

Tax Tip
Week of March 1, 2009

Low Income Taxpayers

Individuals are not required to file a tax return unless they meet one of the following conditions:

- 1) income tax has been deducted at source;
- 2) taxes are owing; or
- 3) CRA requests that a return be filed

As a result, many low income taxpayers that do not meet these requirements choose not to file a return. However, it may be the individual's best interest to file a return, even if it is not required. The advantages of filing a return are twofold. First of all, any earned income can be carried forward to support a future deduction for a RRSP contribution. Secondly, an individual can only qualify for certain government benefits if a return is filed. These benefits would include:

- The GST credit
- The Child Tax Benefit
- Federal Working Income Tax Benefit