



WORKING IN CANADA TEMPORARILY

Resident status and tax obligations

In Canada your income tax obligations are based on your residency status, not on your citizenship or immigration status. If you have entered Canada to work temporarily, you are responsible for determining your residency status and understanding your tax obligations. To learn more about information on this page, visit canada.ca/taxes-individuals.

YOUR RESIDENCY STATUS AND TAX OBLIGATIONS

You need to know your residency status before you can know your tax responsibilities and filing requirements for Canada. There are four types of residency statuses in Canada.

1. **Factual resident:** You have **established significant residential ties to Canada**. You are subject to Canadian and provincial/territorial tax on your worldwide income during the part of the year that you were a factual resident.
2. **Deemed resident:** You were in **Canada for 183 days or more** in a calendar year, but **you do not have significant residential ties to Canada**. You are subject to Canadian tax on your worldwide income throughout the year. Since you are not considered a resident of a province or territory for income tax purposes, you are subject to a federal surtax instead of provincial/territorial tax.
3. **Non-resident:** You **do not have significant residential ties to Canada** and were in **Canada less than 183 days** in a calendar year. You are subject to Canadian tax on your income from Canadian sources, unless exempted by a treaty provision. You are also subject to provincial tax if you've earned income from a business with a permanent establishment in Canada.
4. **Deemed non-resident:** You would otherwise be considered a factual or deemed resident but **you are considered to be a resident of another country under an income tax treaty between Canada and that country**. You are subject to Canadian tax on your income from Canadian sources, unless exempted by a treaty provision. You are also subject to provincial tax if you've earned income from a business with a permanent establishment in Canada.

PROVINCIAL/TERRITORIAL TAX AND CREDITS FOR INDIVIDUALS

Provincial and territorial governments have their own tax laws and policies. For those governments, the Canada Revenue Agency (CRA) collects and administers income tax, except for the province of Quebec. **You have to calculate and pay provincial or territorial income tax in addition to federal income tax.** In addition to federal credits, you may be entitled to provincial/territorial credits.

DUAL RESIDENTS AND INTERNATIONAL TAX TREATIES

Canada has income tax treaties with other countries to avoid double taxation. If you are a resident of two countries, including Canada and a country that Canada has an income tax treaty with, the CRA will look at the terms of that treaty to determine which country you are considered to be a resident of for tax purposes.

NON-RESIDENT WITHHOLDING TAX AND LEAVING CANADA

It's important that your employer know if you are a non-resident of Canada for tax purposes to ensure the proper amount of tax is deducted from your employment income. **After you file an income tax return, you may be eligible for a refund if the amount of tax deducted is more than the total amount of tax payable.**

Also, **if you worked in Canada and left the country during the year, you may need to file an income tax return.** Whether you need to file a return depends on your type of income and your residency status.

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MORE HELP

If you need help to determine your residency status for tax purposes, you may complete either form NR74, Determination of residency status (entering Canada) or NR73, Determination of residency status (leaving Canada), and send it to the International tax and non-resident enquiries office to receive an opinion from the CRA about your residency status.

The CRA's opinion based on your completed form is not binding on the CRA. The opinion may be subject to a more detailed review later, and supporting documents may be required then.