

## Quiz: Purpose of taxes

11 questions

1. Taxes are mandatory payments made to a government. In Canada, do you only pay tax on your income?
  - ☐ Yes
  - ☐ No
2. The government uses the taxes it collects to pay for public facilities, programs, and services. What services do your taxes help pay for? Choose one or more of the following options:
  - ☐ Shopping centres
  - ☐ Hospitals
  - ☐ Arenas
  - ☐ Arcades
3. As an employee, you pay taxes and contribute to social programs directly from the money you earn. The amounts you pay help families with low or modest incomes, students, adults 65 years and older, and persons with disabilities.
  - ☐ True
  - ☐ False
4. You can claim a tax credit for eligible tuition fees you paid during the year. If you had no income in the year you paid tuition fees, should you still do your taxes?
  - ☐ Yes
  - ☐ No
5. You overpaid your taxes during the year because your employer deducted too much tax from your pay. You are entitled to a refund. How can you claim and receive this refund?
  - ☐ By writing a letter to the Canada Revenue Agency (CRA)
  - ☐ By registering for a CRA account
  - ☐ By waiting for the government to send it to you
  - ☐ By filing your income tax and benefit return
6. One of the most common taxes you pay in Canada is income tax. What principle is the Canadian tax system based on?
  - ☐ Formal-assessment principle
  - ☐ Government-assessment principle
  - ☐ Self-assessment principle
7. The CRA provides information about Canada's tax laws so you can understand and follow them. There is no guideline for the treatment you are entitled to when dealing with the CRA.
  - ☐ True
  - ☐ False

8. Taxes existed in various forms throughout civilization. Kings, queens, chiefs, and rulers collected taxes from the general population. Have individuals always used money to pay their taxes?

☐ Yes

☐ No

9. For almost 50 years after becoming a nation, the Canadian government only used taxes like custom duties and excise taxes to raise the money it needed. Why did the Canadian government begin collecting income tax?

☐ To increase tourism through an ad campaign

☐ To help finance the First World War

☐ To expand Canada's northern border

☐ To invest in post-secondary institutions

10. The Income Tax Act sets out taxation law in Canada. The government has not changed this act since its release.

☐ True

☐ False

11. Bala did not file their taxes for the 2022 tax year. They received a request from the CRA to file their taxes by a specific due date. Bala did not file their taxes by the due date in the request. Therefore, the CRA assessed a tax return for them under subsection 152(7) of the Income Tax Act. Will the tax return the CRA assessed under subsection 152(7) of the Income Tax Act be treated the same as a tax return Bala filed?

☐ Yes

☐ No

## Answer Key: Purpose of taxes

1. No
2. Hospitals, Arenas
3. True
4. Yes
5. By filing your income tax and benefit return
6. Self-assessment principle
7. False
8. No
9. To help finance the First World War
10. False
11. No