entire tax year.
- Can claim all deductions and non-refundable tax credits that apply to you.
- Are subject to federal tax and instead of paying provincial or territorial tax, you'll pay a federal surtax.
- Can claim all federal tax credits, but you cannot claim provincial or territorial tax credits.
- Are eligible to apply for the goods and services tax/harmonized sales tax (GST/HST) credit.



DID YOU LIVE IN QUEBEC JUST BEFORE YOU LEFT CANADA

Deemed Residents under Quebec Law:

- You may also be considered a deemed resident of that province.
- You may have to pay Quebec income tax while you are serving abroad
- To avoid double taxation (surtax for non-residents and deemed residents of Canada plus Quebec provincial income tax), attach a note to your federal return telling the Canada Revenue Agency all of the following:
 - You are subject to Quebec income tax
 - You are filing a Quebec provincial return
 - You are asking for relief from the non-resident and deemed resident of Canada surtax.

The Province of Quebec also grants relief to certain taxpayers who were deemed residents of Canada and Quebec.

This includes deemed residents of Canada who are members of the Canadian Forces or at any time in the year an ambassador, minister, high commissioner, officer, or servant of Canada, and who were also deemed residents of Quebec.



RESSOURCES

Which tax package should you use:

If you are a deemed resident, for the tax year you leave Canada and for all following years that you are outside Canada, use the Income Tax and Benefit Package (for non-residents and deemed residents of Canada).

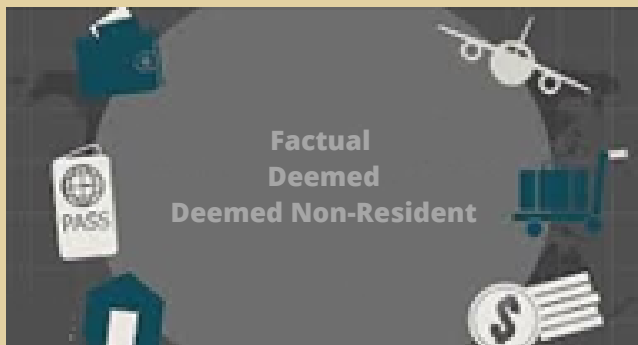
Filing due date:

Generally, must be filed on or before:
April 30 of the year after the tax year
June 15 of the year after the tax year, if you or your spouse or common-law partner carried on a business in Canada

Must send return by mail

FILING OUTCAN TAXES DEEMED NON RESIDENTS

Canada Tax System: based on residency, not citizenship & self-assessed



DETERMINE YOUR RESIDENTIAL TIES

Deemed Non Residents:

- Would otherwise be a resident of Canada, but under a tax treaty with Canada and the other country, is resident of that country.



YOUR TAX OBLIGATIONS

Non Residents:

- You pay tax on income you receive from sources in Canada.
- The type of tax you pay and the requirement to file an income tax return depend on the type of income you receive.
- Generally, Canadian income received by a non-resident is subject to Part XIII tax or Part I tax.



DEEMED NON RESIDENTS OF CANADA FOR INCOME TAX PURPOSES

Deemed Non Residents residents will need to report their income.

- Taxable on Canadian-source income during non-resident period.
- Taxable on income from all sources (Canadian and foreign-source).
- Subject to Part XIII non-resident withholding tax on some Canadian-source income.
- Federal deductions and credits are limited based on the residency requirements.



SITUATIONS WHERE YOU COULD BE CONSIDERED A DEEMED NON RESIDENT

Deemed Non Residents:

- Normally, customarily, or routinely live in another country and are not considered a resident of Canada
- Do not have significant residential ties in Canada
- Live outside Canada throughout the tax year.
- Stay in Canada for less than 183 days in the tax year.



RESSOURCES

Which tax package should you use:

The type of Canadian income you receive during the tax year determines which income tax package you should use.

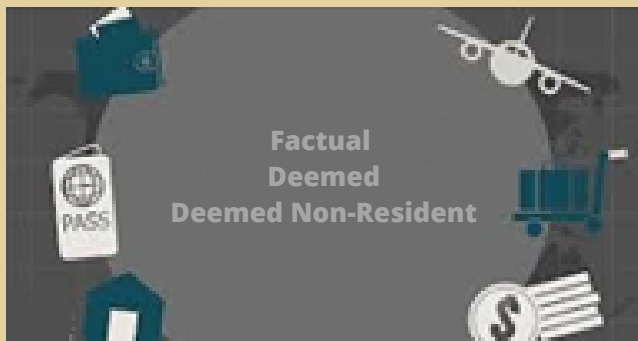
Filing due date:

Generally, must be filed on or before:
April 30 of the year after the tax year
June 15 of the year after the tax year, if you or your spouse or common-law partner carried on a business in Canada

Must send return by mail

FILING OUTCAN TAXES RESOURCES

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INTERNATIONAL TAX AND NON-RESIDENT ENQUIRIES OFFICE

Phone:

1-800-959-8281
613-940-8495 (for service in English)
613-940-8496 (for service in French)

Address:

International tax and non-resident enquiries office
Post Office Box 20000, Station A
Sudbury ON P3A 5C1
CANADA



REVENU QUEBEC

Phone:

Monday to Friday: 8:30 a.m. to 4:30 p.m.
Québec: 418-659-6299
Montréal: 514-864-6299
Elsewhere in Canada: 1-800-267-6299 (toll-free)

Mail:

Revenu Québec
3800, rue de Marly
C. P. 25555, succursale Terminus
Québec (Québec) G1A 1B9



CANADA REVENUE AGENCY (CRA)

Phone:

1-800-959-8281
613-940-8495

Regular Hours of Service:

Monday to Friday (except holidays)
9 am to 5 pm (local time)

Extended Hours of Service:

From the end of February to the end of April 2021,
except Easter weekend
From 9 am to 9 pm (local time) on weekdays
From 9 am to 5 pm (local time) on Saturdays



CANADA REVENUE AGENCY (CRA)

Mail:

**Denmark, France, Netherlands, USA,
United Kingdom:**

Winnipeg Tax Centre
PO Box 14001, Station Main
Winnipeg MB R3C 3M3
CANADA

Fax:

204-984-5164

All Other Countries:

Sudbury Tax Centre
1050 Notre Dame Avenue
Sudbury ON P3A 5C2
CANADA

Fax:

705-671-3994 and 1-855-276-1529



CANADA CHILD BENEFIT (CCB)

Phone:

1-800-387-1193
Yukon, Northwest Territories and Nunavut:
1-866-426-1527
Mon to Fri 9 am to 5 pm (local time)

Alberta Benefit Programs:

1-800-959-2809
Mon to Fri 9 am to 5 pm (Mountain time)

Please note that the following information is intended to offer helpful pointers about your taxes while on OUTCAN. This information is by no means meant to replace the guidance provided by the Canada Revenue Agency (CRA). Please ensure you consult the CRA for any specific questions pertaining to your situation.