



Tax Alert

Working away from home?

The Canada Revenue Agency (CRA) is reminding Canadians to properly indicate their province or territory of residence on their tax returns. This ensures that you are paying the taxes you owe, and allows the CRA to properly distribute the taxes it collects on behalf of provinces and territories.

When you let us know where you were living on December 31, it helps to determine which province or territory will receive your tax dollars. The CRA collects taxes for individuals on behalf of all provinces and territories except Quebec. Services and social programs that you and your family use on a day-to-day basis are directly affected when you don't pay taxes to the proper province or territory.

It's the law.

If you file a tax return and state that you live in a province where you do not actually reside, we consider this to be tax cheating. Each year, the CRA identifies people who file where they do not live in an attempt to avoid taxes. The consequences include significant interest and penalties, in addition to repayment of any tax credits and refunds you received as a result of the incorrect information.

Do you have ties to more than one province or territory?

To help you correctly determine your province or territory of residence, consider some of the same factors that the CRA will consider when reviewing your return:

- Where do you maintain a home or dwelling?
- Where does your spouse or common-law partner live?
- Where do your dependent children live?

The CRA also looks at other factors when further clarification is necessary, such as the province or territory where:

- You were employed or self-employed;
- You had healthcare coverage;
- Your driver's license was issued and your vehicle was registered; and
- You had your financial services, bank accounts, and RRSPs.

Did you make a mistake on your tax return?

If you wish to correct incorrect information on your return, you can do so through the CRA's **Voluntary Disclosures Program**. If you make a full disclosure before any compliance action is started, you may only have to pay the taxes and credits owing plus interest, but not penalties.

For more information, visit www.cra.gc.ca or call 1-800-959-8281.

Related information on the CRA Web site:

- **Interpretation Bulletin IT-221R3, Determination of an Individual's Residence Status**
- **Your province or territory of residence**

