

Canadian Taxes

The Canada Revenue Agency (CRA), a division of the federal government, is responsible for looking after all taxation matters in Canada. One of their roles is to educate the general public about taxes. To do this, they have developed an online course called **Learning About Taxes*** that explains the income tax system and demonstrates how it works. The entire course takes approximately 20 -30 minutes to complete. You can stop and start at any time, and review what you have done. As you go through the course, answer the questions below.

*http://www.cra-arc.gc.ca/ebci/cjpr/extrnl/frms/IrnSrvy.do?actn=ld&ca.gc.cra.cjtr.japps_commons.LANG=en

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1. What are the three deductions employers must calculate on every paycheque?
 - a. EI, CPP, and Vacation Pay
 - b. CPP, TFSA, and GST
 - c. EI, CPP, and Income Tax

 2. Who is ineligible for paying CPP?
 - a. Retired people
 - b. People under 18 years of age
 - c. Self-employed people

 3. What is the main reason Employment Insurance is deducted from Canadians' paycheques?
 - a. In case the worker dies
 - b. In case the worker becomes unemployed
 - c. In case the worker retires

 4. What is the primary reason Canadians pay taxes?
 - d. To pay for public services
 - e. To fund politicians' payrolls
 - f. To save money for the future

 5. What are the three kinds of sales taxes found in Canada?
 - g. GST, HST, and PST
 - h. GST and PST
 - i. PST, DST, and HST

 6. Which of the following does the government pay for with collected taxes?
 - j. Religious institutions (such as churches and mosques)
 - k. Libraries and fire services
 - l. University tuition costs

 7. Which of the following does the government NOT pay for with collected taxes?
 - m. Old Age Security program
 - n. National defence
 - o. Duty fees on imported goods

 8. When was the first year Canadians had to pay taxes?
 - a. 1650
 - b. 1897
 - c. 1942

 9. What does the term "self-assessment" mean as applied to the Canadian tax system?
 - a. You pay only as much taxes as you want to
 - b. You pay as much tax as you calculate you owe
 - c. You may not have to pay taxes if you prove you are a good citizen

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10. What is the CRA (Canada Revenue Agency)?
- The government group that administers tax law
 - The group that pays government employees
 - The government group that sues people for tax fraud
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11. Why do some Canadians receive a refund from the CRA?
- They don't earn enough income during the year
 - They overpaid income tax, CPP, and/or EI
 - They retired at some point during the year
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12. What are the 3 ways to file an income tax return?
- With a notary, accountant, or lawyer
 - With an accountant, tax preparation business, or financial advisor
 - With a tax preparation business, online, or on paper
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13. If you have a balance owing on your taxes, when is the deadline to pay it without penalty?
- The last day of February
 - April 15
 - April 30
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14. What is NOT one tax responsibility of individual Canadians?
- filing an income tax and benefit return by the filing deadline
 - getting a social insurance number
 - hiring a financial advisor to complete the tax forms
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15. What makes someone part of the underground economy?
- He/she is a miner or excavator
 - He/she does not report all of his/her income
 - He/she gets paid for casual work (e.g. mowing lawns)
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16. What is NOT a possible legal penalty for someone convicted of tax fraud?
- Jail sentence
 - Having their home or business confiscated (taken away)
 - Being prohibited from holding a job for a certain number of years
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17. What kind of information is provided on a T4 slip?
- Employment earnings and deductions for the year
 - Education costs (tuition and mandatory fees)
 - Charitable donations made during the year
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18. How long should you keep your records for tax purposes?
- Until you get your Assessment from the government
 - 1 year
 - 6 years