



CANADIAN TAXES FAQ

[July 2019]

Do I have to file a tax return when I am in Canada on the two-year IEC program?

Yes. All residents of Canada for tax purposes must file an annual income tax return by April 30 each year (June 15 if you are self-employed).

When do I have to file my taxes by every year?

By April 30 each year (June 15 if you are self-employed).

Can I complete the forms on my own or do I have to use a tax preparer?

Yes, you can prepare the tax return forms yourself, either on paper or using an approved tax software program. Most people should be able to complete the basic tax return on their own; self-employed people may need the help of a tax preparer/accountant.

Will I get all my tax back?

No, but you may get some of the tax deducted refunded to you. It all depends on a number of factors such as when in the year you began employment and any additional deductions you may have. Canada operates a PAYE (Pay As You Earn) system whereby you have CPP (Canada Pension Plan), EI (Employment Insurance) and Income Tax deducted from your gross pay on each paycheque. Your employer forwards these deductions to the government on your behalf.

Will I get the CPP and EI back?

Again, it depends. You will not get it all back but you may get some refunded if you have overpaid.

Do tax rates differ in each province? What happens if I move to another province during my IEC?

Yes, provincial tax rates vary from province to province although the federal tax rate is the same. If you move to another province to work you will pay tax deductions at that province's rate.

If I leave Canada and return to Ireland, do I still have to file?

Yes, you must file a tax return in Canada for the year you leave (you may even get a refund!).

Can I file my tax return from Ireland or should I do this before I leave? When is the best time to file if I return home?

Yes, you can file your Canadian tax return by April 30 from Ireland, either electronically by E-file or by mailing a paper return. You will have to wait to file until after December 31 so you cannot file before you leave.

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Can I claim back VAT spent while in Canada?

The VAT (Value Added Tax) is called HST (Harmonized Sales Tax) in Canada and you cannot claim it back. The HST is a composite of the federal GST (Goods and Services Tax) at 5% and the relevant Province's retail sales tax (RST) e.g. Ontario's 13% HST is made up of 5% GST plus 8% RST.